Group Interim Report
First Half and Second Quarter 2018

Interim consolidated financial statements for the three months ended 30 June 2018

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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. The special items used to calculate some alternative performance measures arise from the integration of acquired businesses, restructuring measures, impairments, gains or losses resulting from divestitures and sales of shareholdings, and other material expenses and *income that generally do not arise in conjunction with Scout24's ordinary business activities. Alternative performance measures used by Scout24 are defined in the "Glossary" section of Scout24's Group Interim Report 2018 which is available at www.scout24.com/financial-reports.*

Due to rounding, numbers presented throughout this statement 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 have not been subject to audit and are thus preliminary.

Key Financial Highlights

(EUR millions)	Q2 2018	Q2 2017*	% change	H1 2018	H1 2017*	% change
External revenues	**127.8**	**117.0**	**9.2%**	**251.2**	**228.9**	**9.7%**
IS24	61.8	59.3	4.2%	122.3	116.3	5.2%
AS24	44.6	38.8	15.0%	86.7	75.1	15.4%
CS	21.3	19.2	10.9%	42.0	37.5	12.0%
Ordinary operating EBITDA[1]	**75.1**	**66.4**	**13.1%**	**138.8**	**122.8**	**13.0%**
IS24	43.6	40.2	8.5%	83.6	78.4	6.6%
AS24	24.2	19.7	22.8%	43.2	34.4	25.6%
CS	9.0	7.5	20.0%	15.8	13.7	15.3%
Ordinary operating EBITDA-margin[1]	**58.8%**	**56.8%**	**2.0pp**	**55.3%**	**53.7%**	**1.6pp**
IS24	70.6%	67.8%	2.8pp	68.4%	67.4%	1.0pp
AS24	54.3%	50.8%	3.5pp	49.8%	45.9%	4.0pp
CS	42.3%	39.1%	3.2pp	37.6%	36.5%	1.1pp
EBITDA[2]	**70.2**	**58.9**	**19.2%**	**131.0**	**112.1**	**16.9%**
Capital expenditure[5]	**10.1**	**5.3**	**90.5%**	**18.0**	**9.4**	**91.5%**
Cash contribution[3]	**65.0**	**61.1**	**6.4%**	**120.7**	**113.5**	**6.3%**
Cash conversion[4]	**89%**	**92%**	**(3)pp**	**87%**	**92%**	**(5)pp**

* The following change has been implemented compared to the reported 2017 financials: IFRS 15 was applied as of 1 January 2018 and 2017 financials have been restated retrospectively; IFRS 16 is also applied as of 1 January 2018, the 2017 financials have not been restated retrospectively.

[1] Ordinary operating EBITDA represents EBITDA adjusted for non-operating and special effects; These include primarily expenses for reorganisation, expenses in connection with the capital structure of the Company and company acquisitions (realised and unrealised) as well as effects from share-based compensation programs recognized in income. The ordinary operating EBITDA-margin of a segment is defined as ordinary operating EBITDA as a percentage of external segment revenues.

[2] EBITDA is defined as profit before financial results, income taxes, depreciation and amortisation, impairment write-downs and the result of sales of subsidiaries.

[3] Cash contribution is defined as ordinary operating EBITDA less capital expenditure (adjusted).

[4] Cash conversion is defined as ordinary operating EBITDA less capital expenditure (adjusted) divided by ordinary operating EBITDA.

[5] Capital expenditure (adjusted) does not include capital expenditure incurred due to the first-time application of IFRS 16 in the financial year 2018. Capital expenditure incurred due to the first-time application of IFRS 16 amount to EUR 33.4 million in H1 2018.

The Scout24 share

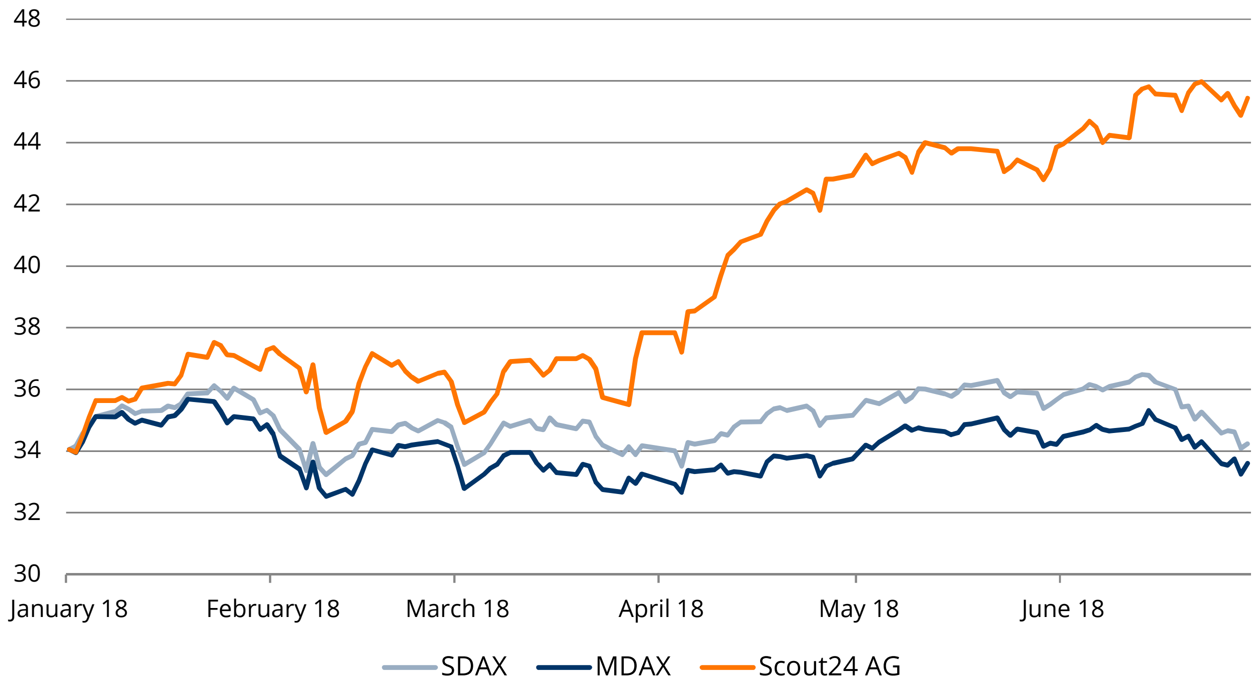
Basic Data

Type of shares	Registered shares (no-par value)
Stock exchange	Frankfurt Stock Exchange
Other trading platforms	XETRA, Berlin, Düsseldorf, Hamburg, Hannover, Munich, Stuttgart, Tradegate
Transparency level	Prime Standard
Shares issued	107,600,000
Subscribed share capital	EUR 107,600,000.00
ISIN	DE000A12DM80
WKN (German Securities Identification Number)	A12DM8
Ticker symbol	G24
Specialist	ODDO BHF
Designated Sponsors	Equinet Bank AG, ODDO BHF
Paying agent	Deutsche Bank
Share price as of 29/06/2018	EUR 45.44
52-week high*	EUR 45.98
52-week low*	EUR 30.85
Market capitalisation as of 29/06/2018	EUR 4,889.34 million
Average daily trading volume (52 weeks until 29/06/2018)**	196,302 shares/day

* in each case based on the closing price
**All trading venues, including Tradegate, source: Comdirect

The German stock market, in terms of the leading index DAX, experienced a difficult and volatile environment in the first half of 2018. After a positive start to the year and a new record high of 13,559 points (23 January 2018; all figures on a closing price basis), the mixed situation resulting from a firmer European exchange rate, fears of interest rates rising faster than expected and the nascent trade dispute between the USA and important international partners caused the DAX to slide back to an annual low of 11,787 points (26 March 2018) by the end of March. On the other hand, easing on the interest rate and currency front led to a significant recovery in the second quarter, with geopolitical issues such as the USA exiting the nuclear agreement with Iran or the smouldering trade conflict repeatedly leading to short-term setbacks. With a significantly sharper course in the trade conflict and the German coalition dispute over refugee policy, the mood reversed again and led to heavy losses until the end of June. Overall, the DAX closed the first half of the year at 12,306 points, 4.7 % lower than at the end of the previous year. The Scout24 share performed significantly better than the market as a whole over the entire first half of the year. The share was boosted above all by ongoing good business results and the final exit of the former strategic shareholder Hellman & Friedman on 15 February 2018, the last major package sale, which eliminated the share overhang that had been weighing on the share price for a long time. With effect from 18 June 2018, the Scout24 share was also included in the MDAX. Starting from the previous year's closing price of EUR 34.05, the share reached its low for the year of EUR 33.96 on 2 January 2018. in the wake of a strong upward trend that began at the end of March, the share reached its annual high of EUR 45.82 on 14 June 2018. At the end of the first half of the year Scout24 was only substantially lower on 29 June 2018 at EUR 45.44 and thus achieved a significant price increase of 33.5 % compared with the end of the previous year. By contrast, the SDAX and MDAX benchmark indices relevant for Scout24 remained virtually unchanged over the same period at +0.5 % and -1.3 % respectively.

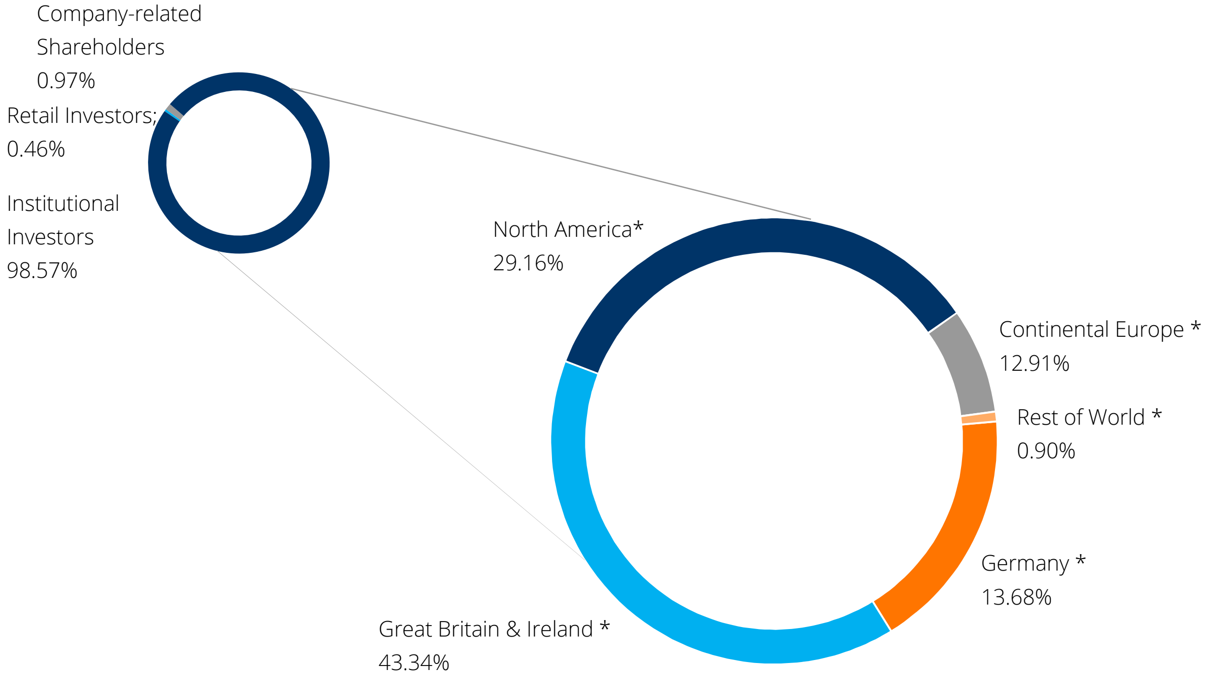
Scout24 share price performance (indexed)



Shareholder structure

Following the sale of the last large block of shares by the former strategic shareholder Hellman & Friedman via the investment vehicles Willis Lux Holdings 2 S.à r.l. i.L. and Scout Lux Management Equity Co S.à r.l., the free float of Scout24 shares has amounted to almost 100 percent since mid-February 2018. MEP Ord GmbH & Co. KG, the investment vehicle for certain current and former Group executives, still holds a stake of 0.97%.

The free float of 99.03 % is mainly held by institutional shareholders. The publicly available information covers around 92% of the free float distribution. Institutional shareholders from Great Britain and Ireland account for the largest share at 43.34%, followed by institutional shareholders from North America (29.16%), Germany (13.68%) and Continental Europe (12.91%).



* Distribution of free float based on publicly available information in 30 June 2018

Analyst coverage

In addition to relevant corporate information, investors can also access estimates and recommendations by various independent analysts. The following analysts cover Scout24 currently: The respective current recommendations and share price targets can be found at www.scout24.de under Investor Relations.

Broker	**Analyst**
Bankhaus Lampe	Christoph Bast
Bank of America Merrill Lynch	John King
Barclays	Andrew Ross
Credit Suisse	Joseph Barnet-Lamb
Equinet	Simon Heilmann
Goldman Sachs	Lisa Yang
J.P. Morgan	Marcus Diebel
Kepler Cheuvreux	Craig Abbott
Liberum	Ian Whittaker
Macquarie	Bob Liao
Morgan Stanley	Miriam Adisa
ODDO BHF	Alexander Rummler
RBC	Sherri Malek
UBS	Richard Eary
Warburg Research	Jochen Reichert

Investor relations activities

The Annual General Meeting of Scout24 AG was held in Munich on 21 June 2018. In total, over 66 % of the share capital of Scout24 AG, divided into 107,600,000 shares, was represented there. All resolutions of this year's Annual General Meeting were passed by a large majority. These included in particular the more than 80 percent increase in the dividend from EUR 0.30 to EUR 0.56 per share, which corresponds to a pay-out ratio of 54% of earnings after tax, and the authorization of the Board of Managing Directors to issue e bonds with warrants and convertible bonds, profit participation rights, and/or participating bonds. In addition, the reduction of the Supervisory Board from nine to six members was resolved and two vacant Supervisory Board positions were filled by Ciara Smyth and Dr Hans-Holger Albrecht.

Following the Annual General Meeting, the Supervisory Board of Scout24 AG elected Dr Hans-Holger Albrecht as its new Chairman and thus successor to Stefan Goetz, who resigned at the end of the Annual General Meeting. Dr Hans-Holger Albrecht, CEO and Member of the Board of the music streaming company Deezer S.A., Paris and London, is an internationally experienced manager in the fields of media, digital, telecommunications and direct customer business across several continents.

The detailed voting results and the presentation of the Management Board are available on the Scout24 AG website at www.scout24.de/general-meeting.

In addition, Scout24 informed investors, analysts and other interested capital market participants about the further development of the company in numerous press and IR releases as well as a large number of telephone conferences or individual meetings. In the period from 9 to 13 April 2018, Scout24 visited interested investors in Frankfurt, London and New York as part of a roadshow. In addition, company representatives took part in 3 relevant capital market events in the first half of 2017. Data on business performance, the share, as well as annual and interim reports, press releases, company presentations, details of roadshows, participation in conferences and the financial calendar are available on the company's website at www.scout24.com under Investor Relations.

Interim Group management report

New Reporting Structure

Due to the growing importance of the Scout24 Consumer Services business, the Management Board has decided to adjust the Group's internal management, reporting structure and system accordingly. As of January 2018, the operating segments under IRFS 8 will thus comprise the "ImmobilienScout24" (IS24), "AutoScout24" (AS24) and "Scout24 Consumer Services" (CS) segments. The Scout24 Consumer Services segment subsumes all activities in the area of services along the value chain of the real estate or automobile market and around advertisements from non-real estate or non-automotive-related third parties. These activities were previously reported in the ImmobilienScout24 and AutoScout24 and Other segments. The segment Others was mainly included “FinanceScout24” (FS24). The previous year's figures were adjusted accordingly to the new reporting structure. The chapter › “Control System” describes our key performance indicators along the new segment structure.

New accounting regulations

Scout24 AG prepares its consolidated financial statements in accordance with the rules of the International Accounting Standards Board (IASB), London, applicable on the balance sheet date. It complies with the International Financial Reporting Standards (IFRS) as well as the interpretations of the International Financial Reporting Standards Interpretations Committee (IFRS IC), as adopted by the European Union.

As of 1 January 2018, the following accounting regulations are applied for the first time:

IFRS 9 Financial Instruments

IFRS 9 is being applied initially for the first reporting period of the financial year beginning on 1 January 2018. The application of this standard represents an upward effect on the opening balance sheet in Trade Receivables and as of 1 January 2018 amounting to EUR 3.9 million. Furthermore, a deferred tax liability of EUR 1.2 million arises, which led to an increase in retained earnings as of 1 January 2018 in the amount of EUR 2.7 million. Financial Year 2017 figures are not restated and do not reflect the application IFRS 9.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 is being applied initially for the first reporting period of the financial year beginning on 1 January 2018 by using the retrospective method. Consequently, the comparable period will also be presented in accordance with IFRS 15. The application of this standard retrospectively as of 1 January 2017 represent an impact in revenues of negative EUR 2.5 million in the second quarter of 2017 and a negative EUR 4.5 million in the first half of 2017. Ordinary operating EBITDA is not affected; however, the ordinary operating EBITDA-margin increases in the second quarter of 2017 due to the impact on revenue by 1.2 percentage points and by 1.1 percentage points in H1 2017 respectively in comparison to the stated figures for financial year 2017. For the full financial year 2017, by applying IFRS 15, a negative impact on revenue of around EUR 7.2 million occurs, the impact on ordinary operating EBITDA-margin is reflected by an increase of around 0.8 percentage points.

IFRS 16 Leases

IFRS 16 is being applied initially for the first reporting period of the financial year beginning on 1 January 2018. The effects of the application of this standard as of 1 January 2018 represent an impact on ordinary operating EBITDA and EBITDA respectively of positive EUR 3.1 million in H1 2018 and around EUR 6.6 million for the full financial year 2018. The application of IFRS 16 results in a balance sheet in the opening balance sheet as of 1 January 2018 in the amount of

EUR 16.8 million. In the first half of 2018, an additional EUR 16.6 million were capitalised (including the capitalisation of the new rental contract for the office location in Munich of EUR 15.5 million). An amortisation of EUR 3.0 million in the first half of 2018 also occurs due to the application of the IFRS 16 standard, for the full year around EUR 6.0 million in amortisation due to IFRS 16 shall occur. Financial year 2017 figures are not restated and do not reflect the application IFRS 16.

Adjustment of the Full Year 2018 outlook to new accounting regulations as of 1 January 2018

In this chapter, the adaption of the outlook given in March for the financial year 2018 reflecting the new accounting regulations IFRS 9, IFRS 15 and IFRS 16 respectively is being described. The chapter › "Outlook" gives an overview of the expectations of the Group for the full year 2018, on the basis of the business development in the first half of 2018.

Company expectations

On a Group level, the Management Board expects a revenue growth rate between 9.0% and 11.0%, unchanged to the expectations as given in the Annual Report 2017. Given the application of the retrospective method for IFRS 15, the 2017 financials are reflecting the lower starting base, the application of IFRS 15 does not have an impact on the underlying operational growth trajectory.

Based on the reduced revenues and therefore increasing ordinary operating EBITDA-margin due to the application of IFRS 15, as well as the positive effect on ordinary operating EBITDA and ordinary operating EBITDA-margin due to the application of IFRS 16, the ordinary operating EBITDA-margin is now expected between 56.0% and 57.5% (compared to 54.0% to 55.5% prior to the adjustment).

The outlook for non-operating costs is unchanged and expected to amount to between EUR 8.0 and EUR 11.0 million.

Capital expenditure (adjusted), meaning excluding balance sheet extensions due to the first-time application of IFRS 16, is still expected at around EUR 34.0 million.

Segment expectations

For the IS24 segment, the outlook for the revenue growth rate remains unchanged between 4.0% and 6.0%. The ordinary operating EBITDA-margin for the segment is expected to come in at least at 68.0% for the full year 2018 (prior to application of new IFRS standards: at least 67.0%)

For the AS24 segment, the full year 2018 outlook for the revenue growth rate is still at 14%, corresponding to EUR 180.5 million in revenues. This corresponds to the growth expectations before applying new IFRS-standards (around 14.0% growth year-on-year). The ordinary operating EBITDA-margin of the segment, adjusted for IFRS 15 and respectively IFRS 16 application, is expected to come in at around 52.0% for the full year 2018 (prior to application of new IFRS standards: at least 50.0%).

For the CS segment, the expected revenue growth rate is still at around 12.0%, corresponding to EUR 87.0 million in revenues. This corresponds to the growth rate expectations of around 12.0% before applying new IFRS-standards. The ordinary operating EBITDA-margin of the segment is expected to record an increase by at least 1.0 percentage point for the full year 2018, the application of IFRS 15 and IFRS 16 standards does not have a significant impact on the segment's ordinary operating EBITDA-margin trajectory.

Operating activities and strategy

Business model and business lines

The Scout24 Group (referred to as "Scout24" or the "Group") is a leading operator of digital marketplaces specialising in the real estate and automotive sectors in Germany and other selected European countries. Finding a new home or buying a new car represent two of the most important decisions in people's lives. We accompany our users in helping them make the best decisions. To that end, we seek to maintain liquidity in terms of both audience and content on our digital marketplaces. In addition, we offer our users individual additional services that help him from the search to the decision to rent, buy or sell real estate or to buy or sell a car. With our digital marketplaces, we have created a market network that addresses the needs and expectations of users and customers alike - and evolves with them. Our vision embodies making the real estate and automotive markets more transparent and to support and connect seekers and vendors with the aid of data-driven solutions and communication options.

Scout24 provides consumers with an extensive range of listings, as well as value-added information and services to help them find the right piece of real estate or car and make informed decisions. Consumers can search the listings for free via various channels such as desktop PC, enhanced mobile applications ("apps"), or our fully responsive mobile website. Our platforms' products and services are designed to meet the needs of the respective target groups, whether they are searching for or listing real estate and automotive vehicles, or advertising on our platforms. At the same time, we offer professional and private listers effective tools to present their real estate and automotive listings and to reach a large, relevant and engaged audience by providing targeted advertising and lead generation solutions in a cost-effective manner. Here we offer specially customised and cost-effective solutions for marketing and lead generation for our listing customers as well as for other customers. In addition, users may also take advantage of special, partially fee-based, additional products and services that help them throughout the process of buying or selling real estate and cars.

As a consequence, we generate revenues from the listing of classifieds as well as from non-listing revenues generated through the sale of additional tools for real estate agents and car dealers, advertising, lead generation and services for users along the value chain. In terms of listing products, we offer three different models to our business customers: a membership model, a listing package or project model, and a pay-per-listing model ("pay-per-ad model").

We operate our business primarily through two well-known and popular brands, ImmobilienScout24 ("IS24") and AutoScout24 ("AS24"), which along with the newly established segment Scout24 Consumer Services ("CS") represent our main operating segments.

ImmobilienScout24

IS24 is a digital marketplace offering both real estate professionals and private listers (homeowners and tenants seeking successor tenants) the opportunity to place – on a paid basis – real estate classifieds in order to reach potential buyers and tenants. Users can browse the adverts free of cost. Inquiries and searches by users – meaning aspiring buyers or tenants – translate into traffic, which drives lead generation for both professional and private listers.

The main products are therefore classifieds for the sale and rental of real estate. IS24 also provides real estate professionals with additional services to acquire and manage customers. For professional listers, IS24 offers additional services to support with customer acquisition and customer relationship management. Customers who have a listings contract with IS24 can boost their listings' effectiveness with supplementary products from a range of product solutions tailored to their needs, for branding, image and acquisition purposes ("VIA" products), to add on individually. For example, they can book visibility products to give their listing a more prominent placing in search results. Through targeted advertising measures, additional visibility of their company brand and an individual customer approach can be achieved. Furthermore, IS24 offers the possibility to buy leads for new mandates. The Supplementary products can also be added on in the pay-per-ad model.

IS24 is the leading digital real estate classifieds platform in Germany in terms of number of real estate listings and customers[1] as well as consumer traffic and engagement.[2] In the "Brand of the Year 2017" rankings awarded by market research institute YouGov in cooperation with German daily business newspaper Handelsblatt, the ImmobilienScout24 brand achieved first place among portals in the "Digital Living" category.[3] The German institute for service-quality together with the television broadcaster NTV awarded "Germany's Best Online Portals 2018", and ranked the portal "ImmobilienScout24" as one of the top real estate portals in Germany.[4]

In Austria, we also operate a leading vertical real estate marketplace with our portals ImmobilienScout24.at and Immobilen.net.[5] The Immodirekt.at portal has also formed part of the Scout24 Group in Austria since 2016.

AutoScout24

AS24 is a digital marketplace for automotive and offers listing platforms for used and new cars, motorcycles and commercial vehicles to dealers and private sellers, in order to reach potential customers. Thus, AS24 offers professional car dealers and private sellers the opportunity to place automotive classifieds in order to reach potential buyers. Users can browse the adverts free of cost. Inquiries and searches by users translate into traffic, which drives lead generation for both professional and private listers.

For placing a listing, car dealers have to pay a fee. The main products are therefore classifieds for the sale of new and second-hand cars. In addition, dealers who have a listing-contract with AS24 can boost their listings' effectiveness with supplementary products from a range of product solutions tailored to their needs, for marketing, image and acquisition purposes ("MIA" products), to add on individually. In the second half of 2017, for example, a 360°-function was introduced as an additional product, which makes it possible to integrate a high-resolution, zoomable 360°-image of a car into the listing. Private sellers have the opportunity to list for free or to sell their car to verified dealers through the express sale. For customers in the OEM ("original equipment manufacturers") section, AS24 offers dedicated advertising products, especially in the area of display advertising measures.

AS24 is a European automotive classifieds leader (management estimate based on listings and unique monthly visitors) with leading market positions in Italy, Belgium (including Luxembourg), the Netherlands and Austria, as well as second position in Germany, all based on listings.[6]

1 Management estimate, based on the number of real estate listings compared to other real estate listings portals

2 Based on visitor numbers (Unique Monthly Visitors, "UMVs") and user activity, comScore June 2018 (desktop PC for visitor numbers, desktop PC and mobile devices regarding user activity)

3 YouGov BrandIndex, "Brand of the Year" in corporation with Handelsblatt, October 2017

4 German Institute for Service Quality in cooperation with television broadcaster NTV "Germany's Best Online Portals 2018"; May 2018.

5 Management estimate based on the number of real estate listings compared to other real estate listings portals (excluding general classifieds portals comprising very different product categories).

6 Management estimate, June 2018

AS24 also operates in Spain and France and offers local language versions of the marketplace in ten additional countries. Moreover, at AutoScout24.com, AS24 offers an English-language version that also enables cross-border searches.

The AutoScout24 Group also operates the digital automotive marketplaces AutoTrader.nl in the Netherlands and Gebrauchtwagen.at in Austria.

Along with the high degree of brand recognition, AutoScout24 enjoys users' confidence: a representative survey conducted by ServiceValue on behalf of German business magazine Focus-Money, highlighted the AutoScout24 app as the most customer-friendly mobile app in the category automotive marketplaces.[7] The German institute for service-quality together with the television broadcaster NTV awarded “Germany’s Best Online Portals 2018”, and ranked the portal “AutoScout24” as one of the top second-hand car classifieds portals in Germany.[8]

Scout24 Consumer Services

The Scout24 Consumer Services segment (CS) bundles all activities in the area of services along the value chain of the real estate or automobile market and around advertisements from non-real estate or non-automotive-related third parties. The operating segments evolved mostly organically out of the initiatives to build competencies around services along the value chains of the real estate and automotive market as well as driving lead-generation and sale of display advertising throughout the Group, activities which were formerly known under the name of “Scout24 Media”. As of 1 January 2018, Scout24 Consumer Services operates as an autonomous segment within the Scout24 Group.

CS offers services – partially cost-based – that should support the users starting with the search, the decision and finally with the renting respectively buying or selling a home or buying or selling a car. CS generates revenues through the sale of leads, the intermediation of services and from sale of 3rd party advertising on the platforms of the Scout24 Group.

With the CS Segment, the Scout24 Management pursues the strategy of covering the whole consumer journey with offerings and services in the longer term, and thus accompanying the users from the initial search, through the decision-making process to the completion of the purchase of a car or a home. Our vision is to fully cover the consumer journey with products and services on the Scout24 portals and within the Scout24 market network and at the same time tap into additional revenue potential in adjacent areas along the value chains in the area of real estate and automotive to the full potential. CS operates cross-platform and delivers on this strategy. For example, the ImmobilienScout24platform offers, driven by CS, additional assistance to its users through service offerings in the area of credit checks, relocation services, mortgage financing and insurance services. In the form of a fee-based Premium Membership, users can easily order up-to-date credit information, save it in a digital application profile together with other application documents, and send it on to the listing the property. Furthermore, property hunters can use a premium membership to achieve a prominent placing of their inquiry in the inbox of the party offering the property, profiling themselves in relation to other applicants. In addition, the AutoScout24 platform offers users additional support through services, for example in the area of car financing.

Strategy

Our classifieds revenues are not directly dependent on the number of completed housing transactions or car sales, but on the amount and duration of customers' listings and consequently, in particular, the online marketing spend of real estate professionals and car dealers. To remain attractive for listing customers, it is vital for Scout24 to maintain its leading positions in terms of both traffic and engagement. A high volume of listings and a large number of users are

[7] ServiceValue commissioned by Focus-Money, March 2017

[8] German Institute for Service Quality in cooperation with television broadcaster NTV “Germany’s Best Online Portals 2018”; May 2018.

mutually reinforcing as providers and users tend to prefer the marketplace that offers the most liquidity, and is consequently the most efficient. Accordingly, we will continuously strive to introduce new features and functionalities to our websites to offer the best user experience. We plan to continuously optimise the service commitment of our classifieds portals for our customers and users through attractive pricing models and other services and product innovations. We offer our professional customers in the real estate and automotive intermediatory area a range of product solutions for marketing their offering and their own company brand, tailored to their needs. For example, we offer our customers the possibility to improve the effectiveness of their listings with the help of additional visibility products, and assist them in managing their image with our marketing products for professional vendors or targeted advertising solutions in the area of display advertising.

We strive to offer our users the best possible user experience and continuously work on improving our listings offering but to accompany them starting with the search, the purchase or rent of property or cars respectively and beyond that.

Some of our most recent introduced innovations:

- The Premium Membership at ImmobilienScout24, which allows seekers to apply with a digital application bidder, that includes an up-to-date credit score, in an easy and fast way to the offeror of their desired home.
- The functional commercial real-estate search, which enables a pin-point narrowing of the search area through the so-called “draw-search” and presents commercial real estate seekers with listings matching exactly their search area.
- A price valuation feature on the AutoScout24 platform, which offers users searching for a car maximum price transparency.
- A 360° feature for car listing exposés, that enables our dealer partners to take and integrate a high-resolution, zoomable 360°image of the interior and exterior of the car in an easy and cost-efficient way with the help of a mobile app.
- The so-called “mobility-rate” in the testing phase on the AutoScout24 platform, which helps users calculate the monthly costs of the car – for example comprised of car financing and insurance costs - directly within the exposé of the listed car and support them through this feature in the decision-making process of the car purchase.

Being a leader in user traffic and engagement, we are well-positioned to benefit from the revenue and growth potentials in the large adjacent market segments outside our core classifieds business, be it the value chain for the entire property purchase or rental process, or for the automotive market. By expanding services along the value chain, we are consistently aligning with our users' needs, as well as following our strategy of shifting from a pure classifieds portal in the direction of a market network in the medium-term. The establishment of the Group-wide "Scout24 Consumer Services" area delivers on this strategy.

Our strategy for all business areas focuses on sustainable and profitable growth as well as on sustainable increase of our company's value.

In this context, our M&A strategy focuses on strategic acquisitions along the value chain, strengthening our market position or enabling us to further tap into adjacent revenue pools, or expand our technological capabilities.

We are continuing to pursue our "OneScout24" approach, which streamlines operations, leverage synergies and economies of scale, and promote best-practice transfer across the Group. "OneScout24" recognises that the IS24 and AS24 digital marketplaces (a) broadly follow the same business model fundamentals, (b) share a significant relevant portion of their user base, as quite often real estate and automotive purchasing decisions are triggered by the same changes in people's lives, and (c) allow for the generation of tangible operational synergies, such as consumer-centric product development, innovation-driven IT, efficient brand marketing, high-performing sales operations, and unique data opportunities that lead to enhanced efficiency in the medium-term.

Based on our focus on sustainable and profitable growth, we are pursuing a corresponding dividend policy, which allows us to finance further growth and to further reduce our leverage ratio (ratio of net debt to ordinary operating EBITDA for the last twelve months). The Scout24 Management Board plans to further delever, aiming for a target leverage-ratio range between 1.5:1 and 1.0:1 (end of 2017: 2.22:1). In 2018, the Company distributed a dividend for financial year 2017 of EUR 0.56 per dividend-entitled ordinary share to its shareholders. This corresponds to an increase of over 80% compared to the previous year (dividend for financial year 2016: EUR 0.30) and reflects the strong profitability of the Company. The Management Board's dividend policy envisages shareholders continuing to participate appropriately in the company's success and profitability in the future.

Control System

In line with our strategy, we have designed our internal management system and defined appropriate performance indicators. We differentiate between financial and non-financial performance indicators in measuring our success in implementing our strategy. Our detailed monthly reporting, which contains a consolidated income statement, a consolidated balance sheet, a cash flow statement and the monthly results of our segments, represents an important element of our internal management system. Furthermore, at our bi-weekly Executive Leadership Team (ELT) meetings, current business performance and forecasts of financial and non-financial performance indicators for the following weeks are discussed. Based on these reports, we perform budget/actual comparisons, and in the event of variations we implement further analyses or appropriate corrective measures. These reports are supplemented by on-demand long-term forecasts of business performance and an annual budget process. Both the current results of operations and the forecasts are presented to our Supervisory Board at quarterly meetings.

Performance indicators

Given our focus on sustainable and profitable growth, as well as sustainably growing our company value, our most important financial target and performance indicators at both Group and segment level are revenues and ordinary operating EBITDA-margin[9].

These indicators are supplemented by capital expenditures in property, plant and equipment and intangible assets ("capex") as well as further segment-specific indicators ("auxiliary indicators").

In line with our strategy, the financial success of our portals is determined essentially by the number of listings, as well as user traffic and engagement. The most important auxiliary indicators at segment level are consequently the number of listings, particularly compared to our competitors, as well as user traffic and engagement data. In addition, for our Segments ImmobilienScout24, AutoScout24 and Scotu24 Consumer Services we examine the revenues of main

[9] Ordinary operating EBITDA is defined as earnings before interest, tax, depreciation and amortisation (EBITDA) and the gain/loss on the disposal of subsidiaries, adjusted to reflect non-operating effects and special effects. These include primarily expenses for reorganisation, expenses in connection with the capital structure of the Company and company acquisitions (realised and unrealised), as well as parts of the effects. These include primarily expenses for reorganisation, expenses in connection with the capital structure of the Company and company acquisitions (realised and unrealised), as well as parts of the effects

customer groups respectively field of operation and the directly related performance indicators, such as numbers of customers and the average revenue per customer ("ARPU") for the segments ImmobilienScout24 and AutoScout24.

ImmobilienScout24

- The number of listings shows the inventory of all real estate listings on the respective website as of a certain record date (as a general rule end of month).
- UMV (unique monthly visitors) refers to the monthly unique visitors visiting the website via desktop PC or
  - visiting the website via desktop PC, mobile devices or apps (multi-platform), as the case may be, regardless
  - of how often they visit during the relevant month and (for multi-platform metrics) regardless of how many platforms (desktop and mobile) they use.[10]
- Sessions refers to the average monthly number of visits to the IS24 platform via desktop PC, mobile devices or apps (multiplatform), independent of how many devices (desktop and mobile) they use, measured with the own traffic monitor (Google Analytics).
- Revenue with Residential real estate partners refers to revenue generated in the area of residential real estate, that result from IS24 agent customers purchasing a contractual membership model or booking a listing in the pay-per-ad model. Revenues that result from services, that IS24 provides under the membership contract or additional contracts for the use of fee-based supplementary products from a range of product solutions tailored to their needs, for branding, image and acquisition purposes ("VIA" products), to be added on individually, are also reported here.
- Revenue with Business real estate partners refers to revenue generated in the area of professional real estate as well as new home builder and real estate developer area, that result from IS24 agent customers purchasing a contractual membership model or a project based-model. Revenues that result from services, that IS24 provides under the membership/project-based contract or additional contracts for the use of fee-based supplementary products from a range of product solutions tailored to their needs, for branding, image and acquisition purposes ("VIA" products), to be added on individually, are also reported here.
- Revenue with private listers and others refers to revenue generated with private listers, that result from booking a listing in the pay-per-ad model, revenues from FlowFact (our customer relationship management software for real estate professionals) and non-listing revenues. Revenues from our portals in Austria are also reported here.
- Number of Residential real estate partners (contractual) is defined as the number of customers as of end of period in the area of residential real estate where a contractual relationship in form of a membership model is in place.
- Number of Business real estate partners (contractual) is defined as the number of customers as of end of period in the area of business real estate where a contractual relationship in form of a membership or project-based model is in place.
- Residential real estate partner ARPU (contractual) in Euro per respective period is calculated by dividing the revenues generated by our contractual Residential real estate partners in the respective period by the average number of contractual Residential real estate partners (calculated from the base of Residential real estate partners at the beginning and end of the period), and further dividing by the number of months in the period.
- Business real estate partner ARPU (contractual) in Euro per respective period is calculated by dividing the revenues generated by our contractual Business real estate partners in the respective period by the average number of contractual Business real estate partners (calculated from the base of Business real estate partners at the beginning and end of the period), and further dividing by the number of months in the period.

[10] Data source: comScore.

AutoScout24

- The number of listings shows the inventory of all real automotive listings on the respective website as of a certain record date (as a general rule end of month).[11]
- UMV (unique monthly visitors) refers to the monthly unique visitors visiting the website via desktop PC or
  - visiting the website via desktop PC, mobile devices or apps (multi-platform), as the case may be, regardless
  - of how often they visit during the relevant month and (for multi-platform metrics) regardless of how many platforms (desktop and mobile) they use.[12]
- Sessions refers to the average monthly number of visits to the AS24 platforms via desktop PC, mobile devices or apps (multiplatform), independent of how many devices (desktop and mobile) they use, measured with the own traffic monitor (Google Analytics).
- Revenue with Dealers Germany or with Dealers in European Core Countries (Belgium (including Luxembourg), the Netherlands, Italy and Austria) refer to revenue generated with dealer partners selling cars, motorcycles and/or commercial vehicles, that result from the purchasing of a contractual listing package in the specified countries. Revenues that result from services, that AS24 provides under the listing package contract or additional contracts for the use of fee-based supplementary products from a range of product solutions tailored to their needs, for marketing, image and acquisition purposes ("MIA" products), to be added on individually, are also reported here.
- Revenue with OEM refers to revenue generated with automotive manufacturers, so-called OEMs, especially in the area of display-advertising and other marketing measures on our platforms.
- Other Revenue refers to the revenue generated with private listers in the pay-per-ad model, revenue from our Garage Portal and other services for our dealer partners such as platform interfaces. Revenues from the "Express Sale" product are also reported here.
- Number of Dealer Partners is defined as the number of customers as of end of period in the area of car, motorcycle and commercial vehicle car dealers in Germany, or our European core countries (Belgium (including Luxembourg), the Netherlands, Italy and Austria), where a contractual relationship for placing car listings on our platform is in place.
- Dealer Partners Germany ARPU and Dealer Partners in European Core Countries ARPU in Euro per respective period is calculated by dividing the revenues generated by our Dealer partners in Germany and Dealer partners in European core countries the respective period by the average number of Dealer partners or Dealer Partners in European core countries (calculated from the base of dealer partners at the beginning and end of the period), and further dividing by the number of months in the period.

Scout24 Consumer Services

- Revenue with Finance Partners refers to revenue that result from lead-generation to our Finance partners as well as revenues from finance partners purchasing a contractual membership model for listing on our platform or additional contracts for the use of fee-based supplementary products, that can be added on individually.
- Services Revenue refers to revenue generated from service offerings on our platforms, comprising of revenue generated with users as well as revenue from lead-generation to our partners (for example for credit checks, relocation lead generation to moving companies etc.)
- 3rd Party Display revenue refers to revenue generated in the area of display advertising of non-real state and non-automotive third parties.

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[11] Management Estimate

[12] Data source: AGOF.

Macroeconomic and sector-specific environment

Economic conditions

Scout24 is active in the real estate sector in Germany and Austria as well as in the automotive sector in Germany, Italy, Belgium (including Luxembourg), the Netherlands, Spain, France and Austria, and consequently in the Eurozone. Germany remains the main market of Scout24, with 82 % of revenues generated in Germany in the 2017 financial year, and 81 % during the first half of 2018. The economic situation in Germany an in the Eurozone was marked by stable and continuous economic growth in the first quarter of 2018, registering 0.3 % respectively 0.4% (GDP growth) compared with the fourth quarter of 2017.[13,] Based on the positive underlying trend, a 2.0 % expansion rate is expected for the full 2018 year and a 1.9 % expansion is forecast for 2019.[14] For the Eurozone, the stable development is also expected to continue. [15]

Given stable economic growth, our business model is nevertheless mainly driven by the economic conditions for online marketplaces. Internet penetration in Germany has increased rapidly over the past decade. The development, in parallel, of a diverse array of digital media and e-commerce websites and mobile apps has promoted the use of the Internet as a fixed element of German consumers' lifestyles. This trend is increasingly influencing the allocation of marketing budgets. In Germany, the share of online has risen from 11.1 % of total advertising expenditures in 2007 to 34.0 % in 2017. In 2017, online advertising expenditure was already 50.8 % higher than TV marketing budgets. Online advertising expenditure is expected to continue to increase its share and reach 39.8 % in 2020[16], whereas the larger part of the marketing spending will go towards advertising measures for mobile devices.[17]

German residential property market trends

The German property market comprises residential and commercial properties. IS24 addresses both segments but generates most of its revenue from the residential property market and especially from sales transactions in this area.

According to an estimate that GEWOS published on 25 September 2017, the positive development in the German real estate market is expected to continue through the year 2017, whereas transaction volume is expected to continue to increase.[18]

The Cologne Institute for Economic Research (IW) notes a continued good development on the real estate in the first half of 2018. Sentiment in the German property market was on a lower level compared to the first half of 2017, mostly due to expectations of rent and property prices to increase and as well as fears of interest rates going up. Overall, according to the IW the property market in Germany is still in a boom phase, and a controlled phasing out is expected.[19]

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[13] German Federal Statistical Office, press release of 15 May 2018 – 168/18
[14] Bundesbank, June 2017 Monthly Report
[15] Eurostat, press release of 7 June 2018 – 93/2018
[16] ZenithOptimedia, Advertising Expenditure Forecasts, December 2017
[17] ZenithOptimedia Advertising Expenditure Forecast, June 2018
[18] GEWOS, 2017
[19] Cologne Institute for Economic Research (Insitut der Deutschen Wirtschaft Köln – IW) Short-Report Number- 34,15 June 2018

European automotive market trends

AS24 generated its revenues in Germany, the largest automotive market in Europe,[20] and selected European countries (Belgium including Luxembourg, the Netherlands, Italy, Spain, France, Austria) as well as mainly in the area of used car transactions.

As far as the used car market is concerned, on the back of recent developments in the area of diesel cars for 2018 the ZDK forecasts a more restrained development on a similar lower level to 2017, expecting 7.2 to 7.4 million ownership changes.[21] In the first half of 2018, approximately 3.6 million cars changed hands (-2.1 % year-on-year) and around 1.8 million cars were newly registered (+2.9 % year-on-year), a stable development in line with expectations. [22]

This trend is also evident in the rest of Europe. During the first five months of 2018, new registrations of 6.9 million were on a similar level with the 2017 equivalent period (January - May 2017: 6.7 million units).[23]

Recent trends and situation of the Group

Scout24 continued its successful development in the first half of 2018, supported by the sustained positive development in the ImmobilienScout24 ("IS24") segment and sustained growth in the AutoScout24 ("AS24") and Consumer Services ("CS") segments.

Thus, Scout24 increased its external revenues by 9.7 % to EUR 251.2 million in the first half of 2018 (H1 2017: EUR 228.9 million).

Building on the good scalability of the Scout24 business model and a disproportionate cost growth, ordinary operating Group EBITDA in the first half of 2018 improved with a disproportionately high rate of 13.0% year-on-year to 138.8 million euros, which corresponds to a margin of 55.3 % (H1 2017: 53.7 %). Ordinary operating Group EBITDA in the second quarter of 2018 is amounts to 75.1 million euros (margin 58.8 %, Q2 2017: 56.8%), an increase of 13.1 % compared to the second quarter of 2017 (Q2 2017: EUR 66.4 million). The reconciliation to ordinary operating EBITDA is described in the chapter › "Group financial position and performance" on page 26.

Capital expenditure in the first half of 2018 amounted to EUR 51.4 million, including a balance sheet extension occurring through the first application of IFRS 16 of EUR 33.4 million, of which EUR 15.5 million for the new rental contract of the office in Munich. Capital expenditure excluding effects arising from the application of the IRFS 16 standard ("Capital expenditure (adjusted)") amounts to EUR 18.0 million in the first half of 2018 (Q2 2018: EUR 10.1 million) and lie significantly above the first half of 2017 (EUR 8.0 million, Q2 2017: EUR 5.3 million). The increase derives mainly from an extraordinary expenditure for property, plant and equipment to the relocation in Munich (as a total EUR 5.6 million) as well as increased product development, especially in the AS24 and CS segments. As a percentage of revenues, the capital expenditure (adjusted) was 7.2 % in the first half of 2018 (respectively 4.9% excluding the expenditure for property, plant and equipment related to the relocation in Munich), compared to 4.1 % in the same period of the previous year.

[20] Germany is with a total number of registered passenger cars of 46.5 million as of 1 January 2018 according to the German Federal Office for Motor Transport (KBA) and total sales of EUR 186.6 billion from new and used cars transactions according to the DAT-Report 2018 the largest automotive market in Europe

[21] German Federation for Motor Trades and Repairs (ZDK), November 2017

[22] German Federal Office for Motor Transport (KBA), vehicle registrations in June 2018, July 2018

[23] European Automobile Manufacturers Association (ACEA), press release of 16 June 2018

The cash contribution[24] in the first half of 2018 (based on capital expenditure(adjusted)) was up by EUR 7.2 million to EUR 120.7 million respectively up by EUR 3.9 million to EUR 65.0 million in the second quarter 2018 compared with the respective equivalent period of 2017 (H1 2017: EUR 113.5 million, Q2 2017: EUR 61.1 million). The Cash Conversion Rate[25] of 87%, based on ordinary operating EBITDA, was slightly down compared to the first half-year 2017 (92 %), due to higher capital expenditure levels.

Cash and cash equivalents amounted to EUR 33.6 million as of June 30, 2018 (31 December 2017: EUR 56.7 million). This includes the cash inflow of EUR 215,0 million from the first Schuldschein loan issue of Scout24 AG as well as the cash outflow of EUR 250,0 million from an early repayment towards the existing bank loan at the end of March 2018 and the dividend distribution of EUR 60.3 million which was paid on 26 June 2018. Net financial debt[26] stood at EUR 581.1 million, compared with EUR 560.9 million as of 31 December 2017 (30 June 2017: EUR 614.7 million). The ratio of net debt to ordinary operating EBITDA over the last 12 months stood at 2.2:1 (31 December 2017: 2.2:1, 30 June 2017: 2.6:1).

The figures presented are fully within the scope of the forecast in the Annual Report 2018 respectively adjusted to the new accounting standards IFRS 9, IFRS 15, IFRS 16. The revenue growth of 9.7 % is in line with expectations (growth between 9.0 % and 11.0 %); the ordinary operating EBITDA-margin is at 55.3 % on track to reach the targeted corridor for the full year 2018 (between 56.0 % and 57.5 %). In the second quarter 2018, the ordinary operating EBITDA-margin of 58.8% and lies above the ordinary operating EBITDA-margin of the first quarter 2018 (51.6%), corresponding to the usual development over the course of the year and confirms the guidance given for the full year. The non-operating costs amounted to a total of EUR 7.8 million, due to non-plannable cost related to M&A activities and higher personnel expenses for share-based compensation, and are at the lower end of the range for the full year (between EUR 8.0 and 10.0 million). Capital expenditure (adjusted) of EUR 18.0 million are also within the guided range for the full year 2018, which forecasts capital expenditure of EUR 34.0 million.

[24] Cash contribution is defined as ordinary operating EBITDA less capital expenditure. Ordinary operating EBITDA and capital expenditure are explained accordingly in the further course of the report.

[25] The cash conversion rate is defined as (ordinary operating EBITDA – capital expenditure)/ ordinary operating EBITDA. Ordinary operating EBITDA and capital expenditure are explained accordingly in the further course of the report.

[26] Net financial debt is defined as total debt (nominal value of interest bearing liabilities) less cash and cash equivalents.

Segment trends

A detailed description of the key performance indicators is presented in the › Control system section of the 2018 interim report of Scout24 AG on page 16.

ImmobilienScout24 (IS24)

(EUR million)	Q2 2018	Q2 2017*	% change	H1 2018	H1 2017*	% change
Revenue with Residential Real Estate Partners	30.2	28.4	6.3%	59.7	56.1	6.4%
Revenue with Business Real Estate Partners	13.1	11.8	11.0%	25.6	23.2	10.3%
Revenue with Private Listers and Others	18.5	19.1	(3.1)%	36.9	36.9	0.0%
Total external revenues	**61.8**	**59.3**	**4.2%**	**122.3**	**116.3**	**5.2%**
Ordinary operating EBITDA	**43.6**	**40.2**	**8.5%**	**83.6**	**78.4**	**6.6%**
Ordinary operating EBITDA – margin %	**70.6%**	**67.8%**	**2.8pp**	**68.4%**	**67.4%**	**1.0pp**

* The following change has been implemented compared to the reported 2017 financials: IFRS 15 was applied as of 1 January 2018 and 2017 financials have been restated retrospectively; IFRS 16 is also applied as of 1 January 2018, the 2017 financials have not been restated retrospectively

	H1 2018	H1 2017*	% change
Residential Real Estate Partners (contractual) (end of period, numbers)	14,301	12,974	10.2%
ARPU (€/month) Residential Real Estate Partners (contractual)	626	616	1.6%
Business Real Estate Partners (end of period, numbers)	2,785	2,752	1.2%
ARPU (€/month) Business Real Estate Partners	1,517	1,358	11.7%
Unique monthly visitors (UMV) (desktop only, numbers in million)[27]	6.3	6.1	3.3%
Unique monthly visitors (UMV) (multiplatform, numbers in million)[28]	13.9	12.6	10.3%
Sessions (numbers in million)[29]	81.3	79.4	2.4%

External revenues in the IS24 segment reported 5.2 % year-on-year growth to reach EUR 122.3 million in the period under review (H1 2017: EUR 116.3 million), the growth is fully in line with the outlook given for the full year 2018 (growth between 4.0% and 6.0%).

The growth acceleration since compared to the second half of 2017 (in H2 2017 the growth rate stood at 2.4%) is

[27] comScore, period average; the periods for 2017 and 2018 are based on January to May average respectively.
[28] comScore, period average; the periods for 2017 and 2018 are based on January to May average respectively.
[29] Management estimates

mainly attributable to growth in Revenue with Residential Real Estate Partners and Revenue with Business Real Estate Partners. Revenue with residential real estate partners showed a growth of 6.3% compared to the previous year's period (H1 2018: EUR 59.7 million, H1 2017: EUR 56.1 million), mostly driven by a growth in Residential Real Estate Partners of 10.2%. The number of real estate partners had stabilised mid-2017 and has since then continued to increase on the back of low churn rates, as well as high customer regain and new acquisition rates. The average revenue per customer per month ("ARPU") of the gained contractual Residential Real Estate Partners lies significantly below the ARPU of all contractual Residential Real Estate Partners, leading to a dilutive effect on the overall Residential Real Estate Partner ARPU. On the background of this, Residential Real Estate Partner (contractual) ARPU growth was only 1.6% to EUR 626 against the previous year's period (H1 2017: EUR 616), despite price adjustment measures for existing customers and additional volume through the VIA product range. Revenue with Business Real Estate Partners also developed dynamically, marking a growth rate of 10.3% in the first half of 2018 compared to the first half of 2017. With a mainly stable number of Business Real Estate Partners (contractual) basis, the Business Real Estate Partner ARPU saw a very positive development and recorded a growth of 11.7% (H1 2018: EUR 1,517, H1 2017: EUR 1,358) on the back of price adjustment measures and additional volume through the VIA product range. Revenue with Private Listers and Others in the first half of 2018 remained stable compared to the first half of 2017. On the back of the positive revenue development, ordinary operating EBITDA went up 6.6% to EUR 83.6 million (H1 2017: EUR 78.4 million). The profitability of the segment, in terms of ordinary operating EBITDA-margin, of 68.4% is 1.0 percentage points higher than the comparable period (H1 2017: 67.4%) and within the guided range of at least 68.0%.

IS24 continued to expand its leading market position during the first half of 2018. In accordance with the market trend accompanying a reduction in listings' average durations on platforms, the overall number of listings on the IS24 platform went down on a year-on-year comparison in the first half of 2018 (around 453 thousand listings as of June 2018 compared with approximately 484 thousand listings in June 2017), although market share was expanded. The number of listings compared with the next competitor went up from 1.7 times in June 2017 to 1.8 times in June 2018.[30]

Based on its superior content, IS24 was able to maintain its leading position in terms of consumer traffic and engagement with an average of 543 million minutes monthly time spent in the first half of 2018 (desktop and mobile, 2.6 times compared to its closest competitor).[31] The average number of sessions per month on the website was81.3 million in the first half of 2018 (H1 2017: 79.4 million).[32]

[30] Management estimates
[31] comScore, June 2018 based on January to May average
[32] Management estimates.

AutoScout24 (AS24)

(EUR million)	Q2 2018	Q2 2017*	% change	H1 2018	H1 2017*	% change
Revenue with Dealers in Germany	18.4	16.7	10.2%	36.7	33.0	11.2%
Revenue with Dealers in European Core Countries	18.1	15.1	19.9%	35.4	29.1	21.6%
Revenue with OEM	4.9	3.9	25.6%	8.7	7.1	22.5%
Other Revenue	3.1	3.1	0.0%	5.9	6.0	0.0%
Total external revenues	**44.6**	**38.8**	**15.0%**	**86.7**	**75.1**	**15.5%**
Ordinary operating EBITDA	**24.2**	**19.7**	**22.8%**	**43.2**	**34.4**	**25.6%**
Ordinary operating EBITDA - margin %	**54.3%**	**50.8%**	**3.5pp**	**49.8%**	**45.8%**	**4.0pp**

* The following change has been implemented compared to the reported 2017 financials: IFRS 15 was applied as of 1 January 2018 and 2017 financials have been restated retrospectively; IFRS 16 is also applied as of 1 January 2018, the 2017 financials have not been restated retrospectively

	H1 2018	H1 2017*	% change
Dealer Partners in Germany (end of period, numbers)	**26,752**	**26,729**	**0.1%**
ARPU (€)	**226**	**210**	**7.6%**
Dealer Partners in European Core Countries (end of period, numbers)	**22,013**	**21,096**	**4.3%**
ARPU (€)	**266**	**231**	**15.1%**
Unique monthly visitors (UMV) Germany (desktop only, numbers in million)[33]	**3.9**	**4.1**	**(4.9)%**
Unique monthly visitors (UMV) Germany (multiplatform, numbers in million)[34]	**8.7**	**7.9**	**10.1%**
Sessions Germany (number in million)[35]	**49.8**	**45.2**	**10.2%**
Sessions European Core Countries (number in million)[36]	**51.6**	**39.7**	**29.9%**

The AS24 segment is still on a strong growth course. In the first half of 2018, external revenues rose by 15.5% to EUR 86.7 million (H1 2017: EUR 75.1 million) compared with the first half of 2017. Building on the good operating performance in the first half of 2018 along with the strong growth rate, the segment is well on track to fully exploit the revenue potential in the second half of the year and achieve the guidance given (Revenue of EUR 180.5 million) respectively adjusted for the new accounting regulations as of 2018.

This dynamic development is mainly attributable to Revenue with Dealers in both Germany and Dealers in Core European Countries, which now also includes Austria as a core country. The number of Dealer Partners in Germany and Dealer Partners European Core Countries remained mainly stable throughout the first half of the year, due to already high market penetration; revenue growth was thus mainly driven by price adjustment measures and as well as

[33] Source: AGOF; Period average.
[34] Source: AGOF; Period average.
[35] Management estimate; Period average.
[36] H1 2018 sessions including sessions from AS24 platforms in Austria and Autotrader.nl in the Netherlands.

additional volume through the MIA product range, for example the 360-degree option for car exposés. AS24 recorded an ARPU growth of 7.6% in Germany and of 15.1% in the European Core Countries (H1 2018: EUR 226 respectively EUR 266, H1 2017: EUR 210 respectively EUR 231). Revenue with OEM of EUR 8.7 million grew by 22.5% compared to the previous year's level of EUR 7.1 million (H1 2017: EUR 6.0 million). The positive revenue development is reflected in the ordinary operating EBITDA growth of 25.6% to EUR 43.2 million (H1 2017: EUR 34.4 million). The ordinary operating EBITDA-margin grew by 4.0 percentage points to 49.8% (H1 2017: 45.8%) and is on track towards the guided range of around 52.0%.

In the first half of 2018, AS24 recorded its listings inventory at a constantly high level of more than one million listings per month, with 1,115 thousand listings on average (compared with 1,205 thousand in the period January – June 2017).[37]

Moreover, AS24 continued to defend its market leadership based on the number of listings in Belgium (including Luxembourg), the Netherlands, Italy and Austria.[38] The average number of Sessions in Germany and European Core Countries increased.[39]

Scout24 Consumer Services (CS)

(EUR million)	Q2 2018	Q2 2017*	% change	H1 2018	H1 2017*	% change
Revenue with Finance Partners	10.6	10.1	5.0%	20.6	19.1	7.9%
Services Revenue	6.7	5.6	19.6%	13.5	11.7	15.4%
3rd Party Display Revenue	4.0	3.4	17.6%	7.9	6.8	16.2%
Total external revenues	**21.3**	**19.2**	**10.9%**	**42.0**	**37.5**	**12.0%**
Ordinary operating EBITDA	**9.0**	**7.5**	**20.0%**	**15.8**	**13.7**	**15.3%**
Ordinary operating EBITDA – margin %	**42.3%**	**39.1%**	**3.2pp**	**37.6%**	**36.5%**	**1.1pp**

* The following change has been implemented compared to the reported 2017 financials: IFRS 15 was applied as of 1 January 2018 and 2017 financials have been restated retrospectively.

Scout24 Consumer Services ("CS") was established as an independent segment starting 1 January 2018 and is reported for the first time starting Q1 2018. It comprises all activities in the area of services along the value chain of the real estate or automobile market and around advertisements from non-real estate or non-automotive-related third parties.

The segment recorded external revenues of EUR 42.0 million in the first half of 2018, an increase of 12.0 % compared to the first half of 2017 (H1 2017: EUR 37.5 million). The increase was mainly driven by Services Revenue and Revenue with Finance Partners. In particular, Services Revenue showed a positive boost on the back of the success of the Premium Membership, marking a growth of 15.4% to EUR 13.5 million (H1 2017: EUR 11.7 million). 3rd Party Display Revenue grew by 16.2% in the first half of 2018 to EUR 7.9 million, showing a recovery from a slower first half 2017 (EUR 6.8 million). The profitability of the CS segment in terms of ordinary operating EBITDA-margin grew by 1.1 percentage points reaching 37.6% (H1 2017: 36.5%).

[37] Management estimates.
[38] Management estimates.
[39] Management estimates.

Thus, the CS segment is well on track to achieve the targets communicated within the Annual Report 2017 and as adjusted to reflect the adoption of new IFRS standards (Revenue growth of around 12% respectively revenues to come it at around EUR 87.0 million, ordinary operating EBITDA-margin to increase by at least one percentage point).

Group financial position and performance

Results of operations

Scout24 remained on its growth track in the first half of 2018, increasing its revenues by EUR 22.3 million, or 9.7 %, to EUR 251.2 million compared with the first half of 2017 (EUR 228.9 million), driven mainly by the sustained positive development in the ImmobilienScout24 ("IS24") segment and sustained growth in the AutoScout24 ("AS24") and Consumer Services ("CS") segments. Compared with the second quarter of 2017, external revenue in the second quarter of 2018 grew by EUR 10.8 million, or 9.2%, to reach EUR 127.8 million (Q2 2017: EUR 117.0 million).

Development costs are capitalised as internally generated intangible assets, thereby increasing total operating performance. A total of EUR 9.6 million of development costs were capitalised in the first half of 2018 (H1 2017: EUR 5.8 million). The increase in capitalised development costs against the first half of 2017 is attributable to higher product development activities as well as the increased involvement of the AS24 product functions in AS24 in development activity. Other operating income, as a further part of total operating performance, amounted to EUR 2.1 million in the first half of 2018, EUR 1.9 million below the previous year's level (H1 2017: EUR 0.3 million). The increase is chiefly attributable to the income for the sale of the trade mark rights to "JobScout24" Switzerland in the amount of EUR 1.6 million are reported here.

Personnel expenses (including non-operating effects of EUR 4.9 million) totalling EUR 59.9 million were up by EUR 1.5 million, or 2.7%, from EUR 58.4 million in the first half of 2017 (including non-operating effects of EUR 8.7 million). The increase in personnel expenses (including non-operating effects) thereby reflects a slightly faster rate of growth than the increase in the average number of employees (H1 2018: 1,226 FTE, H1 2017: 1,148 FTE) , chiefly due to higher personal expense per FTE reflecting a change to the personnel structure to take the greater demands into account.

Advertising expenses (EUR 28.2 million) report a slight year-on-year increase (H1 2017: EUR 25.9 million), but grew at a disproportionately lower rate than revenue (H1 2018: 11.2 % of revenue, H1 2017: 11.3 % of revenue). IT expenses in the first half of 2018 (EUR 9.8 million) increased compared with the previous year (H1 2017: EUR 7.8 million), mainly due to an increase in cloud and datacentre costs on the back of a higher share of cloud-based platform solutions.

Other operating expenses increased by EUR 3.2 million, or 10.4 %, compared with the first half of 2017 to a level of EUR 33.9 million (H1 2017: EUR 30.7 million). This is chiefly attributable to slightly higher expenses for third-party and other services.

Overall, the costs developed disproportionately lower to total operating performance (increase of 7.3% versus 11.9% increase in total operating performance). Thanks to the afore-mentioned trend, earnings before interest, tax, depreciation and amortisation (EBITDA) grew to EUR 131.0 million in the reporting period, up 16.9 % compared with the first half of 2017 (H1 2017: EUR 112.1 million). EBITDA in the second quarter of 2018 amounted to EUR 70.2 million, a 19.2 % increase compared with the second quarter of 2017 (Q2 2017: EUR 58.9 million).

A total of EUR 7.8 million of non-operating costs are included in the EBITDA (H1 2017: EUR 10.7 million). In particular, non-recurring costs relating to M&A activities including post-merger integration and personnel costs from share-based compensation are assessed as non-operating costs. Moreover, personnel expenses relating to changes to the organisational structure are included, these include costs relating to indemnity and severance payments, as well as other costs that have a one-off or extraordinary characteristic. In the first half of 2018, non-operating cost were mainly comprised of personnel costs in the amount of EUR 4.9 million, of which EUR 3.5 million for share-based compensation, and costs related to M&A activities (EUR 3.2 million). Moreover, non-operating costs included some EUR 0.9 million related to the relocation of the Munich office in March 2018. The non-operating costs were partly offset by extraordinary income of 1.6 million EUR for the sale of the trademark rights of "JobScout24" Switzerland. Group consolidated ordinary operating EBITDA consequently increased by 13.0 % from EUR 122.8 million to EUR 138.8 million, representing a 55.3% margin (H1 2017: 53.7 %). Group consolidated ordinary operating EBITDA in the second quarter 2018 stood at EUR 75.1 million (Q2 2017: EUR 66.4 million).

The reconciliation to ordinary operating EBITDA is as follows:

Reconciliation ordinary operating EBITDA

Group (in EUR million)	H1 2018	H1 2017
Ordinary operating EBITDA	**138.8**	**122.8**
Non-operating cost	(7.8)	(10.7)
of which personnel expenses	(4.9)	(8.7)
of which attributable to M&A transactions	(3.2)	(1.7)
of which other non-operating costs	0.4	(0.3)
of which income for the sale of trademark rights	1.6	-
EBITDA	**131.0**	**112.1**

Depreciation, amortisation and impairment losses amounted to EUR 31.4 million, of which EUR 17.9 million were attributable to intangible assets deriving from purchase price allocations (H1 2017: EUR 28.3 million and EUR 19.6 million respectively). The depreciation and amortisation and impairment losses include an amortisation charge of EUR 3.0 for utilisation rights, that occurred for the first time in 2018 due to the application of the IFRS 16 standard.

The financial result stood at minus EUR 7.1 million in the first half of 2018, compared with minus EUR 3.7 million in the first half of 2017, mainly attributable to higher interest expense (H1 2018: EUR 8.2 million, H1 2017: EUR 7.1 million) on the back of a one-off charge of EUR 2.8 million for the amortisation of transaction costs reflecting the implemented refinancing actions in the first quarter 2018. Included in the finance expense in the first half of 2018 is also EUR 0.3 million of interest costs for leasing agreements, which occurred for the first time due to the application of the IFRS 16 standard. Furthermore, financial expense in the first half of 2017 (H1 2018: EUR 1.0 million, H1 2017: EUR 3.4 million) also includes an income of reimbursed default interest payments on a tax liability in the amount of EUR 1.9 million. Without taking the aforementioned effects into account, financial result and thus the interest charge, on the back of the partially refinancing as well as the ongoing debt reduction, was down EUR 1.5 million compared to the previous year.

Income tax expenses amounted to EUR 26.1 million in the first half of 2018, equivalent to a 28.2 % effective tax rate, and compared with EUR 25.2 million of tax expenses during the first half of 2017 and tax rate of 31.5%. Income tax expenses include an income from the reversal of deferred tax liabilities in the amount of EUR 8.6 million, largely attributable to the amortisation of assets resulting from purchase price allocations and previous year effects. In the first half of the previous year, deferred tax liabilities amounted to EUR 6.3 million.

Accordingly, Scout24 reported EUR 66.4 million of consolidated earnings after tax for the first half of 2018 (H1 2017: EUR 54.9 million), also completely attributable to our shareholders (H1 2017: EUR 54.9 million), equivalent to EUR 0.62 of earnings per share (H1 2017: EUR 0.51).

Financial position

As of 30 June 2018, Scout24 AG has at its disposal a syndicated loan agreement (Facility Agreement, hereinafter also referred to as the "FA") for a total lending facility of EUR 520.0 million. The unsecured syndicated loan consists of EUR 320.0 million term loan as well as a revolving credit facility of EUR 200.0 million, of which EUR 50.0 million has been drawn down as of 30 June 2018 (31 December 2017: EUR 50.0 million). In March 2018, Scout24 issued its first Schuldschein with a volume of EUR 215 million.

The interest rate for the facilities drawn under the syndicated loan is based on EURIBOR plus an interest margin tied to leverage ratio. The highest interest margin stands at 2.0 %. During the first half of the year, an interest margin of 1.5 % was applied to the syndicated loan and 1.1 % to the revolving credit facility. EURIBOR is limited to a 0.0 % floor. In July 2018, Scout24 was able to successfully conclude an early refinancing. Further information can be found in the chapter › 6.7 subsequent events.

The covenant applicable as part of the FA refers to the ratio of net debt to consolidated ordinary operating EBITDA for the last twelve months (leverage ratio) and stood at 2.2:1.0 as of 30 June 2018. The covenant was complied with in the reporting period, with the EBITDA headroom standing at 33.4 % on 30 June 2018.

Scout24 generated EUR 96.8 million of cash flow from operating activities during the first half of 2018 (H1 2017: EUR 67.6 million). The EUR 18.9 million increase in EBITDA from EUR 112.1 million in the first half of 2017 to EUR 131.0 million in the period under review exerted a positive impact, as well as a decrease in cash outflows for income tax payments by EUR 16.2 million (H1 2018: EUR 22.2 million, H1 2017: EUR 38.4 million). The negative cash flow from investing activities of EUR 16.6 million (H1 2017: minus EUR 9.9 million) arises predominantly from investments in intangible assets (EUR minus 10.0, H1 2017: EUR minus 8.2 million) as well as investments in property, plant and equipment (EUR minus 8.1 million, H1 2017: EUR minus 1.2 million). The rise in investments in property, plant and equipment are chiefly attributable to investments related to the office relocation in Munich. The cash flow from financing activities stood at EUR minus 103.9 million in the first half of 2018 (H1 2017: EUR minus 38.5 million). Along with interest payments of EUR 5.7 million (H1 2017: EUR 6.0 million), this also includes the EUR 0.56 dividend per dividend-entitled ordinary share for the 2017 financial year elapsed, as approved by the 2018 Annual General Meeting, which is equivalent to a total cash outflow of EUR 60.3 million (H1 2017: EUR 32.3 million) as well as the cash-inflow from the Schuldschein issue (EUR 215.0 million) and the cash-outflow from the subsequent repayment of bank loans (EUR 250.0 million).

Along with the liquid assets position of EUR 33.6 million (30/06/2017: EUR 62.7 million, 31/12/2017: EUR 56.7 million), the Group also has liquidity from the aforementioned revolving facility of EUR 150.0 million, which was not utilised as of 30 June 2018. Besides the FA, a further lending agreement of EUR 1.9 million was concluded to secure the Company's guarantees.

Net assets

Group consolidated total assets amounted to EUR 2,147.8 million as of 30 June 2018, 0.3 % higher than as of 31 December 2017 (EUR 2,140.5 million).

Short-term liabilities decreased from EUR 115.3 million by EUR 12.4 million to EUR 102.9 million, which is mainly due to the decrease in liquid assets due to outflow for dividend payment and debt repayment.

Non-current assets increased by 1.0 % or EUR 19.7 million to EUR 2,044.9 million (31 December 2017: EUR 2,025.2 million). This chiefly reflects a net increase in other intangible assets of EUR 31.0 million for the rights of use agreements from leasing agreements, occurring due to the application of IFRS 16 (EUR 34.0 million balance sheet extension offset by EUR 3.0 million in amortisation charges in the first half of 2018) as well as an increase in property, plant and equipment of EUR 6.1 million. This was offset by an amortisation in intangible assets of EUR 16.3 million resulting from purchase price allocations.

During the period under review, current liabilities decreased by EUR 11.9 million or 8.1% from EUR 159.2 million in December 2017 to EUR 147.3 million in June 2018, due to a reduction in current financial liabilities by EUR 28.2 million. This was offset by an increase of income tax liabilities by EUR 11.7 million.

Non-current liabilities increased by EUR 10.1 million, or 1.1%, to EUR 925.9 million (31 December 2017: EUR 915.8 million), mainly due to higher non-current financial liabilities and the accounting of liabilities form leasing agreements occurring through the application of IFRS 16 in the amount of EUR 26.3 in the non-current liabilities. This was offset by a decrease in deferred tax liabilities of EUR 8.0 million.

Equity increased from EUR 1065.5 million (31 December 2017) to EUR 1,074.6 million (30 June 2018). Correspondingly, the equity ratio stood at 50.0 % as of the reporting date, compared with 49.8 % as of 31 December 2017.

Employees

As Scout24 operates in a fast-changing industry, a key competitive advantage is to attract and retain the "best and brightest" talents. The constructive use of diversity management and interaction with the social diversity of all employees is of great importance to Scout24. Scout24 stands for a respectful corporate culture where open and unprejudiced interaction forms a central aspect. Working for Scout24 are individuals with the most different convictions, cultural and occupation-related backgrounds, skills and values. Diversity is seen to be a strength – because it enables the Group to respond to the individual needs of customers and the challenges of a constantly changing market.

As of 30 June 2018, Scout24 employed 1,226 full-time equivalent employees ("FTEs"), compared to 1,148 FTE as of 30 June 2017, excluding trainees, apprentices, short-term employees ("Aushilfen"), interns, temporary agency employees ("Leiharbeitnehmer") and freelancers.

Risks and opportunities

Risks

Scout24 is exposed to a number of risks that are described in detail in the "Risks and opportunities" section of the combined management report for the Scout24 Group and for Scout24 AG for the 2017 financial year. The Management Board is not aware of any significant changes to the risk position at the end of the first half of 2018.

As of 30 June 2018, the Management Board's assessment for the Group's risk potential shows that risks are limited, and that the overall risk is manageable. No risks are currently seen that individually or together with other risks could jeopardise the Scout24 Group as a going concern.

Opportunities

The Internet business continues on a growth track in Germany, Europe and worldwide. In particular, business models in the advertising business are shifting from offline offerings such as print media to online offerings. This trend bears great growth potential for Scout24 business models. The Scout24 Group commands an outstanding position thanks to the high degree of recognition of its brand and its high number of users.

For this reason, the Management Board is of the view that Scout24 AG is well positioned overall to systematically identify and exploit opportunities arising from important market trends.

Opportunities are also explained in the "Risks and opportunities" section of the combined management report for the Scout24 Group and Scout24 AG for the 2017 financial year. The Management Board is not aware of any significant changes to its opportunities cluster at the end of the first half of 2018. No fundamental modifications occurred in comparison with the opportunities presented in the combined management report.

Outlook

The following chapter gives an overview of the expectations for financial year 2018. The Company's expectations take the new IFRS 9, 15 and 16 standards into account. More detailed information on the new IFRS standards and the adjusted guidance for financial year 2018 can be found in the chapter › Adjustment of the Full Year 2018 outlook to new accounting regulations as of 1 January 2018. There is no detailed planning for non-financial performance indicators, these are not reported upon separately in the outlook section.

Market and sector expectation

As described in the section "Macroeconomic and sector-specific environment", Scout24 is expecting favourable tailwinds in the stable macroeconomic backdrop, as well as in the German real estate and European automotive markets.

Scout24 is well positioned to benefit from those tailwinds, given its leading market positions, high brand recognition and significant audience reach in the German and European market.

Company expectations

Scout24 reported a successful half-year in 2018 with 9.7 % revenue growth and an ordinary operating EBITDA margin of 55.3 %. The development in first half or 2018 was thus fully in line with the guidance given for financial year 2018 as communicated in our Annual Report 2017 respectively adjusted for the new accounting regulations. This once again underlines our ability to deliver sustainable and profitable revenue growth.

The online advertising outlook in Germany and Europe remains positive as both consumers and customers become increasingly digital. Scout24 is well positioned to benefit from this structural shift due to the market leading positions of our ImmobilienScout24 and AutoScout24 platforms, with both divisions benefiting from the shift of marketing budgets from traditional marketing channels to online. Scout24 Consumer Services takes this trend and the increasing expectations of the partners and users of Scout24 regarding digitisation along the whole process of buying or selling real estate and cars into account. Due to the intensive usage of the marketplaces IS24 and AS24 and also on the back of the synergies between IS24 and AS24, Scout24 is well positioned to further exploit the potential in this area as well and to position Scout24 as a market network around real estate and automotive in Germany and in Europe. Our profitable growth is especially driven by revenues from our agent and dealer partners and as well by revenues from increasing consumer monetisation along the value chain of real estate or automotive.

We are confident that this momentum will continue in the second half 2018, and expect group revenue to record a growth rate between 9 % and 11 %, as previously guided for. Reflecting the scalable nature of our business model, our total cost base should grow at a disproportionally lower rate than revenues. We anticipate, that total cost base should grow at a lower rate in the second half of 2018 on a full-year comparison. We are therefore confident to reach an ordinary operating EBITDA margin between 56.0 % and 57.5 %.

In the first half of 2018, non-operating cost amounting to EUR 7.8 million occurred. Herein included are EUR 3.5 million personnel cost for share-based compensation, and on the back of the positive share price development in the first half of 2018, the costs are EUR 0.5 million higher than previously anticipated for the financial year 2018 (EUR 3.0 million). Should the share price develop in a similar dynamic as in the first half of the year, we expect personnel cost from share-based compensation of around EUR 2.5 to EUR 3.0 million for the second half of 2018, thus summing up to around EUR 6.0 to EUR 6.5 million for the full year. Furthermore, non-recurring cost of EUR 3.2 million related to M&A activities and post-merger integration occurred in the first half of 2018 (Outlook for 2018: EUR 3.5 million). Due to increased M&A activities, we expect the cost to amount to around EUR 6.0 million for the full year 2018. We continue to expect non-recurring charges related to our office relocation in Munich to amount to EUR 1.0 million, and non-recurring charges related to reorganization not to exceed EUR 3.0 million. Overall, we expect non-operating cost between EUR 14.5 and EUR 16.5 million for financial year 2018.

We continue to expect capital expenditure (adjusted for the balance-sheet extension due to IFRS 16) to sum up to around EUR 34.0 million. This includes a non-recurring investment related to our new office space in Munich of around EUR 8.0 million.

On 18 July 2018, Scout24 signed an agreement to acquire all shares of FFG FINANZCHECK Finanzportale GmbH ("FINANZCHECK.de"), a German online comparison portal for consumer loans. Closing is subject to anti-trust approval and is expected within four to six weeks. FINANZCHECK.de will be attributed to the segment Scout24 Consumer Services. A consolidation of FINANZCHECK.de as of 1 September 2018 into the Scout24 Group, which is subject to anti-trust approval anticipated for September 2018, will presumably increase Group revenues or around EUR 12 million. The increase in Group revenues for financial year 2018 by taking into account FINAZCHECK.de is anticipated at 11.5% to 13.5%. Due to the negative contribution of FINANZCHECK.de of a low single digit Euro million figure to ordinary operating EBITDA, we anticipate ordinary operating EBITDA-margin, taking FINANZCHECK.de into account, to yield between 54.5% and 56.0% for the full year 2018. Furthermore, we anticipate costs related to post-merger integration to occur.

Segment expectations

Based on the increasing importance of our Scout24 Consumer Services unit, the management board of Scout24, as the main decision maker, has decided to change the internal management and the reporting structure and system of the Group starting 2018. Thus, starting with January 2018 the operating segments according to IFRS 8 consist of “ImmobilienScout24”, “AutoScout24” and “Scout24 Consumer Services”. The Scout24 Consumer Services segment will subsume all activities relating to services provided along the value chain of the real estate or automotive market and to non-real estate and non-automotive third-party display advertising.

The IS24 segment managed to achieve a revenue growth of 5.2% in the first half of 2018 respectively of 4.2% in the second quarter of 2018, both in line with the guidance given of a revenue growth between 4% and 6%. On the back of the positive outlook, we expect for the second half of 2018 a slightly higher growth as in the first half of 2018, driven mainly by an ARPU increase of our Residential Real Estate Partners as well as Business Real Estate Partners, as well as on the basis of low churn and stable customer regain and new acquisition rates. For the full year 2018, we expect IS24 to reach a revenue growth between 5.0% and 6.0%. For the ordinary operating EBITDA, driven by disproportional lower cost growth, we expect a slightly higher growth rate. Ordinary operating EBITDA margin should therefore to come in at least at 68.0%, as already delivered in the first half of 2018 (margin H1 2018: 68.4%).

Revenue in the AS24 segment grew by 15.4% (Q2 2018: 15.0%), which is in line with the outlook given to record revenues of at least EUR 180.5, which corresponds to a revenue growth of around 14% against the previous year. For the second half of 2018, we remain confident to achieve a revenue growth of this proportion and expect revenues of at least EUR 180.5 million for the full year 2018, based on a continued ARPU increase of our Dealer Partners, especially in Germany, Belgium, the Netherlands, Italy and Austria. Ordinary operating EBITDA-margin was 49.8% in the first half of 2018, respectively 54.3% for the second quarter 2018. Especially the development in the second quarter confirms our confidence the margin should yield at around 52.0% for financial year 2018.

Scout24 Consumer Services recorded revenues of EUR 42.0 million for the first half of 2018, corresponding to a revenue growth of 12% against the previous year (Q2 2018: EUR 21.3 million or 10.9%). This corresponds to the outlook adjusted for the new accounting regulations of around 12.0 %. Revenue growth was driven mainly by an increased usage of our offerings along the value chains of real estate and automotive, for example mortgage and car financing lead generation, credit checks, Premium Membership as well as sale of display-advertisements. We expect this development to continue into the second half of 2018, so that a similar revenue growth rate to be achieved. We are therefore confident to mark revenues of at least EUR 87,0 million for the full year 2018 (Without taking FINANZCHECK.de into consideration). In the first half of 2018, ordinary operating EBITDA-margin stood at 37.6%, a one percentage point increase compared to the first half of 2017. We expect this development to continue and confirm our outlook of an increase in ordinary operating EBITDA margin (without taking FINANZCHECK.de into consideration) of at least one percentage point for the financial year 2018.

Interim consolidated financial statements (condensed) and notes

Contents

1. Consolidated income statement

(EUR '000)	Note	Q2 2018	Q2 2017[1]	H1 2018	H1 2017[1]
Revenues	**6.2.2; 6.6.3; 6.6.5**	**127,790**	**117,036**	**251,193**	**228,919**
Own work capitalized	*	4,952	3,213	9,625	5,772
Other operating income	*	149	101	2,098	298
Total operating performance		**132,891**	**120,350**	**262,916**	**234,989**
Personnel expenses	*	(29,056)	(30,070)	(59,916)	(58,431)
Advertising expenses	*	(12,102)	(12,031)	(28,223)	(25,901)
IT expenses	*	(5,045)	(4,026)	(9,825)	(7,849)
Other operating expenses	6.6.2	(16,501)	(15,372)	(33,921)	(30,705)
EBITDA (Earnings before interest, tax, depreciation and amortization	**6.6.3**	**70,187**	**58,851**	**131,030**	**112,103**
Depreciation, amortization and impairment losses	*	(15,682)	(13,912)	(31,410)	(28,331)
EBIT (Earnings before interest and tax)		**54,505**	**44,939**	**99,620**	**83,772**
Results from investments accounted for using the equity method	*	12	(7)	41	(18)
Financial income	6.6.1	49	2,097	1,049	3,420
Financial expenses	6.6.1	(2,553)	(3,525)	(8,186)	(7,064)
Net financial result		**(2,492)**	**(1,435)**	**(7,096)**	**(3,662)**
Earnings before tax		**52,013**	**43,504**	**92,524**	**80,110**
Income taxes	6.4	(15,696)	(12,836)	(26,120)	(25,210)
Earnings after tax		**36,317**	**30,668**	**66,405**	**54,900**

Earnings per share

(EUR '000)	Note	Q2 2018	Q2 2017	H1 2018	H1 2017
Basic earnings per share	**6.5**				
Earnings per share after tax		**0,34**	**0,29**	**0,62**	**0,51**
Diluted earnings per share[2]	**6.5**				
Earnings per share after tax		**0,34**	**0,28**	**0,62**	**0,51**

* See information in the annual consolidated financial statements as of 31. December 2017.

[1] With regard to the effects of changed accounting and valuation methods, please refer to Paragraph 6.2 "Change of fundamental accounting and valuation methods".

[2] The dilution is based solely on potential shares from the share-based payment.

2. Consolidated statement of comprehensive income

(EUR '000)	Q2 2018	Q2 2017	H1 2018	H1 2017
Earnings after tax	**36,317**	**30,668**	**66,405**	**54,900**
Items that cannot be reclassified to consolidated profit or loss				
Measurement of pension obligations, before tax	(12)	(5)	(24)	(10)
Deferred taxes for measurement of pension obligations	6	1	6	2
Measurement of pension obligations, after tax	(6)	(4)	(18)	(7)
Sum of items that cannot be reclassified to consolidated profit or loss	**(6)**	**(4)**	**(18)**	**(7)**
Items that are reclassified subsequently to consolidated profit or loss:				
Currency translation differences	7	(39)	4	(35)
Sum of items that are reclassified to consolidated profit or loss:	**7**	**(39)**	**4**	**(35)**
Other comprehensive income, after tax	**0**	**(43)**	**(14)**	**(42)**
Total comprehensive income	**36,317**	**30,625**	**66,390**	**54,858**
Of which attributable to:				
Shareholder of parent company	36,317	30,625	66,390	54,858
Total comprehensive income	**36,317**	**30,625**	**66,390**	**54,858**

3. Consolidated balance sheet

Assets (EUR '000)	Note	30/06/2018	31/12/2017[1]
Current assets	*	**102,871**	**115,275**
Cash and cash equivalents	*	33,609	56,659
Trade receivables/ contractual assets	6.2.1	53,033	47,432
Financial assets	*	1,418	1,075
Income tax receivables	*	1,909	2,653
Other assets	*	12,902	7,456
Non-current assets	*	**2,044,949**	**2,025,188**
Goodwill	6.6.4	836,675	836,675
Trademarks	6.6.4	984,394	984,609
Other intangible assets	*	172,573	188,873
Right-of-use asset leases	6.2.3	30,940	-
Property, plant and equipment	*	14,218	8,161
Investments accounted for using the equity method	*	1,093	1,052
Financial assets	*	876	991
Deferred tax assets	*	1,708	2,312
Other assets	*	2,472	2,515
Balance sheet total	*	**2,147,820**	**2,140,463**

Equity and liabilities (EUR '000)	Note	30/06/2018	31/12/2017[1]
Current liabilities	*	**147,284**	**159,194**
Trade payables	*	20,932	22,224
Financial liabilities	*	51,250	79,511
Lease liabilities	6.2.3	5,390	-
Other provisions	*	9,453	6,889
Income tax liabilities	*	24,583	12,843
Contractual liabilities	6.6.2	10,927	9,735
Other liabilities	*	24,749	27,992
Non-current liabilities	*	**925,933**	**915,773**
Financial liabilities	*	532,368	538,043
Lease liabilities	6.2.3	26,362	-
Pensions and similar obligations	*	569	526
Other provisions	*	975	3,569
Income tax liabilities	*	54	62
Deferred tax liabilities	*	363,492	371,492
Other liabilities	*	2,113	2,081
Equity	*	**1,074,603**	**1,065,496**
Subscribed share capital	*	107,600	107,600
Capital reserve	*	423,550	423,302
Retained earnings	*	539,808	533,659
Measurement of pension obligations	*	(140)	(121)
Other reserves	*	3,785	1,056
Equity attributable to shareholders of parent company	*	**1,074,603**	**1,065,496**
Balance sheet total	*	**2,147,820**	**2,140,463**

* See information in the annual consolidated financial statements as of 31. December 2017.

[1] With regard to the effects of changed accounting and valuation methods, please refer to Paragraph 6.2 "Change of fundamental accounting and valuation methods".

4. Consolidated statements of changes in equity

(EUR '000)	Subscribed share capital	Capital reserve	Retained earnings	Measurement of pension obligations	Other reserves	Treasury shares	Equity attributable to shareholders of parent company	Total equity
Balance on 01/01/2017	**107,600**	**427,570**	**455,041**	**(85)**	**1,107**	**(463)**	**990,770**	**990,770**
Measurement of pension obligations	-	-		(7)	-	-	(7)	(7)
Currency translation differences	-	-		-	(35)	-	(35)	(35)
Earnings after tax	-	-	54,900	-	-	-	54,900	54,900
Total comprehensive income	**-**	**-**	**54,900**	**(7)**	**(35)**	**-**	**54,858**	**54,858**
Share-based payments	-	2,659	-	-	-	-	2,659	2,659
Purchase of treasury shares	-	-	-	-	-	(541)	(541)	(541)
Issue of treasury shares	-	(1,867)	-	-	-	1,004	(863)	(863)
Dividend distribution	-	-	(32,280)	-	-	-	(32,280)	(32,280)
Balance on 30/06/2017	**107,600**	**428,362**	**477,662**	**(92)**	**1,073**	**-**	**1,014,604**	**1,014,604**
Balance on 01/01/2018	**107,600**	**423,302**	**533,659**	**(121)**	**1,056**	**-**	**1,065,496**	**1,065,496**
Adjustments from the first-time adoption of IFRS 9 (after taxes)	**-**	**-**	**-**	**-**	**2,725**	**-**	**2,725**	**2,725**
Adjusted Balance on 01/01/2018	**107,600**	**423,302**	**533,659**	**(121)**	**3,781**	**-**	**1,068,221**	**1,068,221**
Measurement of pension obligations	-	-	-	(18)	-	-	(18)	(18)
Currency translation differences	-	-	-	-	4	-	4	4
Earnings after tax	-	-	66,405	-	-	-	66,405	66,405
Total comprehensive income	**-**	**-**	**66,405**	**(18)**	**4**	**-**	**66,390**	**66,309**
Share-based payments	-	247	-	-	-	-	247	247
Dividend distribution	-	-	(60,256)	-	-	-	(60,256)	(60,256)
Balance on 30/06/2018	**107,600**	**423,550**	**539,808**	**(140)**	**3,785**	**-**	**1,074,603**	**1,074,603**

5. Consolidated cash flow statements

(EUR ‘000)	H1 2018	H1 2017
Earnings after tax	**66,405**	**54,901**
Depreciation and amortization	31,410	28,331
Income tax expense	26,120	25,210
Financial income	(1,049)	(3,420)
Financial expenses	8,186	7,064
Result from investments accounted for using the equity method	(41)	18
Result on disposal of intangible assets and property, plant and equipment	(1,663)	4
Other non-cash transactions	1,704	1,240
Change in other assets not attributable to investing or financing activities	(8,663)	(2,595)
Change in other liabilities not attributable to investing or financing activities	(3,375)	(6,188)
Change in provisions	(14)	1,484
Income tax paid	(22,204)	(38,449)
Cash flow from operating activities	**96,816**	**67,600**
Purchase of intangible assets	(9,965)	(8,194)
Purchase of property, plant and equipment	(8,085)	(1,193)
Proceeds from disposal of intangible assets and property, plant and equipment	1,798	123
Payments to acquire financial assets	-	(321)
Proceeds from sale of financial assets	42	46
Payments for acquisitions of at equity investments	(350)	(350)
Interest received	1	3
Cash flow from investing activities	**(16,559)**	**(9,886)**
Repayment of short-term financial liabilities	(32,310)	(146)
Raising of medium- and long-term financial liabilities	215,000	-
Repayment of medium- and long-term financial liabilities	(220,029)	-
Interest paid	(5,714)	(6,054)
Dividends paid	(60,256)	(32,280)
Cash flow from financing activities	**(103,309)**	**(38,480)**
Effect of foreign exchange rate changes on cash and cash equivalents	2	(7)
Change in cash and cash equivalents	**(23,050)**	**19,227**
Cash and cash equivalents at start of period	**56,659**	**43,441**
Cash and cash equivalents at end of period	**33,609**	**62,668**

6. Selected explanatory notes to the interim consolidated financial statements

6.1. Information about the company and basis for preparing the financial statements

6.1.1. Information about the company

Scout24 AG (hereinafter also referred to as the "Company") is a listed public stock corporation with its registered office in Munich, Germany. The business address is: Bothestrasse 11-15, 81675 Munich. Scout24 AG is registered at the Munich District Court (company register sheet number 220 696).

The shares of Scout24 AG have been listed on the Frankfurt Stock Exchange since October 1, 2015. Scout24 AG has been included in the MDAX since June 18, 2018.

The Scout24 Group is a group of companies with online marketplaces in Germany and other selected European countries in the business areas of real estate, mobility and financial services.

6.1.2. Basis of preparation

This set of condensed interim consolidated financial statements ("interim consolidated financial statements") as of June 30, 2018 was prepared on the basis of International Accounting Standards (IAS) 34 "Interim Financial Reporting" and in accordance with Section 37w of the German Securities Trading Act (WpHG). As a matter of principle, the same accounting policies and estimation methods are applied as in the consolidated financial statements for the 2017 financial year. The notes to the 2017 consolidated financial statements present a detailed description of such policies and methods.

An exception is the application of standards IFRS 9 Financial instruments, IFRS 15 Revenue from contracts with customers and IFRS 16 Leasing for the first time on January 1, 2018. The resulting changes of fundamental accounting and valuation methods are described in Paragraph 6.2. The changes will also likely be reflected in the consolidated financial statements as at December 31, 2018.

In addition, standards and interpretations that must be applied for the first time from January 1, 2018 have not resulted in any changes to the accounting policies. All IAS and IFRS, as well as Interpretations of the International Financial Reporting Interpretations Committee (IFRIC), formerly the Standing Interpretations Committee (SIC), that are binding as of June 30, 2018 were applied.

The interim consolidated financial statements as of June 30, 2018 are prepared in euros. Unless otherwise indicated, figures are generally presented in thousands of euros. The tables and information presented can contain differences due to rounding.

Scout24 operations generally have no specific seasonality. The fourth quarter of the calendar year tends to be a little stronger than the other three quarters of the calendar year, however.

The Executive Board approved the consolidated interim financial statements for publication on July 31, 2018.

6.2. Changes to fundamental accounting and valuation methods

6.2.1. IFRS 9 Financial instruments

Impact of initial application of IFRS 9 Financial Instruments
For financial years beginning on or after January 1, 2018 this standard is mandatorily effective. Scout 24 does not make use of the permitted early adoption. Therefore, the effective date for the application of IFRS 9 is January 1, 2018, with the beginning of the current reporting period.

The requirements of IFRS 9 differ partly from the regulations of the previously applied IAS 39. Significant changes that arise through the application of IFRS 9 are related to the classification and measurement of financial assets and liabilities, the impairment of financial assets as well as to hedge accounting. The impact on the accounting policies of the Group and Group's equity resulting from the adoption of IFRS 9 are summarized in the following section.

Classification and Measurement
IFRS 9 includes a new classification and measurement approach for financial assets that reflects the business model in which the assets are held and the characteristics of their cash flows. According to this, all financial assets to be taken into account according to IFRS 9 are to be measured at amortized cost or at fair value. When measuring at fair value, a distinction must be made between the recognition of changes in the fair value in profit or loss (P&L) or in other comprehensive income (OCI). IFRS 9 contains three important classification categories for financial assets and eliminates the existing categories of IAS 39.

As of January 1, 2018, the Group reclassified its financial assets in accordance with the new requirements of IFRS 9. The financial assets were reclassified to the measurement categories "amortized cost", "fair value through profit or loss" and "fair value through other comprehensive income". The previous classification according to the IAS 39 categories "loans and receivables", "available-for-sale", "held-to-maturity" and "other financial liabilities" was discontinued as of January 1, 2018 accordingly.

In accordance with the transitional provisions of IFRS 9, no retrospective adjustment has been made and comparative information for previous periods has not been adjusted for the changes in classification and measurement (including impairment). Instead, the retained earnings at the beginning of the current reporting period were adjusted for the effect of the new impairment model that results from the initial application of IFRS 9. Differences between the carrying amount of the financial assets and financial liabilities due to the application of IFRS 9 were therefore recorded in retained earnings as of January 1, 2018.

The following table summarizes the changes and impacts in the classification and measurement of Scout24's financial assets and liabilities resulting from the first-time adoption of IFRS 9.

(EUR '000)	New measurement categories and carrying amounts according to IAS 39 (31/12/2017)					New measurement categories and carrying amounts according to IFRS 9 (01/01/2018)			
	Loans and receivables	Available-for-sale	Held-to-maturity	Other financial liabilities	Revaluation due to IFRS 9 (1 January 2018)	Fair Value through profit or loss	Fair Value through other comprehensive income (OCI)	Amortized cost	Impacts on the retained earnings as of 1 January 2018
Cash and cash equivalents	56,659							56,659	
Trade Receivables	47,432				3,897			51,329	3,897
Other current assets	1,351							1,351	
Other non-current assets									
- Financial assets (Investments)		180					180		
- Derivative financial instruments			0						
- Other non-current financial assets	1,807							1,807	
Total assets	**107,249**	**180**	**0**	**0**	**3,897**	**0**	**180**	**111,146**	**3,897**
Trade payables				22,224				22,224	
Current financial liabilities									
- Finance leases								0	
- Other current financial liabilities				79,462				79,462	
Other current liabilities									
- Other current financial liabilities				1,882				1,882	
- Other current non-financial liabilities								0	
Non-current financial liabilities									
- Derivative financial instruments			2,380			2,380			
- Finance leases								0	
- Other non-current financial liabilities				535,625				535,625	
Total liabilities	**0**	**0**	**2,380**	**639,194**	**0**	**2,380**	**0**	**639,194**	**0**

The category "available-for-sale" was transformed into the category "at fair value through other comprehensive income". Financial assets and liabilities classified as "held-to-maturity" have now been classified as "fair value through profit or loss". The category "loans and receivables" and "other financial liabilities" were reclassified to "amortized cost".

The new classification requirements according to IFRS 9 have no significant impact on the accounting for trade receivables and other financial assets. As of December 31, 2017, the Group had investments classified as "available-for-sale" with a carrying amount of EUR 180 thousand. As the category available-for-sale is no longer available under IFRS 9, the Group has selected the accounting option of recognizing this asset's fair value changes in OCI (FVOCI). The transition to IFRS 9 entails no effect on results from this matter, as fair value changes are recognized in OCI under IFRS 9 as well as previously under IAS 39.

Regarding the reclassification of the Group's financial liabilities according IFRS 9, there are no significant changes. This is because Scout24 has not previously designated any financial liability under the fair value option as "fair value through profit or loss" and the requirements for financial liabilities of IAS 39 and IFRS 9 are broadly consistent.

Impairment of financial assets

Scout24 adjusted the impairment model applied to financial assets to the requirements of IFRS 9 as of January 1, 2018. The standard replaces the model of incurred losses according IAS 39 with a forward-looking model, the model of expected credit losses. This requires considerable discretionary judgements 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.

In accordance with the transitional provisions of IFRS 9, Scout24 decided not to adjust previous periods retrospectively. Instead, the valuation allowance for doubtful trade receivables was remeasured as of January 1, 2018 in accordance with the impairment model of IFRS 9.

The following table compares the closing balances of the impairments as of December 31, 2017 to the opening balance of the impairments as of January 1, 2018. The initial application of the expected credit loss model on the Group's trade receivables in consideration of the actual default of receivables within the last three years, revealed a reduction of EUR 3,907 thousand for the impairment loss account of trade receivables. The resolution of the impairment loss account was captured in retained earnings on January 1, 2018 under consideration of deferred taxes of EUR 1.171 thousand.

(EUR '000)	Impairment as of 31/12/2017	Impairment as of 01/01/2018
Cash and cash equivalents		
Trade receivables	(5,108)	(1,211)
Other current financial assets		
Other non-current financial assets		
sundry other non-current financial assets		

For cash and cash equivalents, the initial application of the impairment requirements does not result in a material amount. The bank balances are held exclusively at credit institutes with good credit ratings. These have an investment grade rating or there are no other indications for credit institutions without rating.

6.2.2. IFRS 15 Revenue from contracts with customers

On January 1, 2018, the Group implemented IFRS 15 Revenue from contracts with customers ("IFRS 15"). The standard replaces existing guidelines for the recognition of revenue, including IAS 18 Sales revenue, IAS 11 Production orders and IFRIC 13 Customer loyalty programs. Scout24 applied the retrospective method for the initial application of the standard in financial year 2018 and therefore also showed the comparison period in accordance with IFRS 15.

The Scout24 Group generates its sales with the provision of services, in particular the placement of online advertisements, the generation of business contacts ("leads") and the provision of advertising space.

Revenue recognition pursuant to IFRS 15 occurs when the performance obligation is fulfilled, or when control is transferred. The revenues from online classifieds relate for the greater part to time-delimited performance obligations that are recognised pro rata temporis. The Scout24 Group also offers services in a bundle (for example online classifieds, combined with placement of corporate logo and providing market information), but these related exclusively to services invoiced over the same period (usually monthly). This means that, even if there are separable performance obligations arising from the allocation of consideration according to retail prices, there is no effect on the amount and timing of revenue recognition.

In relation to determining the consideration to the (individual) performance obligations, it is found that for some contracts variability exists in the form of staggered prices depending on volumes procured. Also, under IAS 18, billing and revenue recognition is performed based on actual consumption, applying a consistent individual price for the relevant billing quantity per month.

For certain forms of contracts in connection with the provision of advertising space including media agencies, the application of IFRS 15 results in a change in terms of the amount and the recognition of revenue; the sales figures are lowered with a simultaneous reduction in operating expenses, leading to an unchanged EBIT/EBITDA and increased EBITDA margin. This does not result in any changes on the balance sheet, in particular in the retained earnings.

In addition, no significant effects on the accounting and valuation methods of the Company result from the first-time application of IFRS 15.

The effects of the retrospective first-time application of IFRS 15 on the comparison period in the previous year can be found in the following positions of the consolidated income statement: There were no effects on items below the operating result before depreciation.

Consolidated income statement

(EUR '000)	Q2 2017 as reported	IFRS 15 adjustment	Q2 2017 according to IFRS 15
Revenues	**119,563**	**(2,527)**	**117,036**
Own work capitalized	3,213	-	3,213
Other operating income	101	-	101
Total operating performance	**122,877**	**(2,527)**	**120,350**
Personnel expenses	(30,070)	-	(30,070)
Advertising expenses	(12,031)	-	(12,031)
IT expenses	(4,026)	-	(4,026)
Other operating expenses	(17,899)	2,527	(15,372)
EBITDA (Earnings before interest, tax, depreciation and amortization)	**58,851**	**-**	**58,851**

(EUR '000)	H1 2017 as reported	IFRS 15 adjustments	H1 2017 according to IFRS 15
Revenues	**233,421**	**(4,502)**	**228,919**
Own work capitalized	5,772	-	5,772
Other operating income	298	-	298
Total operating performance	**239,491**	**(4,502)**	**234,989**
Personnel expenses	(58,431)	-	(58,431)
Advertising expenses	(25,901)	-	(25,901)
IT expenses	(7,849)	-	(7,849)
Other operating expenses	(35,207)	4,502	(30,705)
EBITDA (Earnings before interest, tax, depreciation and amortization)	**112,103**	**-**	**112,103**

Additionally, the company discloses a further balance sheet position ("Contractual liabilities") due to the implementation of IFRS 15, which was previously disclosed within the other liabilities. Contractual liabilities reflect the obligation of the Group towards its customers for the service delivery, for which the Group has already received the payment. The corresponding effects in the balance sheet at the beginning and end of the previous year are presented I the following extract of the consolidated balance sheet:

Equity and liabilities (EUR '000)	31/12/2016/ 01/01/2017 as reported	IFRS 15 adjustments	31/12/2016/ 01/01/2017 according to IFRS 15
Current liabilities	**112,300**	**-**	**112,300**
Contractual liabilities	-	8,651	8,651
Other liabilities	32,671	(8,651)	24,020

Equity and liabilities (EUR '000)	31.12.2017 as reported	IFRS 15 adjustments	31.12.2017 according to IFRS 15
Current liabilities	**159,194**	**-**	**159,194**
Contractual liabilities	-	9,735	9,735
Other liabilities	37,727	(9,735)	27,992

6.2.3. IFRS 16 Leasing

IFRS 16 replaces the existing regulations on leases, including IAS 17 Leases, IFRIC 4 Determination as to whether an agreement contains a lease, SIC 15 Operating lease agreements and SIC 27 Assessment of the economic content of transactions in the legal form of leases.

The application of the standard is mandatory for the first time for financial years starting on January 1, 2019. An early application is permitted if the company applies IFRS 15 before or on the initial application date for IFRS 16. The Group applied IFRS 16 for the first time on January 1, 2018 in accordance with the modified retrospective method. As a result, no adjustment of the comparative information was carried out. The option on the transition date to carry on the existing contracts according to the lease definition of IAS 17 instead of assessing the definition of IFRS 16 is exercised. As of January 1, 2018, the net present value of the right-of-use assets equals the net present value of the leasing liabilities. Furthermore, the Group exercises class by class the easing option to capture leases with duration less than 12 months after the initial application of IFRS 16 as short-term leases as expenses. The recognition and measurement standards of IFRS 16 were optionally not applied for low-value right-of-use assets.

The material impact on January 1, 2018 are as follows:

Balance sheet: The lessee must recognize the rights and obligations from essentially all leases in the balance sheet as rights of use and lease liabilities. The right of use is initially to be valued at the carrying value of future lease payments plus initial direct costs and subsequently amortized over the term of the lease. The lease liability is initially measured as the carrying value of the lease payments paid during the term of the lease. As part of the subsequent assessment, the carrying value is subject to interest at the applied interest rate and reduced by lease payments made. Regarding the obligations arising from leases, there was an increase in the lease liabilities as at January 1, 2018 in the amount of EUR 16,850 thousand and an increase in the assets in the same amount. Due to this increase in total assets and liabilities, the equity ratio as of January 1, 2018 dropped by 0.39 percentage points compared to December 31, 2017. Accordingly, the net financial liabilities increased by EUR 16,850 thousand to EUR 577,745 thousand in comparison to EUR 560,895 thousand in December 31, 2017.

The weighted average incremental borrowing rate of interest amounts to 1.10%.

As at 31 December 2017, obligations under operating leases amounting to EUR 38,940 thousand were stated. The difference between the net present value of the leasing liabilities, that were reported on December 31, 2017 according to IAS 17, and the net present value of the leasing liabilities as of January 1, 2018, result from obligations from operating leases for the new office in Munich, that did not comply with the recognition and measurement requirements of IFRS 16 on January 1, 2018, because the useful life had started on March 2018. Furthermore, the operating leases according to IAS 17 included incidental variable rental costs, which were not included in the lease liabilities according to IFRS 16, and short-term leases, for which the option to capture those as expenses is exercised.

Income statement: In addition, the type of expenses which are associated with these leases will change, since IFRS 16 reimburses the linear expenses for operating leases by depreciation for right of use assets and interest expenses for liabilities from the lease. This change will lead to a significant improvement in the ordinary operating EBITDA figure.

Cash flow statement: The payments for the repayment of the lease liabilities and the payments attributable to the interest portion of the lease liabilities are assigned to the cash flow from financing activities. Only payments which are not included in the determination of the lease liability and payments from low-value leases and those with a short maturity, where use was made of the reliefs, are attributable to the cash flow from operating activities. This amended allocation to the current statement of expenses from operating leases will result in an improvement of the cash flows from the operating activities and a reduction in the cash flow from financing activities.

In the financial year 2017, finance leases amounted to EUR 87 thousand. There were no material effects on the financial leases of the Group.

6.3. Changes to the scope of consolidation

April 2018 saw the merger of the Scout24 Services GmbH (transferring company) with Scout24 Holding GmbH (absorbing company). In June 2018, the merger of Scout24 Holding GmbH (transferring company) with Scout24 AG (absorbing company) took place.

6.4. Income taxes

The relevant nominal tax rate for the Group is 31.58%. The effective tax rate for the year end 2018 amounts to 29.30%. This results for the period January 1 to June 30, 2018 after applying the planned tax rate and recording tax effects from previous years, to an effective tax rate of 28.23%. The difference between nominal and effective tax rate is primarily attributable to non-tax-deductible expenses and permanent differences, as well as to tax effects from attributions and reductions for local taxes, tax differences in foreign countries and tax permanent differences.

6.5. Earnings per share

		Q2 2018	Q2 2017	H1 2018	H1 2017
Earnings after taxes	(EUR '000)	36,317	30,668	66,405	54,900
Less: Share attributable to non-controlling interests	(EUR '000)	-	-	-	-
Results attributable to parent company owners	(EUR '000)	36,317	30,668	66,405	54,900
Weighted average of shares to calculate earnings per share					
Basic	Number	107,600,000	107,600,000	107,600,000	107,599,881
Diluted	Number	107,769,738	107,700,155	107,780,139	107,706,078
Earnings per share					
Basic	EUR	0.34	0.29	0.62	0.51
Diluted	EUR	0.34	0.28	0.62	0.51

6.6. Other disclosures

6.6.1. Disclosures on financial instruments

Carrying amounts and fair values

The following table presents the reconciliation of the balance sheet items and the categories pursuant to IFRS 9, as well as the fair value classification. Due to the transition method applied for the adoption of IFRS 9, no prior year information is available.

Cash and cash equivalents, trade receivables as well as the other financial receivables and assets essentially have a short residual term. For this reason, their carrying amounts as of the end of the reporting period correspond approximately to the fair value.

The carrying amount of the current financial liabilities represents approximately the fair value as of the closing date. Liabilities are measured by means of the effective interest method. Measurement is performed by the company's Group accounting function. No changes to measurement methods were implemented in the reporting period.

Long-term financial assets also comprise investments in other companies' equity instruments that are not recognized according to the equity method. These are recognized at their fair value through other comprehensive income. These instruments comprise participating interests in a start-up.

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: application of unadjusted quoted prices in an active market for identical assets and liabilities, to which the company has access on the date of valuation
- Level 2: application of strictly directly or indirectly observable significant inputs that are not assigned to Level 1
- Level 3: utilisation of at least one non-observable significant input.

For reclassification between the individual levels of the fair value hierarchy it is assumed that these are performed at the end of the period. In the reporting period, no reclassifications between Level 1 and Level 2 occurred in the measurement of fair values.

EUR '000	Measurement category pursuant to IFRS 9	Carrying amount as of 30/06/2018	Amortised cost	At fair value through OCI	At fair value through profit or loss	Fair value as of 30/06/2018	Level in fair value hierarchy
	Recognition approach pursuant to IFRS 9						
Assets							
Cash and cash equivalents	FAAC	33,609	33,609	-	-	33,609	
Trade receivables	FAAC	53,033	53,033	-	-	53,033	
Other current financial assets	FAAC	1,853	1,853	-	-	1,853	
Other non-current financial assets		1,853					
- Available-for-sale financial assets	FAFVOCI	180	-	180	-	180	3
- Derivative financial instruments	FAFVTPL	-	-	-	-	-	
- Miscellaneous non-current financial assets	FAAC	1,673	1,673	-	-	1,618	2
Equity and liabilities							
Trade payables	FLAC	20,620	20,620	-	-	20,620	
Current financial liabilities		56,640		-			
- Finance leases	n/a	5,390	5,390	-	-	5,390	
- Other current financial liabilities	FLAC	51,251	51,251	-	-	51,242	2
Other current liabilities		35,676					
- Other current financial liabilities	FLAC	1,264	1,264	-	-	1,264	
- Other current non-financial liabilities	n/a	34,412	34,412	-	-	34,412	
Non-current liabilities		558,729					
- Derivative financial instruments	FLFVTPL	1,419	-	-	1,419	1,419	3
- Finance leases	n/a	26,362	26,362	-	-	26,362	
- Other non-current financial liabilities	FLAC	530,949	530,949	-	-	519,798	2
Of which aggregated by IFRS 9 categories							
Financial Assets Measured at Amortized Cost	FAAC	90,169					
Financial Liabilities Measured at Amortized Cost	FLAC	604,084					
Financial Assets Measured at Fair Value through Profit or Loss	FAFVTPL	0					
Financial Liabilities Measured at Fair Value through Profit or Loss	FLFVTPL	1,419					
Financial Assets Measured at Fair Value through OCI	FAFVOCI	180					

(EUR '000)	Recognition pursuant to IAS 39						
	Measurement category pursuant to IAS 39	Carrying amount on 31/12/2017	At amortised cost	At cost	Fair value through profit or loss	Fair value on 31/12/2017	Level in fair value hierarchy
Assets							
Cash and cash equivalents	LaR	56,659	56,659	-	-	56,659	
Trade receivables	LaR	47,432	47,432	-	-	47,432	
Current financial assets	LaR	1,075	1,075	-	-	1,075	
Other current assets		7,456					
Other current financial assets	LaR	275	275	-	-	275	
Other current non-financial assets	n/a	7,181	7,181	-	-	7,181	
Non-current financial assets		991					
Available-for-sale financial assets	AfS	180	-	180	-	180	
Derivative financial instruments	FAHfT	-	-	-	-	-	
Other non-current financial assets	LaR	811	811	-	-	811	2
Other non-current assets		2,515					
Other non-current financial assets	LaR	996	996	-	-	948	
Other non-current non-financial assets	n/a	1,519	1,519	-	-	1,519	
Equity and liabilities							
Trade payables	FLAC	22,224	22,224	-	-	22,224	
Current financial liabilities		79,511					
Finance leases	n/a	49	49	-	-	51	
Other current financial liabilities	FLAC	79,462	79,462	-	-	87,736	2
Contingent purchase price liabilities	n/a	-	-	-	-	-	
Other current liabilities		37,726					
Other current financial liabilities	FLAC	1,882	1,882	-	-	1,882	
Other current non-financial liabilities	n/a	35,845	35,845	-	-	35,845	
Non-current financial liabilities		538,043					3
Derivative financial instruments	FLHfT	2,380			2,380	2,380	
Finance leases	n/a	38	38	-	-	38	
Other non-current financial liabilities	FLAC	535,625	535,625	-	-	530,159	2
of which aggregated by IAS 39 categories							
Loans and receivables	LaR	107,249					
Available-for-sale financial assets	AfS	180					
Financial assets held for trading	FAHfT	-					
Financial liabilities held for trading	FLHfT	2,380					
Financial liabilities measured at amortised cost	FLAC	639,194					

Other current financial assets comprise mainly creditors with debit accounts and current (short-term) rental deposits. Due to the current term of these items, the carrying amount represents an appropriate approximation of the fair value.

The main balance sheet item "other non-current financial assets" largely comprises mainly EUR 980 thousand of non-current rental deposits, whose fair values are measured applying a discounted cash flow model based on risk-free market interest rates in the form of German government bonds, and a credit risk premium deriving from corporate bonds with a corresponding rating. As all inputs are directly or indirectly observable, the instruments are assigned to Level 2. This item also includes deferred transaction costs allocated to the revolving credit line.

The current financial liabilities mainly comprise the current portion of the revolving credit line in an amount of EUR 50,000 thousand. Other current financial liabilities also include current liabilities deriving from the interest held in eleven55 GmbH in an amount of EUR 350 thousand. Due to the current term of these items, the carrying amount represents an appropriate approximation of the fair value. The fair value of the current portion of Term Loan A was calculated in line with the non-current portion of this loan.

Non-current financial liabilities largely comprise the liabilities connected with the loan agreed in December 2016 (Term Loan A) as well as the liabilities arising from the Schuldschein loan issued in March 2018. The liabilities' fair value is calculated applying a discounted cash flow model based on a discount rate derived from the risk-free market rate adjusted to reflect a suitable lending risk premium. Premiums on corporate bonds with the same rating as Scout24 were utilised as the lending risk premium. The yield curve that was modelled takes into consideration trends similar to the market.

The fair value of the interest rate floor, which is assigned to Level 3 of the fair value hierarchy, is determined using valuation methods based on non-observable data. The floor is measured on a risk-free basis applying a shifted Black-Scholes model, and subsequently adjusted to reflect the credit risk by applying the "add-on" approach. Significant inputs for the measurement include the German government bond yield curve, three-month Euribor forward interest rates, and congruent-maturity credit risk premiums. Due to the 0 % floor rate, the input not observable on the market is the volatility, which was calculated on the basis of expert estimates. If the volatility changed by +5 %, the effect on the result would be EUR -23 thousand (31 December 2017: EUR -42 thousand). A -5 % change in volatility (absolute value change) generates a EUR +15 thousand effect on results (31 December 2017: EUR +28 thousand).

The following table shows an overview of the changes of the instruments in Level 3 (interest rate floor) for the reporting period from 1 January 2018 to 30 June 2018 and for the 1st financial half-year 2017.

Interest floor EUR '000	**2018** 01/01/2018-30/06/2018	**2017** 01/01/2017-31/12/2017
Balance at start of accounting period	**2,380**	**3,921**
Total result for the period reported under "financial income/expenses"	(961)	(1,500)
Balance at end of accounting period	**1,419**	**2,421**
Change in unrealised losses for the period included in "gains/losses from liabilities held at end of period"	(68)	2,421

6.6.2. Related party disclosures

As of June 30, 2018, no new transactions occurred with related parties compared with the disclosures of transactions reported in the consolidated financial statements as of December 31, 2017.

Supervisory Board

The composition of the Supervisory Board of the Company is regulated in Sections 95 sentence 2, 96 (1), 101 (1) of the German Stock Corporation Act (AktG) in conjunction with Section 9 (1) and (2) of the Articles of Association of the Company. The members of the Supervisory Board are elected by the Annual General Meeting. As at December 31, 2017, the Supervisory Board was composed of seven persons (for details, see the 2017 consolidated financial statements). Two positions on the Supervisory Board stipulated in the Articles of Association were vacant. The resolution of the General Meeting of June 21, 2018 reduced the number of the members of the Supervisory Board stipulated in the Articles of Association from nine to six members.

Mr. Thorsten Langheim and Mr. Vicente Vento Bosch resigned from their roles as members of the Supervisory Board on October 31, 2017.

Mr. Stefan Goetz, Mr. Patrick Healy and Mr. Blake Kleinman have resigned from their roles as members of the Supervisory Board with effect from the end of the 2018 Annual General Meeting.

If a member of the Supervisory Board leaves the Supervisory Board before his term of office expires, a successor for the remainder of the term of office of the departed Supervisory Board member is elected pursuant to Article 9 para. 4 sentence 1 of the Articles of Association.

At the Annual General Meeting on June 21, 2018, the following two persons were elected as successors for the resigned members of the Supervisory Board, with the following additional mandates:

Name Function	Profession exercised	Member since	Appointed until	Other board positions in 2018
Ciara Smyth Supervisory board member	Strategic consultant	21/06/2018	HV 2020	-
Dr Hans-Holger Albrecht, Chairman of the supervisory board	CEO of Deezer S.A.	21/06/2018	HV 2020	AINMT Holdings A.B. (Not-executive member of board)

6.6.3. Segment reporting

Due to the growing importance of Scout24 Consumer Services, the Executive Board decided to adjust the internal control and the reporting structure and system of the Group accordingly. As a result, as of January 2018, the operating segments in accordance with IFRS 8 are comprised of the segments “ImmobilienScout24” (IS24), “AutoScout24” (AS24) and “Scout24 Consumer Services” (CS). The Scout24 Consumer Services segment subsumes all activities in the area of services along the value chain of the real estate or automotive market and in the area of the advertisements of third parties outside the real estate and automotive sectors. These activities were previously recognized in the segments ImmobilienScout24 and AutoScout24 and Other. The figures for the previous year were adjusted to the new reporting structure.

The key indicators applied by Scout24 to assess the performance of its segments are as follows:

(EUR '000)		External revenues	Ordinary operating EBITDA
ImmobilienScout24	Q2 2018	61,827	43,628
	Q2 2017[1]	59,260	40,234
AutoScout24	Q2 2018	44,556	24,199
	Q2 2017[1]	38,760	19,662
Scout24 Consumer Services	Q2 2018	21,272	8,956
	Q2 2017[1]	19,153	7,511
Total – reportable segments	**Q2 2018**	**127,654**	**76,782**
	Q2 2017[1]	**117,173**	**67,407**
Reconciling Items	Q2 2018	136	(1,722)
	Q2 2017[1]	(137)	(1,030)
Total (consolidated)	**Q2 2018**	**127,790**	**75,061**
	Q2 2017[1]	**117,036**	**66,378**

(EUR '000)		External revenues	Ordinary operating EBITDA
ImmobilienScout24	H1 2018	122,309	83,551
	H1 2017[1]	116,315	78,372
AutoScout24	H1 2018	86,701	43,198
	H1 2017[1]	75,098	34,445
Scout24 Consumer Services	H1 2018	42,017	15,802
	H1 2017[1]	37,538	13,726
Total – reportable segments	**H1 2018**	**251,027**	**142,551**
	H1 2017[1]	**228,950**	**126,544**
Reconciling Items	H1 2018	165	(3,767)
	H1 2017[1]	(31)	(3,697)
Total (consolidated)	**H1 2018**	**251,193**	**138,784**
	H1 2017[1]	**228,919**	**122,846**

The "reconciling items" correspond mainly to intragroup eliminations.

[1] With regard to the effects of changed accounting and valuation methods, please refer to Paragraph 6.2 "Change of fundamental accounting and valuation methods".

The following table shows the reconciliation of the Group's ordinary operating EBITDA and the EBITDA of the Group to earnings before tax:

(EUR '000)	Q2 2018	Q2 2017[44]	H1 2018	H1 2017[1]
Ordinary operating EBITDA	**75,061**	**66,378**	**138,784**	**122,846**
Non-operating costs	(4,874)	(7,527)	(7,754)	(10,743)
thereof personnel expenses	(2,301)	(6,508)	(4,946)	(8,688)
thereof costs due to M&A activities	(2,008)	(743)	(3,218)	(1,722)
thereof other non-operating income/expenses	(565)	(276)	411	(332)
EBITDA	**70,187**	**58,851**	**131,030**	**112,103**
Depreciation and amortization	(15,682)	(13,912)	(31,410)	(28,331)
Result from investments accounted for using the equity method	12	(7)	41	(18)
Other financial result	(2,504)	(1,428)	(7,137)	(3,644)
Earnings before taxes	**52,013**	**43,504**	**92,524**	**80,110**

Ordinary operating EBITDA represents EBITDA adjusted for non-operating effects and special effects. See definition in the chapter "Key Financial Highlights" of the Group interim report.

6.6.4. Reallocation of the goodwill and trademarks due to the new segment structure

Due to the reorganization of the operating segments according to IFRS 8 the goodwill and trademarks were allocated to the three current CGUs ImmobilienScout24, AutoScout24 and Consumer Services per January 1, 2018. In comparison, the allocation as of December 31, 2017 is shown as follows:

(EUR '000)	Goodwill as of 01/01/2018	Goodwill as of 31/12/2017
CGU ImmobilienScout24	666,417	688,557
CGU AutoScout24	146,877	148,118
CGU Scout24 Consumer Services	23,381	-
Total	**836,675**	**836,675**

Since the trademarks ImmobilienScout24 and AutoScout24 also contribute to the future cash flows of the CGU Scout24 Consumer Services, these are distributed as corporate assets to the different CGUs based on the planned EBITs. As of January 01, 2018, resulted in the following distribution of trademarks:

[44] With regard to the effects of changed accounting and valuation methods, please refer to Paragraph 6.2 "Change of fundamental accounting and valuation methods".

(EUR '000)	Trademarks as of 01/01/2018	Trademarks as of 31/12/2017
CGU ImmobilienScout24	846,134	873,446
CGU AutoScout24	109,601	111,163
CGU Scout24 Consumer Services	28,874	-
Total	**984,609**	**984,609**

The allocation of goodwill and trademarks across the three segments as of January 1, 2018 is preliminary and will be finalized as part of the annual planning cycle, which also is the basis for the impairment test according to IAS 36. Since the recoverable values of the three segments exceed the respective book values significantly, there were no indications of impairment as of January 1, 2018 and June 30, 2018.

6.6.5. Revenues

The following table shows the breakdown of revenues by category:

External revenues (EUR '000)	Q2 2018	Q2 2017[1]	H1 2018	H1 2017[1]
ImmobilienScout24				
revenues with Residential-property partners	30,216	28,444	59,735	56,137
revenues with Business-property partners	13,141	11,758	25,631	23,249
revenues with private providers and others	18,470	19,059	36,943	36,928
Total external revenues	**61,827**	**59,260**	**122,309**	**116,315**
AutoScout24				
revenues with dealers in Germany*	18,381	16,654	36,693	32,969
revenues with dealers in the European core markets*	18,122	15,086	35,432	29,083
revenues with OEM	4,927	3,930	8,658	7,083
Other	3,125	3,090	5,918	5,962
Total external revenues	**44,556**	**38,760**	**86,701**	**75,098**
Scout24 Consumer Services				
revenues with financing partners	10,573	10,146	20,608	19,094
revenues from services	6,658	5,615	13,549	11,660
Display revenues with third-parties	4,040	3,392	7,860	6,784
Total external revenues	**21,272**	**19,153**	**42,017**	**37,538**
Total – reportable segments	**127,654**	**117,173**	**251,028**	**228,950**
Reconciling items	136	(137)	165	(31)
Total – consolidated external revenues	**127,790**	**117,036**	**251,193**	**228,919**

* The geographical regions for the disclosure of revenues are conform to the locations of the respective entity of Scout24.

6.6.6. Dividend per share

At the ordinary Annual General Meeting of Scout24 AG on June 21, 2018, the distribution of a dividend of EUR 60,256 thousand was approved, in other words, EUR 0.56 per dividend-entitled ordinary share. This dividend has meanwhile been distributed.

6.7. Subsequent Events

On July 12, 2018, Scout 24 AG acquired 100% of shares of the Consumer First Services GmbH, Munich, with a share capital of EUR 25 thousand for an amount of EUR 28 thousand. The Consumer First Services GmbH in turn signed an agreement on July 17, 2018 to acquire all shares of FFG FINANZCHECK Finanzportale GmbH ("FINANZCHECK.de"), a German online comparison portal for consumer loans. Closing is subject to anti-trust approval. The transaction is based on a consideration of EUR 285 million. The purchase price is paid fully in cash.

FINANZCHECK.de operates an online consumer finance platform, providing consumers with real-time and efficient comparison of consumer loans – in addition, the company cooperates with affiliate websites, point-of-sale finance and partner networks in Germany through its proprietary consumer financing technology platform.

Due to the closeness in time between the date of acquisition and the date of publication of the half-year financial statements, and the pending anti-trust approval, the necessary information was not available at the time of the preparation of interim financial statements to allow a provisional allocation of the purchase price to the acquired assets and liabilities measured at fair values in accordance with IFRS.

On July 19, 2018, Scout24 AG has refinanced and restructured the existing EUR 370 million syndicated credit facilities enabling the financing of the recent acquisition of FFG FINANZCHECK Finanzportale GmbH as well as future M&A plans. Scout24 AG has concluded a comprehensive syndicated financing package with a total volume of EUR 1.0 billion and a maximum term of five years with nine renowned European banks.

In particular, the financing package consists of a term loan of EUR 300 million, a revolving credit facility of EUR 200 million, which is drawn in the amount of EUR 70 million in July 2018, and a revolving credit facility of EUR 500 million for acquisitions purposes. The new credit agreement has considerably improved interest conditions. The maturity of the individual financing facilities is five years or, in the case of the acquisition credit facility, three years with two one-year extension options. The loan is unsecured, with the interest margin being linked to the leverage ratio (ratio of net debt to ordinary operating EBITDA over the last twelve months).

No other Group-specific events or developments after the balance sheet date are known which would have resulted in a material change in the presentation or value of the individual assets or liabilities as of June 30, 2018.

Responsibility statement

To the best of our knowledge, and in accordance with the applicable reporting principles for half-yearly financial reporting, the half-yearly consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the material opportunities and risks associated with the expected development of the group for the remaining months of the financial year.

Munich, 31 July 2018
Scout24 AG

The Management Board

Gregory Ellis Christian Gisy

Review Report

We have reviewed the condensed interim consolidated financial statements of the Scout24 AG – comprising Consolidated income statement, Consolidated statement of comprehensive income, Consolidated balance sheet, Consolidated statement of changes in equity, Consolidated cash flow statement and Selected explanatory notes to the Interim consolidated financial statement together with the Interim Group management report of the Scout24 AG, for the period from 1st of January to 30th of June 2018 that are part of the semi-annual report according to § 115 WpHG ["Wertpapierhandelsgesetz": "German Securities Trading Act"]. The preparation of the condensed interim consolidated financial statements in accordance with International Accounting Standard IAS 34 "Interim Financial Reporting" as adopted by the EU, and of the Interim Group management report in accordance with the requirements of the WpHG applicable to Interim Group management reports, is the responsibility of the Company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the Interim Group management report based on our review.

We performed our review of the condensed interim consolidated financial statements and the Interim Group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed Interim consolidated financial statements have not been prepared, in material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the EU, and that the Interim Group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to interim group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the EU, or that the Interim Group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to Interim Group management reports.

Berlin, 31 July 2018
KMPG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Schmidt Wirtschaftsprüfer [German Public Auditor]	Jordan Wirtschaftsprüferin [German Public Auditor]

Glossary

- ARPU: Average revenue per user, calculated as the revenues generated with the core agents (IS24) or core dealers (AS24) in the respective period divided by the average number of core agents/core dealers at the start and end of the period (calculated from the base of core agents / core dealers at the beginning and end of the period), further divided by the number of months during the corresponding period
- Business Real Estate Partner: are defined as real estate professionals in Germany in the area of residential real estate, developer or new home builder who have a package or bundle contract with IS24
- Capital expenditure (adjusted): Capital expenditure adjusted for the effects of the first-time application of the IFRS 16 accounting standard
- Cash contribution: Ordinary operating EBITDA less capital expenditure
- Consolidation effect: Accounting process that eliminates all interlinkages within the Group (expenses / income, liabilities and capital) and presents all companies that are included in the consolidated financial statements as if these companies represented a single company.
- Dealer Partners: professional car and motorcycle dealers who have arranged either a package or bundle contract with AS24.
- EBIT: Earnings before interest and tax
- EBITDA margin (for a segment): The EBITDA margin (of an operating segment) is defined as EBITDA in ratio to the external revenues (of the respective operating segment).
- EBITDA: Earnings before financial results, income taxes, depreciation and amortisation, impairment losses and the result of sales of subsidiaries.
- Engagement (user activity): Measures the total minutes the respective monthly individual visitor to the online platform spends on various interactions.
- External revenues: Revenues that a corporate group generates with customers that are not companies belonging to the same corporate group.
- Financing Partners: Service providers with focus on services in the finance area, who either have a package or a bundle contract with the Scout24 Group
- Lead: Generating a business contact, that is, address data of a qualified prospect who is interested in a certain product and has given his / her consent to the forwarding of his / her data.
- Listings (number of listings): IS24 shows the number of all real estate listings on the respective website as of a certain record date (generally the month-end). AS24 shows the total number of new and used cars and vans on a certain record date (generally the month-end) for the respective country on the respective website.
- Net financial debt: debt is defined as total debt (current and non-current liabilities) less cash and cash equivalents.
- OEM: Original Equipment Manufacturer, automotive manufacturer
- Ordinary operating EBITDA: represents EBITDA adjusted for non-operating and special effects; These include primarily expenses for reorganisation, expenses in connection with the capital structure of the Company and company acquisitions (realised and unrealised), as well as parts of the effects. The ordinary operating EBITDA-margin of a segment is defined as ordinary operating EBITDA as a percentage of external segment revenues
- Residential Real Estate Partner: are defined as real estate professionals in Germany in the area of residential real estate who have a package or bundle contract with IS24
- Revenue adjusted for acquisitions: Group revenue reported excluding new corporate acquisitions
- Revenues: All cumulative revenues generated from ordinary operating activities during the corresponding accounting period
- Sessions: The number of visits within the reporting period in which individual users interact with web or app offerings via a device (desktop PC, mobile devices or apps (multiplatform)). A visit ends automatically after 30

minutes (or longer) if the user fails to interact with the offering.

- UMV (unique monthly visitors): Monthly unique visitors visiting the website via desktop PC or visiting the website via desktop PC, mobile devices or apps (multiplatform), regardless of how often they visit during the relevant month and (for multiplatform metrics) regardless of how many platforms (desktop and mobile) they use (Source: ComScore for IS24, AGOF for AS24)
- User reach: The extent of users measured in terms of monthly individual visitors we reach with our digital marketplaces within a given timeframe.

Sources

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Disclaimer

This document may contain forward-looking statements regarding the business, results of operations, financial condition and earnings outlook of 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. These forward-looking statements are based on the current views and assumptions of Scout24 management and are subject to risks and uncertainties. Such statements are subject to a number of known and unknown risks and uncertainties and there is no guarantee that the anticipated results and developments will actually materialise. They offer no guarantee that the expected results and developments actually occur. 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, especially regarding tax laws and regulation, 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 statement 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 have not been subject to the audit and thus are labelled "unaudited".

The interim management report should be read in conjunction with the interim consolidated financial statements and the additional disclosures.

This report is a non-binding English translation of the original German annual report. Both reports are available for download on our Internet website at www.scout24.com/Financial-reports.

In case of any divergence between the two reports, the German version shall have precedence over the English translation.

Next Events and Reportings

Scout24 expects to report results for the first nine months and the third quarter of the 2018 financial year on Wednesday, 7 November 2018.

Imprint

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