Half-Year Financial Report
H1 2020

Make it happen.

Contents

Disclaimer

Scout24 AG as the parent entity and its direct and indirect subsidiaries together form the Scout24 Group. Insofar as information in the following statement refers exclusively to Scout24 AG, express reference is made to the Company ("Scout24 AG") accordingly. The terms "Scout24 Group", "Scout24", "Scout24 Group" refer to the Group as a whole. The continuing operations of the ImmoScout24 segment are occasionally referred to as "IS24" in the following; the discontinued operations of the AutoScout24 segment are also referred to as "AS24".

This document may contain forward-looking statements regarding the business, results of operations, financial condition and earnings outlook of the 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. Such forward-looking statements are based on the current assessments, expectations, assumptions and information of Scout24's Management Board. They are subject to a large number of known and unknown risks and uncertainties and there is no guarantee that the anticipated results and developments will actually materialise. 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, including but not limited to tax laws and regulations, 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.

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, reorganisation measures, impairment losses, gains or losses on sale resulting from divestitures and the sale of shareholdings, and other 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 annual report 2019 which is available at www.scout24.com/en/investors/financial-reports-presentations.

Due to rounding, numbers presented throughout this report may not add up precisely to the totals indicated, and percentages may not precisely reflect the absolute figures for the same reason.

This report is a non-binding English translation of the original German group interim report as of 30 June 2019. Both reports are available for download on our website. In case of any divergence between the two reports, the German version shall have precedence over the English translation.

Overview

Scout24 grows in the first half of 2020 despite Covid-19 effects

The Scout24 Group got off to an excellent start in 2020. The membership migrations initiated at the beginning of the year showed a promising initial development, as has the “free-to-list” initiative for certain rental listings. On 12 March 2020, social distancing measures came into force Germany-wide in response to the Covid-19 pandemic. In the following week (calendar week 12), ImmoScout24 registered lows in user and visitor numbers (traffic) as well as in the number of listings. Real estate agents reported a sharp drop in customer enquiries. Scout24 responded with a Covid-19 support programme, which included billing deferrals for professional customers and free listings for private customers until mid-May. However, the German real estate market was surprisingly robust. After April and May 2020, which were weak for Scout24 in terms of revenue, June already saw a return to the level in March and was even slightly above the previous year’s level.

KEY FINANCIALS (GROUP, CONTINUING OPERATIONS)

EUR million	Q2 2020	Q2 2019[1]	Change	H1 2020	H1 2019[1]	Change
Group revenue	83.9	86.9	-3.5%	173.0	171.3	+1.0%
Ordinary operating EBITDA	50.3	53.7	–6.2%	105.4	101.8	+3.6%
Ordinary operating EBITDA margin	60.0%	61.7%	–1.7pp	61.0%	59.4%	+1.6pp

[1] In accordance with IFRS 5, the previous year’s figures were retrospectively adjusted for discontinued operations.

Following revenue growth of 5.6% in the first quarter and a decline of 3.5% in the second quarter, Scout24 was able to close the first half of the year with slight year-on-year growth of 1.0% despite the Covid-19 pandemic. Thanks to various short-term cost measures, the ordinary operating EBITDA margin still came out at 60.0% in the second quarter of 2020 (Q2 2019: 61.7%). The half-year margin was 61.0%, or 1.6 percentage points up on the previous year.

Important events in the first six months of the year

- The first share buyback tranche with a volume of EUR 150 million was completed at the end of January; the second tranche with a target volume of EUR 490 million initiated on 6 April.
- A comprehensive immediate-action programme to help customers overcome the coronavirus crisis was announced on 20 March and implemented in the second quarter.
- AutoScout24, FinanceScout24 and FINANZCHECK were deconsolidated on 1 April following the transfer of control.
- A dividend of EUR 0.91 per share (EUR 93.7 million) was approved at the virtual Annual General Meeting on 18 June and the basis was established for further capital repayments.
- Negotiations for the acquisition of the Hamburg real estate portal immoverkauf24 were concluded – the takeover as of 1 July 2020 strengthens the business generated from the intermediation of home seller mandates.
- New forecast for the year 2020 drawn up with revenue expected to be roughly at the previous year’s level and a target margin (ordinary operating EBITDA margin) around the 60% mark.

Investor relations

Intensive dialogue with the capital market despite Covid-19 restrictions

Scout24 AG maintains a constant, open and transparent dialogue with the capital market. Communication with investors and analysts seeks to extensively reflect the business development and future prospects of the Scout24 Group.

Since mid-March, all investor meetings have been held virtually by telephone or video conference as a result of the Covid-19 social distancing measures. A total of 21 days were dedicated to roadshows and conferences in the first six months of 2020, all of which were attended by members of the Management Board.

ROADSHOWS

15 January 2020	Paris Roadshow, Kepler Chevreux
3/4 February 2020	Corporate Governance Roadshow, Frankfurt and London
6 February 2020	Reverse Roadshow Deutsche Bank, Munich
10 March 2020	Reverse Roadshow UBS, Munich
13 March 2020	Reverse Roadshow J.P. Morgan, Berlin
31 March 2020	Virtual Frankfurt Roadshow, Berenberg
1/2 April 2020	Virtual London Roadshow, Credit Suisse
3 April 2020	Group US Investor Call, Exane BNP
7 April 2020	Group UK/EU Investor Call, Exane BNP
27 April 2020	Group Investor Call, Goldman Sachs
18 May 2020	Post Q1 Investor Call, Bankhaus Lampe
18 May 2020	Post Q1 Investor Call, Commerzbank
28 May 2020	Virtual Morgan Stanley Internet Trip

CONFERENCES

20/21 January 2020	19th German Corporate Conference, Frankfurt
19 May 2020	Virtual Berenberg Tarrytown Conference
27 May 2020	Virtual SocGén Nice Conference
4 June 2020	Virtual dbAccess Conference
11 June 2020	Virtual Barclays Internet Day

ANNUAL GENERAL MEETING

Scout24 AG's Annual General Meeting took place on 18 June 2020. As a result of Covid-19, the Annual General Meeting was held as a purely virtual event without the physical presence of shareholders or their proxies. The shareholders approved all the resolutions proposed by management by large majority. A total of 78.43% of the Company's voting share capital participated in the resolutions.

The main voting priorities were the dividend of EUR 0.91 per share, the regular elections to the Supervisory Board and basic resolutions concerning the repayment of capital to shareholders following the successfully completed sale of AutoScout24. This concerns both the renewed authorisation to purchase treasury shares in an amount of up to 10% of the share capital and the resolution to reduce the share capital by cancelling shares that are to be repurchased by way of a public purchase bid between 1 February 2021 and 30 June 2021. The Company has earmarked a total volume of up to EUR 1,000 million for the latter.

With Dr. Elke Frank, Chief Human Resources Officer of Software AG, a new member was elected to Scout24 AG's Supervisory Board. She succeeds Ciara Smyth, who was not available for re-election. Dr. Elke Frank is a lawyer and has 20 years of management experience at listed companies and enriches the competence profile of the Supervisory Board in particular with her expertise in the areas of HR and compensation.

The reports and speeches of the Supervisory Board and Management Board were broadcast live on Scout24 AG's website. Registered shareholders were able to follow the entire Annual General Meeting live via a secured Internet service.

The detailed voting results, the recording of the speeches of the Supervisory Board and the Management Board and the associated presentation are available on the Scout24 AG website at WWW.SCOUT24.COM/EN/INVESTORS/FINANCIAL-EVENTS/ANNUAL-GENERAL-MEETING.

SHARE BUYBACK

The first tranche totalling EUR 150 million commenced on 2 September 2019 and ended on 31 January 2020. In this context, 2,793,873 shares were purchased on the market, corresponding to 2.6% of the share capital at the time of the buyback.

SHARE BUYBACK (SEPTEMBER TRANCHE)

Period	Aggregated volume (number of shares)	Total volume (EUR)
As of 31/12/2019	2,437,041	128,174,984
2/1–3/1/2020	50,400	2,986,425
6/1–10/1/2020	83,000	4,962,023
13/1–17/1/2020	80,454	4,923,527
20/1–24/1/2020	80,250	4,972,527
27/1–31/1/2020	79,728	4,981,772
Total	**2,793,873**	**149,999,973**

On 25 March 2020, Scout24 AG announced the continuation of its share buyback programme. In a second tranche, shares of up to EUR 490 million will initially be bought back. The tranche began on 6 April 2020 and will end on 31 December 2020 at the latest. Under this tranche, 2,226,345 Scout24 shares with a value of EUR 140.4 million were bought back at an average price of EUR 63.05 by the 30 June reporting date.

SHARE BUYBACK (APRIL TRANCHE)

Period	Aggregated volume (number of shares)	Total volume (EUR)
6/4/2020–9/4/2020	229,529	12,892,390
14/4/2020–17/4/2020	333,694	19,117,321
20/4/2020–23/4/2020	440,401	26,130,591
11/5/2020–15/5/2020	213,037	13,040,901
18/5/2020–22/5/2020	47,773	3,107,198
25/5/2020–29/5/2020	227,967	15,307,837
1/6/2020–5/6/2020	155,160	10,817,558
8/6/2020–12/6/2020	231,950	16,049,770
15/6/2020–19/6/2020	57,038	3,891,663
22/6/2020–26/6/2020	240,490	16,619,171
29/6/2020–30/6/2020	49,306	3,394,117
Total	**2,226,345**	**140,368,518**

For more information on the share buyback programme, visit WWW.SCOUT24.COM/EN/INVESTORS/SHARE/SHARE-BUYBACKS.

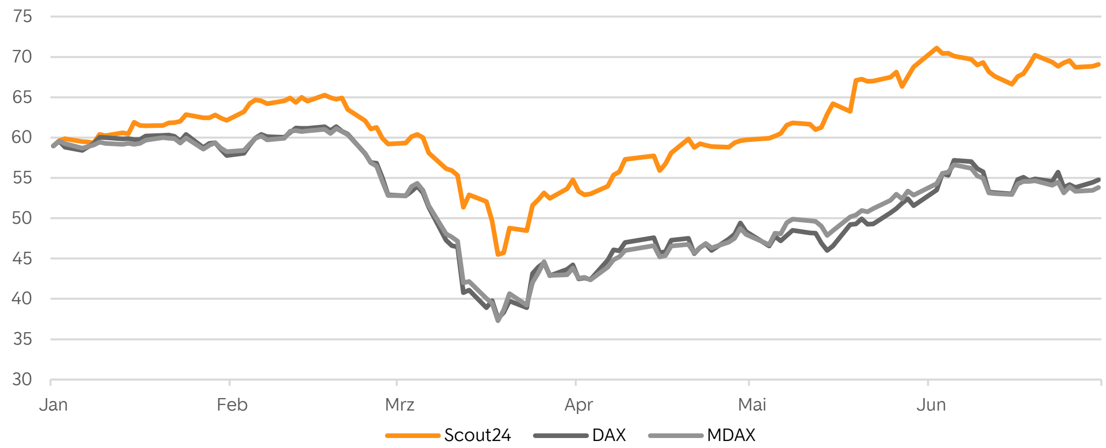
Scout24 share significantly outperforms overall market

SHARE PRICE DEVELOPMENT

Global stock market activity in the first half of 2020 was almost entirely dominated by the Covid-19 pandemic and its impact on the global economy's development. The initial economic optimism after the signing of the China-US trade agreement soon evaporated. As the virus, which was initially limited to China, spread to become a global pandemic, investors were instead dominated by fears of a sharp global recession. Within a few weeks, share prices plummeted by 30% or more across the board. The crash was halted in mid-March thanks to extensive stimulus packages and economic support measures. Investors hoped that the expected economic downturn would be followed by an equally fast and strong recovery. In June, however, far more pessimistic economic forecasts put markets temporarily under pressure with shares being sold.

In this environment, the performance of Germany's leading index, the DAX, was characterised by high volatility, which however led to a relatively moderate loss overall. Accordingly, the DAX initially reached a peak for the year to date of 13,789 points on 19 February, and on 18 March it reached a low for the year to date of 8,442 points, down around 39%. The DAX finally closed the first six months of the year at 12,311 points on 30 June 2020, down 7.1% on the previous year.

DEVELOPMENT OF SCOUT24 SHARE PRICE (EUR, INDEXED)



At the beginning of the year, the Scout24 share initially benefited from the largely positive market assessment of the sale of AutoScout24, the future prospects for ImmoScout24 and the prospect of a significant portion of the proceeds from the sale being distributed to shareholders. Share buyback transactions under the first tranche continued until the end of January. By 17 February, the share price had climbed to an interim high of EUR 65.25. The publication of the preliminary figures for 2019 on 19 February had no further impact on the share price. The market had already anticipated the renewed record financial results.

The subsequent market slump triggered by Covid-19 pulled the share price to the low for the year to date of EUR 45.50 as of 18 March. The Scout24 share was able to buck the overall market trend to a degree. It was also ahead of the field in the subsequent market price rally, which drove the share to a new all-time peak of EUR 71.10 on 2 June. The share price was held up by the plans to distribute capital to shareholders – details of which were announced on 25 March – including a significantly increased dividend payment for 2019 as well as the financial results for the first quarter of 2020, which were published on 14 May and once again demonstrated the business model's performance and resilience. Additional stability was provided by the share buyback programme, which was resumed in April with a second tranche.

In the run-up to the Annual General Meeting on 18 June, the gloomy economic forecasts temporarily also impacted the Scout24 share price. By 30 June, however, the share price had largely recovered, closing the first half of the year up 17.1% at EUR 69.05. As a result, the Scout24 share has also significantly outperformed its relevant benchmark indices, DAX and MDAX, which fell 7.1% and 8.7% respectively in the same period.

SHAREHOLDER STRUCTURE

Between September 2019 and 30 June 2020, Scout24 AG bought back treasury shares totalling 4.67%. The remaining 95.33% of the shares are in free float.

SHAREHOLDER STRUCTURE AS OF 30 JUNE 2020

Shareholder	Number of shares	%
Treasury shares	5,020,218	4.67
Free float	102,579,782	95.33
Total	**107,600,000**	**100.00**

Interim group management report

Key financials at a glance

The following table provides an overview of key financial and non-financial figures of the Scout24 Group's continuing operations for the second quarter and the first half of the 2020 financial year.

EUR million	Q2 2020	Q2 2019[1]	Change	H1 2020	H1 2019[1]	Change
Group revenue	**83.9**	86.9	−3.5%	**173.0**	171.3	+1.0%
Ordinary operating EBITDA[2] (including group functions/consolidation/other)	50.3	53.7	−6.2%	105.4	101.8	+3.6%
Ordinary operating EBITDA margin[3] in %	*60.0%*	*61.7%*	*−1.7pp*	*61.0%*	*59.4%*	*+1.6pp*
External revenue of ImmoScout24	83.7	86.9	−3.6%	172.8	171.2	+1.0%
Ordinary operating EBITDA[2] (without group functions/consolidation/other)	52.9	55.4	−4.4%	110.4	105.4	+4.7%
Ordinary operating EBITDA margin[3] in %	*63.2%*	*63.7%*	*−0.5pp*	*63.9%*	*61.6%*	*+2.3pp*
Own work capitalised	5.4	2.9	+87.7%	10.8	5.9	+83.6%
Own work capitalised as % of revenue	*6.5%*	*3.3%*	*+3.2pp*	*6.3%*	*3.4%*	*+2.9pp*
IS24.de listings[4]	430,677	443,566	−2.9%	419,415	440,751	−4.8%
IS24.de monthly users (million)[5]	14.9	13.2	+12.9%	14.8	13.2	+12.1%
IS24.de monthly sessions (million)[6]	115.5	92.9	+24.2%	110.6	95.8	+15.4%

[1] In accordance with IFRS 5, the previous year's figures were retrospectively adjusted for discontinued operations.

[2] Ordinary operating EBITDA refers to EBITDA adjusted for non-operating effects, which mainly include expenses for share-based payments, M&A activities (realised and unrealised), reorganisation, strategic projects and other non-operating effects.

[3] The ordinary operating EBITDA margin of a segment is defined as ordinary operating EBITDA as a percentage of external segment revenue.

[4] Source: ImmoScout24.de; listings in Germany (average as of the end of the month)

[5] Unique monthly visitors to the German IS24 marketplace (average of the individual months), irrespective of how often they visit the marketplace during the month and irrespective of how many different platforms (desktop and mobile) they use; Source: AGOF e. V.

[6] Number of all monthly visits (average of the individual months) in which individual users interact with the website or app via a device; a visit is considered completed if the user is inactive for 30 minutes or more; source: internal measurement using Google Analytics

Preliminary remarks

On 17 December 2019, Scout24 concluded an agreement for the sale of 100% of the shares in AutoScout24 (AS24), FinanceScout24 and FINANZCHECK. The sale was completed with the transfer of control to the buyer effective 1 April 2020.

The transaction led to the classification of those operations as discontinued operations in the IFRS consolidated financial statements in accordance with IFRS 5, resulting in the retrospective disclosure of the corresponding expenses and income under earnings from discontinued operations in the consolidated statement of profit or loss for the second quarter of 2019 and the first half of 2019.

The statements in this interim management report focus on the continuing operations of the Scout24 Group, i.e. ImmoScout24 ("IS24"). Information on the development of the discontinued AS24 operations sold was provided in the quarterly statement for the first quarter. As the transaction was closed and the operations deconsolidated in the second quarter of 2020, AS24 is not commented on further in the management report for the first half of the year. Unless otherwise indicated, the disclosures for 2020 and the comparative information for the 2019 financial year thus concern the continuing operations.

Business model, strategy and management

Scout24 operates the leading digital marketplace ImmoScout24. Here, Scout24 brings together a large volume of listings with a large number of users who bring traffic to the digital marketplaces through their search queries. In addition, Scout24 offers customers and consumers bespoke add-on products and services relating to purchase, sale or rental transactions.

Business activities focus on the following three main user groups:

- Agents
- Home sellers
- Consumers

From its leading position, the subsidiary ImmoScout24 is to be continually developed into a fully connected digital marketplace within Germany's and Austria's real estate ecosystem. As the entity moves towards that goal, it wants to offer users the best user experience while continually improving data quality and market transparency. To this end, Scout24 is tapping new revenue streams, upgrading technological capabilities and continually enhancing its portfolio by developing new digital products and services that are offered with the support of systematic sales and marketing activities.

The aim is to sustain the profitable growth and strengthen the market position by further developing business activities as described above. At the same time, the Group is committed to integrating sustainability and social responsibility in its daily activities. Strategic acquisitions along the value chain are possible if they serve to further these goals.

Scout24 has designed the internal management system in line with the strategy and defined appropriate performance indicators. A distinction is made between financial and non-financial performance indicators in measuring the extent to which the strategy is implemented successfully. Given the focus on sustainable and profitable growth as well as on sustainably growing the company value, the most important (financial) performance indicator at both Group and segment level is ordinary operating EBITDA. This indicator is supplemented by revenue and the ordinary operating EBITDA margin. In addition, revenue is analysed by reference to main user groups and for specific products. For this purpose, the average revenue per user (ARPU) is monitored on a monthly basis for selected customer groups.

A detailed overview of the Scout24 Group's business activities, strategy and management system is provided in the annual report 2019 in the sections "Business model and operating segments", "Strategy" and "Management system and performance indicators". In the first half of 2020, there was a change in this respect in that the discontinued operations were transferred completely and finally to the new owners as of 1 April 2020. As a result, only disclosures relating to the continuing operations (ImmoScout24) are of relevance. The report is available on the Company's website at WWW.SCOUT24.COM/EN/INVESTORS/FINANCIAL-REPORTS-PRESENTATIONS.

Macroeconomic and sector-specific environment

Economic conditions dominated by Covid-19

Since the sale of AutoScout24, FinanceScout24 and FINANZCHECK, Scout24 has focused all of its activities on the real estate sector in Germany and Austria. In the first half of 2020, Germany was Scout24's main market, accounting for 97% of revenue from continuing operations. The Covid-19 pandemic and the corresponding countermeasures significantly altered the macroeconomic environment in Germany during the first half of 2020. While the Annual Economic Report of 29 January 2020[1] still assumed that price-adjusted gross domestic product (GDP) would grow by 1.1%, actual data for the first quarter already showed a significant decline in economic output. Although the virus did not have a significant impact on the economy in January and February, GDP saw a 2.0% quarter-on-quarter decrease. Compared with the same quarter of the previous year, a decline of 1.8% was recorded.[2] The full extent of the Covid-19 pandemic's economic impact then became apparent in the second quarter: GDP contracted by a further 10.1% compared with the first quarter, and by as much as 11.7% compared with the same quarter of the previous year. Imports and exports of goods and services, consumer spending and investment in capital goods were particularly affected.[3] For the full twelve months of 2020, the German government expects a 6.3% contraction in GDP.[4] The main decline will be in the second quarter of 2020.

The Internet is meanwhile widespread and generally recognised in Germany and the rest of Europe as an information and communication medium. The development of a large number of digital media and e-commerce websites as well as mobile apps has led to a situation in which Internet use has become common among the population. This also has a lasting impact on the distribution of marketing budgets, which continues to shift in favour of digital markets. For instance, in December 2019 the media agency GroupM forecast that digital marketing expenditure would grow by 5% in 2020 and 2021 respectively, whereas the

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[1] Federal Ministry for Economic Affairs and Energy, 2020 Annual Economic Report of 29 January 2020
[2] German Federal Statistical Office, press release no. 287, 30 July 2020
[3] German Federal Statistical Office, press release no. 287, 30 July 2020
[4] Federal Ministry for Economic Affairs and Energy, article "Economic Situation and Cyclical Development" of 29 April 2020

overall marketing budget was expected to grow by a mere 0.6% in 2020. In addition, the challenges specific to the Covid-19 pandemic, with quarantine measures, store closures and social distancing, have made many market participants appreciate the advantages of digitalisation, including in the real estate market. For Scout24 as a digital company and operator of the leading online marketplace ImmoScout24, these developments contributed to a positive momentum thanks to the proven resilience of its business model.

Robust development of the German real estate market despite economic crisis

The Covid-19 pandemic is without precedent and is leaving a clear mark on global economic trends. That said, the German real estate market has so far proven very resilient.

The social distancing measures in effect Germany-wide from mid-March onwards temporarily dampened the volume of residential real estate transactions, both for the sale and rental of properties. In particular, there were limits to the extent that activities such as viewings or notary appointments could take place. While it was possible for buildings to be completed and new construction activities to continue, such work went ahead at a slower pace due to delays in the delivery of materials and longer official approval processes. These developments also left their mark on ImmoScout24's activities in the short term. After a brief, temporary Covid-19 slump, demand and supply for residential real estate resumed relatively quickly from the beginning of April, above the level prevailing in the weeks before Covid-19. By the end of the first half of the year, the number of apartments on the market for rent or sale even exceeded the usual high at the beginning of the year. According to ImmoScout24's residential property index (IMX) both purchase and rental prices rose again significantly across all property types throughout Germany in the second quarter of 2020. At the end of June, the index values in all categories were back at or in some cases significantly above the level of December 2019.

The business real estate market was hit harder by the Covid-19 pandemic. For example, hotels, restaurants and shops had to close on a large scale or were only able to stay open subject to stricter safety measures and reduced capacities. In the office segment, working-from-home solutions have proven a successful alternative. However, supply, demand and prices for office real estate in Germany remained relatively stable in the first half of 2020 according to data from ImmoScout24. According to ImmoScout24's business property index (GIMX) and the German Economic Institute (IW), nine of the twelve leading German locations surveyed actually showed increases of more than 2% for offered rents in the first half of 2020. Demand for rented retail space also recovered quickly: in June, providers of retail space for rent in Germany again received as many contact enquiries as at the beginning of the year (–0.1%).

One topic with which the market was already concerned last year is the question whether agent commission in the sale of residential properties can be shared (key word "Bestellerprinzip"). Here, the legislator has introduced a uniform regulation applicable nationwide. The law was passed by the German Bundestag on 14 May 2020 and approved by the Bundesrat on 5 June 2020. Having been signed by the German Federal President and published in the Bundesgesetzblatt (Federal Law Gazette) on 23 June 2020, the law will enter into force on 23 December 2020 after a six-month transition period. As a result, the party who commissions the agent (typically the seller) will in future only be able to charge at most 50% of the agent commissions to the counterparty. The counterparty will only be obliged to pay after the commissioning party (the contracting party) has furnished proof of payment of its own share of the agent commission. The law had no effect on the business of ImmoScout24 in the first half of 2020.

Business performance of the Group

Slight revenue growth and significant margin improvement in the first half of 2020 despite Covid-19 pandemic

REVENUE AND TOTAL OPERATING PERFORMANCE

Despite the Covid-19 pandemic, the Scout24 Group was able to close the first half of 2020 with revenue from continuing operations up slightly by 1.0%. Accordingly, group revenue rose from EUR 171.3 million in H1 2019 to EUR 173.0 million in H1 2020. This figure includes EUR 0.2 million in revenue generated by Scout24 AG, primarily from licensing (H1 2019: EUR 0.1 million). EUR 172.8 million (H1 2019: EUR 171.2 million) is attributable to revenue generated by the subsidiary ImmoScout24. The two weakest months in terms of sales, April and May, which were marked by Covid-19 and the implementation of the ImmoScout24 support programme, caused group revenue to fall by EUR 3.1 million or 3.5% to EUR 83.9 million in the second quarter (Q2 2019: EUR 86.9 million), after having grown by 5.6% in the first quarter of 2020.

Own work capitalised from continuing operations increased by 83.6% in the first half of 2020 from EUR 5.9 million to EUR 10.8 million (EUR 5.4 million in Q1 2020 and EUR 5.4 million in Q2 2020). This rise relates to the greater use of software developers and higher personnel expenses associated with the execution of a larger number of projects, which support the platform’s future growth. Examples include product developments aimed at accelerating home seller acquisition, improving consumer journeys, integrating CRM solutions, renewing premium memberships and data technology projects. In the first half of 2020, own work capitalised amounted to 6.3% of revenue compared with 3.4% in the same period of the previous year.

Together with other operating income from continuing operations of EUR 1.7 million (H1 2019: EUR 1.6 million), total operating performance increased from EUR 178.8 million in H1 2019 to EUR 185.5 million in H1 2020.

DEVELOPMENT OF COSTS

Operating expenses totalled EUR 89.1 million in the first half of 2020, which is EUR 16.1 million or 15.3% below the previous year’s level of EUR 105.2 million.

Personnel expenses from continuing operations decreased by EUR 13.3 million or 23.8% to EUR 42.6 million (H1 2019: EUR 55.9 million). This is chiefly due to lower share-based payments contained in the non-operating effects. While the related expenses amounted to EUR 17.8 million in the first half of 2019, they came to EUR 4.5 million in the first half of 2020.

Marketing expenses from continuing operations decreased by 10.8%, from EUR 14.9 million to EUR 13.3 million (H1 2020: 7.7% of revenue, H1 2019: 8.7%). While online marketing, including the product Realtor Lead Engine, were conscious investment targets in the first quarter of 2020 (Q1 2020 marketing expenses: EUR 8.3 million), marketing expenses in the second quarter (Q2 2020: EUR 5.0 million) were scaled back on account of Covid-19.

IT expenses from continuing operations increased by 33.9% to EUR 8.6 million in the first half of 2020 (H1 2019: EUR 6.4 million). The increase was principally attributable to the ongoing migration of the data centre solutions to the cloud, leading to increasing operating costs for cloud-based platform and software solutions.

Other operating expenses from continuing operations decreased by 12.0% from EUR 28.0 million to EUR 24.6 million compared with the first six months of the previous year. This is primarily due to lower service and consulting costs, which clearly overcompensated for the higher expenses resulting from the recognition of general bad debt allowances for possible bad debts in connection with Covid-19.

The expense and income items described above include non-operating effects of EUR 9.1 million, which are significantly lower than in the previous year (H1 2019: EUR 28.3 million). Non-operating effects include, in particular, non-recurring costs attributable to M&A transactions including post-merger integration, as well as personnel expenses from share-based payments and personnel expenses in connection with changes in the organisational structure. As already mentioned, EUR 4.5 million (H1 2019: EUR 17.8 million) of the non-operating costs in the first half of 2020 were attributable to share-based payments. Reorganisation costs of EUR 3.6 million (H1 2019: EUR 2.5 million) also consist chiefly of non-operating personnel expenses.

The remaining ordinary operating effects rose by 4.0% from EUR 75.4 million to EUR 78.4 million compared with the same six-month period of the previous year, outpacing revenue. On the one hand, this has to do with structural costs, which were designed for a growing business volume during the financial year. On the other hand, the development reflects dis-synergies resulting from the sale of AutoScout24, FinanceScout24 and FINANZCHECK in the second quarter of 2020 totalling approximately EUR 1.5 million. Nevertheless, the previously planned cost optimisation measures continued to be implemented and short-term cost measures were initiated in response to the Covid-19 pandemic. Cost optimisation and saving measures primarily relate to the areas of personnel and marketing and partially offset the rising IT expenses due to the cloud migration and the higher expenses from additions to loss allowances in connection with Covid-19 (included in other operating expenses).

DEVELOPMENT OF EARNINGS

Against the background of the aforementioned revenue and cost developments, ordinary operating EBITDA from continuing operations for the full first half of 2020 increased by 3.6% to EUR 105.4 million compared with the previous year (H1 2019: EUR 101.8 million). The half-year ordinary operating EBITDA margin came to 61.0%, up 1.6 percentage points on the previous year's level (H1 2019: 59.4%). In the second quarter, the Group succeeded in maintaining the ordinary operating EBITDA margin at the 60.0% mark despite the lower revenue (Q2 2019: 61.7%).

DEVELOPMENT OF OPERATING COSTS AND THE CORRESPONDING IMPACT ON ORDINARY OPERATING EBITDA

(EUR million)	Q2 2020	Q2 2019	Change	H1 2020	H1 2019	Change
Revenue	83.9	86.9	–3.5%	173.0	171.3	+1.0%
Own work capitalised	5.4	2.9	+87.7%	10.8	5.9	+83.6%
Ordinary operating effects	**–39.0**	**–36.2**	**+7.7%**	**–78.4**	**–75.4**	**+4.0%**
of which personnel expenses	–18.4	–18.3	+0.2%	–35.7	–37.2	–4.1%
of which marketing expenses	–5.0	–6.7	–25.6%	–13.3	–14.8	–10.3%
of which IT expenses	–4.4	–3.2	+35.9%	–8.3	–6.2	+33.9%
of which other operating expenses	–11.2	–7.9	+42.0%	–21.1	–17.2	+22.9%
Ordinary operating EBITDA	**50.3**	**53.7**	**–6.2%**	**105.4**	**101.8**	**+3.6%**

Group functions contributed EUR 5.1 million (H1 2019: EUR 3.7 million) to the operating effects. Adjusted for the group functions, ImmoScout24's ordinary operating EBITDA margin stood at 63.9% in the first half of 2020 (H1 2019: 61.6%).

The Group's unadjusted EBITDA from continuing operations increased strongly by 31.1% to EUR 96.4 million (H1 2019: EUR 73.5 million). This is primarily due to the significantly lower personnel expenses from share-based payments described above.

RECONCILIATION OF ORDINARY OPERATING EBITDA TO UNADJUSTED EBITDA

(EUR million)	Q2 2020	Q2 2019	Change	H1 2020	H1 2019	Change
Ordinary operating EBITDA	**50.3**	**53.7**	**–6.2%**	**105.4**	**101.8**	**+3.6%**
Non-operating effects[1]	–6.5	–18.1	–63.9%	–9.1	–28.3	–68.0%
of which share-based payments	–4.8	–10.1	–52.5%	–4.5	–17.8	–74.6%
of which M&A transactions	–0.1	–5.9	–97.8%	–0.7	–8.0	–91.7%
of which reorganisation	–1.6	–2.1	–25.1%	–3.6	–2.5	+43.5%
of which other non-operating effects	0.0	0.0	n/a	–0.3	0.0	n/a
Unadjusted EBITDA	**43.8**	**35.5**	**+23.3%**	**96.4**	**73.5**	**+31.1%**

[1] In the 2019 financial year, Scout24 reclassified the categories within the non-operating effects in order to increase transparency, but without changing the allocation of income and expenses to the non-operating effects. To ensure comparability, the corresponding figures for the second quarter of 2019 and the first half of 2019 have been restated.

At EUR 24.9 million, depreciation, amortisation and impairment losses on continuing operations are 9.6% below the previous year's level (H1 2019: EUR 27.5 million). Of this amount, EUR 15.6 million is attributable to intangible assets identified and recognised in the course of the purchase price allocations (H1 2019: EUR 16.2 million).

The financial result from continuing operations fell slightly in the first half of 2020 from minus EUR 9.9 million to minus EUR 10.2 million, although it improved in the second quarter of 2020 from minus EUR 5.7 million to minus EUR 3.8 million, primarily due to lower finance expenses as a result of the repayment of debts. In the first quarter of 2020, finance expenses were still significantly higher than in the same period of the previous year due to the release of deferred transaction costs in connection with the early repayment of debt.

The income tax expense from continuing operations was 93.5% higher than in the previous year due to the higher earnings in the first half of 2020. It amounted to EUR 17.1 million (H1 2019: EUR 8.9 million), resulting in a tax rate of 27.9%.

The consolidated earnings from continuing operations attributable to the shareholders of the parent company improved significantly in the first half of 2020 by 62.0% to EUR 44.2 million (H1 2019: EUR 27.3 million). Based on a volume-weighted average number of shares of 104,244,555, (basic) earnings per share from continuing operations amounted to EUR 0.42 in the first half of 2020 (H1 2019: EUR 0.25; number of shares: 107,600,000).

Deconsolidation of AutoScout24 evident in the statement of financial position as of the end of the reporting period

On 31 March 2020, Scout24 received the provisional purchase price of EUR 2,838.7 million as consideration for the sale of AutoScout24, FinanceScout24 and FINANZCHECK, which was completed on 1 April 2020, less an amount of EUR 350.0 million used directly for debt repayments. Some of the cash received was invested in money market funds and a special fund that are reported under cash and cash equivalents and under current financial assets of the Scout24 Group.

As of the half-year reporting date 30 June 2020, cash and cash equivalents amounted to EUR 1,384.3 million (31 December 2019: EUR 65.6 million), while current financial assets totalled EUR 684.0 million (31 December 2019: EUR 1.3 million). The Scout24 Group's total current assets from continuing operations came to EUR 2,132.7 million as of the 30 June 2020 reporting date (31 December 2019: EUR 105.6 million without assets held for sale).

Non-current assets decreased by EUR 17.1 million from EUR 1,690.8 million as of 31 December 2019 to EUR 1,673.7 million as of 30 June 2020. This is primarily due to depreciation, amortisation and impairment losses totalling EUR 24.9 million, which more than offset the EUR 10.5 million increase in financial assets.

Control of the entities sold was transferred to the buyer on 1 April 2020. At that time, assets held for sale of EUR 641.8 million (31 December 2019: EUR 634.8 million) reported in accordance with IFRS 5 and related liabilities of EUR 106.9 million (31 December, 2019: EUR 71.7 million) were identified. These were derecognised in full as of 1 April 2020.

Current liabilities decreased by EUR 92.4 million to EUR 118.4 million as of 30 June 2020 (31 December 2019: EUR 210.8 million). The decrease is mainly due to the derecognition of liabilities of EUR 71.7 million associated with assets held for sale as well as the EUR 15.2 million decrease in financial liabilities and the release of provisions totalling EUR 33.6 million. At the same time, income tax liabilities rose by EUR 31.6 million.

Non-current liabilities decreased by EUR 574.8 million from EUR 1,166.5 million as of 31 December 2019 to EUR 591.7 million as of 30 June 2020. This is primarily due to the repayment of loans amounting to EUR 560.0 million. Lease liabilities, other provisions and deferred tax liabilities also declined.

Due to the high inflow of cash and the repayment of financial liabilities, the Group has a net financial asset position[5] as of 30 June 2020 of EUR 1,102.2 million compared with net financial debt[6] from continuing operations of EUR 789.2 million as of 31 December 2019. The leverage ratio[7] (31 December 2019: 2.45 : 1) as of 30 June 2020 is therefore not a meaningful indicator.

The gain on disposal totalling EUR 2,258.8 million realised in 2020 from the AutoScout24 transaction was reported in earnings from discontinued operations and is reflected in equity as of the end of the half-year period. This amounted to EUR 3,096.3 million as of 30 June 2020 (31 December 2019: EUR 1,053.9 million), which corresponds to an equity ratio of 81.3% (31 December 2019: 43.3%). The increase is primarily due to additions to retained earnings amounting to EUR 2,205.6 million. This mainly comprises earnings for the half-year of EUR 2,299.5 million, less the dividend of EUR 93.7 million paid out. The EUR 165.1 million increase in the carrying amount of treasury shares to EUR 294.7 million as of 30 June 2020 (31 December 2019: EUR 129.6 million) must be deducted from this figure.

On aggregate, total assets increased by EUR 1,375.1 million to EUR 3,806.3 million compared with 31 December 2019 (EUR 2,431.2 million).

The Company intends to repay a large part of the proceeds from the AutoScout24 transaction to the shareholders. Accordingly, in addition to the dividend payout of EUR 93.7 million for the 2019 financial year, which was made in June 2020, a further amount of up to EUR 1,690 million is to be repaid to shareholders by the middle of next year through share buyback transactions. Of that amount, up to EUR 490 million is attributable to the second share buyback tranche initiated on 6 April and scheduled to be concluded by the end of the 2020 financial year. Up to EUR 200 million is to stem from share buyback transactions in 2021 on the basis of the new authorisation to buy back shares adopted by the Annual General Meeting. In addition, up to EUR 1,000 million will be obtained from the reduction of the share capital likewise resolved at the Annual General Meeting by cancelling shares that are to be repurchased by way of a public purchase bid between 1 February 2021 and 30 June 2021.

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[5] Cash and cash equivalents less total current and non-current financial liabilities (including lease liabilities)
[6] Total current and non-current financial liabilities (including lease liabilities) less cash.
[7] Ratio of net debt to ordinary operating EBITDA for the last twelve months; as set forth in the loan agreements, the leverage disclosure relates to continuing and discontinued operations

Financial position reflects robust business development and sale of AutoScout24

The cash flow from operating activities generated in continuing operations came to EUR 53.0 million in the first half of 2020 (H1 2019: EUR 48.2 million). The increase is mainly due to the higher consolidated earnings after tax. This development was offset by lower additions to provisions.

The negative cash flow from investing activities in continuing operations rose steeply from EUR –2.3 million in H1 2019 to EUR –677.4 million in H1 2020, primarily due to investments in financial assets (special securities funds) and the purchase price payment in connection with the acquisition of immoverkauf24.

Investments in financial assets are made in accordance with an investment guideline established by Scout24 in March 2020. The guideline classifies the funds to be invested into investment categories that take into account criteria such as liquidity requirements and investment risk. An external audit firm was engaged to verify the correct implementation of the investment strategy.

The negative cash flow from financing activities in continuing operations amounted to EUR –840.6 million in the first half of 2020 (H1 2019: EUR –62.6 million). The increase is mainly due to the repayment of debt amounting to EUR 680.0 million (reduced by EUR 100 million for newly obtained short-term loans), the dividend payment of EUR 93.7 million and payments for the acquisition of treasury shares amounting to EUR 157.5 million.

In total, cash available from continuing operations in the 2020 financial year increased by EUR 1,318.7 million to EUR 1,384.3 million as of 30 June 2020 compared with EUR 65.6 million as of 31 December 2019.

Business performance of the segments

New segment structure introduced

The following new segment structure has been in effect since the second quarter of 2020. The structure was applied retrospectively to the presentation of the relevant financial information for the first quarter of 2020 and the first half of 2019. The development of revenue and ordinary operating EBITDA is shown separately for each of the segments.

- **Residential Real Estate**
  - Business with residential real estate partners, i.e. real estate agents primarily offering residential properties for sale or rent, property management and housing companies that regularly enter into new leases, and financial services partners, e.g. savings banks, with estate agent activities
  - Business with consumers who directly offer properties for sale or rent and who are looking for or have looked for rental properties (using services such as credit checks and/or premium membership)
  - Business with removal companies to whom IS24 sells moving leads as well as with banks, financial consultants, loan brokers, insurance companies and intermediaries to whom IS24 sells financing leads and property-related insurance leads

- **Business Real Estate**
  - Business with real estate agents who primarily offer business properties for sale or rent
  - Business with real estate project developers and new home builders that market new construction projects

- **Media & Other**
  - Business with advertisers who place advertisements on the IS24 marketplace
  - ImmobilienScout24 Austria
  - The subsidiary FlowFact (real estate agent CRM software)

KEY FINANCIAL PERFORMANCE INDICATORS

(EUR million)	Q2 2020	Q2 2019	Change	H1 2020	H1 2019	Change
External revenue of ImmoScout24	**83.7**	**86.9**	**−3.6%**	**172.8**	**171.2**	**+1.0%**
of which Residential Real Estate segment	59.9	60.8	−1.6%	123.2	120.0	+2.7%
of which residential real estate partners	41.6	40.9	+1.9%	84.9	80.4	+5.5%
of which consumers	18.2	20.0	−8.7%	38.3	39.6	−3.1%
of which Business Real Estate segment	16.6	17.2	−3.4%	34.6	34.1	+1.4%
of which Media & Other segment	7.3	8.8	−17.6%	15.1	17.1	−12.2%
Ordinary operating EBITDA	**52.9**	**55.4**	**−4.4%**	**110.4**	**105.4**	**+4.7%**
of which Residential Real Estate segment	38.2	39.5	−3.2%	79.5	75.4	+5.4%
of which Business Real Estate segment	11.7	12.1	−3.1%	24.9	23.2	+7.2%
of which Media & Other segment	3.0	3.8	−20.9%	6.1	6.9	−11.2%
Ordinary operating EBITDA margin	**63.2%**	**63.7%**	**−0.5pp**	**63.9%**	**61.6%**	**+2.3pp**
of which Residential Real Estate segment	63.9%	65.0%	−1.1pp	64.5%	62.8%	+1.7pp
of which Business Real Estate segment	70.4%	70.2%	+0.2pp	72.1%	68.2%	+3.9pp
of which Media & Other segment	41.0%	42.7%	−1.7pp	40.4%	40.0%	+0.4pp

Residential Real Estate business proves most resilient in the crisis

The Residential Real Estate business accounted for the largest share of ImmoScout24's total revenue with 71% in the first half of 2020 (H1 2019: 70%). This segment has proven the most resilient during the Covid-19 pandemic, in particular due to revenue with real estate agents secured with annual contracts. Accordingly, revenue in the Residential Real Estate segment was only down 1.6% in the second quarter of 2020. Indeed, the revenue with professional customers included in this figure (i.e. real estate agents, property managers and finance customers) actually increased by 1.9%, while revenue with consumers declined by 8.7% in the second quarter. Overall, Residential Real Estate segment revenue increased by 2.7% in the first half of the year, from EUR 120.0 million in H1 2019 to EUR 123.2 million in H1 2020.

The ordinary operating EBITDA margin in the Residential Real Estate segment came to 64.5% in H1 2020, up 1.7 percentage points on the previous year's margin of 62.8%. This improvement is attributable both to permanent cost optimisation measures and to short-term cost measures implemented in response to the Covid-19 pandemic, particularly in marketing.

Compared with the first half of 2019, it was possible to acquire 811 (smaller) core customers (real estate agents, property managers and finance customers). As of 30 June 2020, the number of residential real estate partners totalled 17,020. ARPU for the first half of the year came to EUR 709 (Q1 2020: EUR 729; Q2 2020: EUR 690), 4.1% higher than in the previous year. As the sale of add-on products (e.g. Realtor Lead Engine) and the migration to higher-value memberships got off to a promising start in the 2020 financial year, the focus in the second quarter of 2020 was placed on customer retention and securing customer loyalty. However, only some 1,300 partners took up the offer to defer payment of their April and May invoices until December as part of the Covid-19 support programme (Liquidity Plus). The deferral of receivables has no effect on revenue; the volume of general bad debt allowances was increased to account for possible bad debts. In June, within the framework of Leads Plus (Covid-19 support programme), current real estate agency customers were provided with free leads for the acquisition of mandates. This measure resulted in about EUR 1-2 million less revenue in the second quarter of 2020.

Listing Plus permitted consumers to place private real estate listings free of charge from 27 March 2020 onwards, which had an impact on revenue with consumers in the Residential Real Estate segment (–8.7% on a year-on-year quarterly comparison and –3.1% on a half year comparison). This measure was intended to increase vibrancy on the ImmoScout24 marketplace during the Covid-19 crisis and remained in effect until mid-May. This led to a shortfall in revenue of around EUR 2 million, which was partly offset by revenue from services provided to private customers (especially those looking for accommodation using the MieterPlus product), who responded to the increasing number of (free) listings.

Business Real Estate likewise grows slightly compared with the first half of the previous year

The Business Real Estate segment accounted for around 20% of ImmoScout24's external revenue in the first half of 2020. While Business Real Estate revenue was also down in the second quarter (–3.4%), it nevertheless grew slightly by 1.4% compared with the first half of the previous year, from EUR 34.1 million to EUR 34.6 million. This is primarily due to rising revenue with business real estate agents, while revenue with project developers remained relatively stable.

The Business Real Estate segment returned a high margin of 72.1% in H1 2020 (up 3.9 percentage points compared with 68.2% in H1 2019) thanks to the high share of (contractually fixed) core revenue in the first quarter as well as sustainable and short-term cost optimisation measures in the first and second quarters, and this despite additions to general bad debt allowances in connection with Covid-19.

The number of business real estate partners fell slightly year on year by 13 to 2,795 partners as of 30 June 2020. ARPU for the first half of the year came to EUR 1,747 (Q1 2020: EUR 1,811; Q2 2020: EUR 1,706), 1.8% higher than in the previous year.

Media & Other segment records declining revenue but stable margin

Contributing a 9% share of revenue, the Media & Other segment revenue declined by 12.2% to EUR 15.1 million in the first half of 2020. Media revenue suffered most, both from the general market contraction of the advertising business and on account of Covid-19. The subsidiary FlowFact recorded lower revenue primarily due to the prolonged process of migrating products to the new cloud solution. ImmoScout24 Austria was able to generate growth in both the first and second quarters alike.

Nevertheless, even the lower-margin business of the Media & Other segment was able to raise its profitability compared with the same six months of the previous year, namely by 0.4 percentage points to an ordinary operating EBITDA margin of 40.4%.

OTHER NON-FINANCIAL PERFORMANCE INDICATORS

	Q2 2020	Q2 2019	Change	H1 2020	H1 2019	Change
Residential real estate partners (number of core customers[1] at the end of the period)	17,020	16,209	+5.0%	17,020	16,209	+5.0%
ARPU[2] with residential real estate partners (EUR, monthly)	690	688	+0.3%	709	681	+4.1%
Business real estate partners (commercial real estate agents, project developers, new home builders) (number of core customers[1] at the end of the period)	2,795	2,808	–0.5%	2,795	2,808	–0.5%
ARPU[2] business real estate partners (EUR, monthly)	1,706	1,737	–1.8%	1,747	1,716	+1.8%
IS24.de listings[3]	430,677	443,566	–2.9%	419,415	440,751	–4.8%
IS24.de monthly users (million)[4]	14.9	13.2	+12.9%	14.8	13.2	+12.1%
IS24.de monthly sessions (million)[5]	115.5	92.9	+24.2%	110.6	95.8	+15.4%

[1] Customers with a fee-based contract extending beyond the reporting period that entitles them to market more than one property

[2] Average revenue per user per month, calculated by dividing the revenue generated with the respective core customers in the reported period by the average number of core customers in the same period (calculated based on opening and closing balance) further divided by the number of months in the corresponding period

[3] Source: ImmoScout24.de; listings in Germany (average as of the end of the month)

[4] Unique monthly visitors to the German IS24 marketplace (average of the individual months), irrespective of how often they visit the marketplace during the month and irrespective of how many different platforms (desktop and mobile) they use; Source: AGOF e. V.

[5] Number of all monthly visits (average of the individual months) in which individual users interact with the website or app via a device; a visit is considered completed if the user is inactive for 30 minutes or more; source: internal measurement using Google Analytics

Listing and traffic figures at the end of the half-year period return to or exceed pre-crisis level

ImmoScout24 measures the activity on its digital marketplace based on the number of listings and user/visitor numbers (traffic), among other metrics. In response to the Covid-19 pandemic, social distancing measures were introduced nationwide on 12 March 2020. In the following week (calendar week 12), ImmoScout24 registered lows in listings and traffic.

Throughout the first half of 2020, however, the number of listings was only slightly below (down 4.8%) the level of the previous year (H1 2020: 419,415; H1 2019: 440,751). The number of users increased by as much as 12.1% compared with the first half of the previous year, and the number of sessions by 15.4%. This is a sign that demand for real estate remained intact despite Covid-19.

Lower headcount following deconsolidation

The average headcount in the Scout24 Group's continuing operations decreased from 909 in H1 2019 to 811 in H1 2020. The decrease is mainly due to the transfer of employees from holding functions to AutoScout24.

Overall assessment

Contrary to other forecasts, the German real estate market remained highly stable overall in the first half of 2020, despite Covid-19, and has already returned to pre-crisis levels. Accordingly, Scout24's main target group – real estate agents – has also come through the crisis well so far. The activities of private listers and home seekers largely returned to normal towards the end of the half-year period. As the financial figures described above show, Scout24 has proven very resilient against this backdrop.

In addition, Scout24 was able to complete the carve-out and close the AutoScout24 transaction as planned in the midst of the Covid-19 crisis. The companies sold were deconsolidated as of 1 April 2020.

Consequently, the Management Board is very satisfied with the development of the Scout24 Group's operations and financial position in the first half of 2020, in spite of the repercussions of Covid-19, and views this as further confirmation of the strategic alignment.

Risks and opportunities

Risks

Scout24 is exposed to a number of risks described in detail and quantified in the “Risks and opportunities report” section of the combined management report of the Scout24 Group and Scout24 AG for the 2019 financial year. The Management Board is aware of the following changes as of the end of the first six months of 2020 resulting from an updated assessment of existing risks or risks that are objectively becoming more manifest:

EXTERNAL RISKS

1.4. Competition and market
As explained in the 2019 annual report, Scout24 operates in a highly competitive environment. The business model is susceptible to sudden fluctuations in the market and competitive environment as well as with respect to market participants. Only recently it was announced that the Norwegian media group Adevinta was taking over the eBay Classifieds portal, which will make it one of the world’s largest providers of online listing portals. In addition to direct competitors, such as real estate portals, social networks like Facebook could also exert increased competitive pressure in the private listings segment. We monitor market developments and consider these risks to be manageable overall.

Due to the significant changes described and isolated immaterial changes, the “competition and market” risk area constitutes a significant risk component for Scout24. The probability of occurrence of this risk area is estimated to be “possible” and the quantitative impact is still estimated to be “substantial”.

1.8. Nature and environment
The risk arising from the Covid-19 pandemic dominates the “nature and environment” risk position. Market and economic conditions, which have been completely altered by Covid-19, had a significant influence on activities on ImmoScout24’s marketplace, especially earlier this year in April and May. In those months revenue that was not contractually fixed was particularly affected. In order to react appropriately to this risk, Scout24 decided to introduce an immediate-action programme in the first quarter of 2020, which was implemented in the course of the second quarter. It includes, for example, the deferral of invoices for professional customers and the offer of free listings for private customers. This support programme has partially helped mitigate the Covid-19 pandemic’s impact and repercussions.

Similar mitigating measures could be adopted in the event of a second wave of infection, which might again affect revenue and, in turn, ordinary operating EBITDA. Given the continued threat of a second wave, this risk area is considered “probable” and the quantitative impact “significant”.

As was the case in the 2019 annual report, the conclusion for the first half of the year is that the existing individual risks are manageable and the overall risk is manageable and covered several times over by the available equity. No risks have been identified that, either individually or collectively with other risks, could jeopardise the Scout24 Group’s ability to continue as a going concern.

Opportunities

E-commerce continues on a growth track – in Germany, the rest of Europe and globally. In the listings business in particular, business models are shifting from offline offerings (such as print media) to online offerings.

It is precisely this change that generates significant growth potential for the Scout24 business models. Through its powerful brand awareness and large number of users, the Scout24 Group has achieved an excellent positioning in all significant operating segments. For this reason, the Management Board sees all Scout24 entities operating in the market continuing on a growth track overall.

From the Management Board's perspective, Scout24 AG is overall well positioned to systematically identify and benefit from the opportunities that arise from the major trends in its markets.

Opportunities are also detailed in the "Risks and opportunities report" section of the combined management report of the Scout24 Group and Scout24 AG for the 2019 financial year. The Management Board is not aware of any material changes in the opportunity cluster as of the end of the first six months of 2020. There have been no fundamental changes compared with the opportunities presented in the combined management report.

Events after the reporting period

On 1 July 2020, Scout24 AG acquired 100% of the shares in the entity immoverkauf24 GmbH with registered office in Hamburg for a total purchase price of EUR 26.8 million. The entity operates the real estate portal "immoverkauf24", which advises and supports home sellers in the sale of their properties. immoverkauf24 operates digital platforms in Germany, Austria and Switzerland. The entity was founded in 2011 and has around 70 employees.

The business activities of immoverkauf24 will be integrated into Scout24's Residential Real Estate segment and developed further in parallel with the intermediation of home seller mandates (Realtor Lead Engine).

Outlook

As a result of the Covid-19 pandemic and the high level of uncertainty about the effects on the business operations of the Scout24 Group, the Management Board felt compelled on 25 March 2020 to cancel its previous forecast for the 2020 financial year. Now that the first half of 2020 has ended, it sees itself in a position to issue a new forecast for the 2020 financial year that takes into account current expectations as to the effects of the Covid-19 pandemic.

Market and industry expectations point to a stable business environment

The repercussions of the coronavirus pandemic for the global economy and, in turn, for Germany's export-oriented economy have since materialised. However, the intensity and duration of the outbreak in individual countries and the risk of a second wave of infection only permit forecasts with a high level of uncertainty. Accordingly, estimates of Germany's GDP are subject to a high degree of uncertainty and vary widely between –4.2% and –9.4%[8] as of the beginning of July 2020. However, economic researchers and experts expect the economy to recover significantly already in the third and fourth quarters as Covid-19 restrictions increasingly ease.

In recent weeks, various assumptions and forecasts have been circulating in the market speculating that prices on the real estate market would fall. ImmoScout24's data cannot confirm these fears. The data indicates that the real estate market is stable and remains dynamic. However, it remains to be seen how the market will develop in the long term.

Having said that, even if property prices and rents were to fall and the German residential property market were to reverse from a seller's market to a buyer's market, ImmoScout24 would probably only be moderately affected. Far more important for ImmoScout24's business model than the real estate price level is the number of sales transactions and new property rentals. Irrespective of price trends, more than eight million people move house every year in the German market, which has a large share of property rentals. That number is not expected to decrease.[9]

The law governing the sharing of agent commission in the sale of residential properties (key word "Bestellerprinzip") is not expected to affect ImmoScout24 before the end of the current financial year. Agents in the five federal states of Berlin, Brandenburg, Hamburg, Bremen and Hesse, where the new sharing principle has so far not been common practice, must prepare for the prospect of sellers and buyers negotiating commission amounts more intensively with them in future. This could lead to lost revenue, and possibly lower marketing budgets for agents.

With various product initiatives such as the agent comparison and the underlying Realtor Lead Engine, ImmoScout24 already began last year to provide the best possible support to its core customer group of agents in order to compensate for a possible decline in commission income. For example, ImmoScout24 helps agents increase their presence in order to continue to win home seller mandates. To this end, they can position themselves in the ImmoScout24.de business directory as part of their branding and image cultivation efforts. ImmoScout24 is also continuing to gradually introduce the interactive agent profile. In

[8] tagesschau.de, overview of economic forecasts for Germany, 7 July 2020
[9] Deutsche Post Adress GmbH & Co. KG, "Umzugsstudie 2018 – So zieht Deutschland um", page 3

addition, ImmoScout24 is working on products to provide the best possible support for its core customers during the transition to the new commission model.

The new legal regulation could also lead to sellers tending to market their properties themselves more often in the future. According to a recent survey,[10] 42% of prospective home sellers want to use an agent in the next three years, compared with 58% who would rather not go through an agent. With its "Home Seller Hub", ImmoScout24 is also geared to home sellers marketing real estate directly. These platforms guide home sellers through the sales process, whether they wish to market their property through an agent (agent comparison and lead engine) or choose to take the route of direct marketing with a private listing on ImmoScout24.

As described in the ECONOMIC CONDITIONS section, the shift in marketing spend from offline to online in particular continues. The faster growth of the digital market underlines the positive prospects of Scout24's business model, which is geared towards the digitalisation of the value chain. The Covid-19 pandemic has further underscored the importance of digitalisation, including virtual visits, digital application folders and digital interaction with public authorities. In particular, the further consistent digitalisation of real estate transactions offers substantial long-term growth potential for Scout24.

Company expectations

For the Scout24 Group, the Management Board expects group revenue this year to be roughly on a par with the previous year and the Group's ordinary operating EBITDA margin to reach around 60%.

The assumption concerning the largely constant group revenue for 2020 translates as follows at the level of segment revenue:

- Stable to slightly growing revenue in the Residential Real Estate segment
- Slightly declining to stable revenue in the Business Real Estate segment
- Revenue declining in the low double-digit percentage range in the Media & Other segment

The Management Board expects an aggregate EBITDA margin for all three segments (ImmoScout24; excluding central group functions/consolidation/other) of around 62%.

This forecast reflects the business development in the first half of the year and the current business and market dynamics. The forecast underscores the following aspects:

- Scout24's resilient business model and market environment
- The success of the Listings Plus immediate-action programme, which has greatly increased the number of listings by private customers, further increasing the appeal of ImmoScout24's platform. The revenue lost initially in this context can be partially compensated for by the migration of home seekers to the paid premium segment
- The low dependence of Scout24's revenue and earnings development on the advertising market, which has shrunk substantially

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[10] ImmoScout24/Innofact AG, online survey "Property owners willing to sell", survey period 02–12 July 2020

As the environment remains more volatile and uncertain than before the Covid-19 pandemic, the forecast is premised on a number of assumptions, which are outlined below:

- There will be no new Covid-19 lockdown measures or significant restrictions on the business activities of relevance to Scout24 in the second half of 2020.
- There will be no significant payment defaults in connection with the Liquidity Plus programme.
- The law governing the sharing of agent commission on the sale of residential properties is not expected to affect Scout24 in the current financial year.

Thanks to its resilient business model, the Scout24 Group is well positioned to master the current crisis together with its customers. The Management Board expects continued advances in the digitalisation of real estate transactions, not least as a result of Covid-19. This offers attractive growth potential, and Scout24 – as Germany’s market leader – will play a leading role in driving this development forward.

Consolidated half-year financial statements

and selected notes

Consolidated half-year financial statements (condensed) and notes

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Consolidated statement of profit or loss

(EUR '000)	Note	Q2 2020	Q2 2019[11] (restated)	H1 2020	H1 2019[11] (restated)
Revenue	4	**83,874**	**86,939**	**172,985**	**171,299**
Own work capitalised		5,443	2,900	10,826	5,895
Other operating income		1,429	842	1,725	1,567
Total operating performance		**90,746**	**90,681**	**185,536**	**178,761**
Personnel expenses		–24,730	–29,460	–42,620	–55,929
Marketing expenses		–5,015	–6,751	–13,279	–14,881
IT expenses		–4,449	–3,401	–8,622	–6,441
Other operating expenses		–12,743	–15,540	–24,620	–27,990
Earnings before interest, tax, depreciation, amortisation and impairment losses – EBITDA		**43,809**	**35,528**	**96,395**	**73,520**
Depreciation, amortisation and impairment losses		–12,073	–13,901	–24,859	–27,489
Earnings before interest and tax – EBIT		**31,737**	**21,627**	**71,536**	**46,031**
Profit/loss from investments accounted for using the equity method		48	–840	82	–786
Finance income		529	17	2,150	18
Finance expenses		–4,334	–4,884	–12,406	–9,103
Financial result		**–3,758**	**–5,706**	**–10,173**	**–9,871**
Earnings before tax		**27,978**	**15,921**	**61,362**	**36,161**
Income taxes	5	–10,386	–6,164	–17,141	–8,860
Earnings from continuing operations after tax		**17,592**	**9,756**	**44,221**	**27,301**
Earnings from discontinued operations after tax	2.1	2,255,147	17,003	2,255,273	24,780
Earnings after tax		**2,272,740**	**26,759**	**2,299,494**	**52,081**
Of which attributable to:					
Shareholders of the parent company		**2,272,740**	**26,759**	**2,299,494**	**52,081**
of which: continuing operations, after tax		17,592	9,756	44,221	27,301
of which: discontinued operations, after tax		2,255,147	17,003	2,255,273	24,780

[11] See note 2.1 Discontinued operations.

EARNINGS PER SHARE

(EUR)	Note	Q2 2020	Q2 2019	H1 2020	H1 2019
Basic earnings per share after tax	6	21.93	0.25	22.06	0.48
Diluted earnings per share after tax	6	21.93	0.25	22.05	0.48

EARNINGS PER SHARE FROM CONTINUING OPERATIONS

(EUR)	Note	Q2 2020	Q2 2019[12] (restated)	H1 2020	H1 2019[12] (restated)
Basic earnings per share after tax	6	0.17	0.09	0.42	0.25
Diluted earnings per share after tax	6	0.17	0.09	0.42	0.25

EARNINGS PER SHARE FROM DISCONTINUED OPERATIONS

(EUR)	Note	Q2 2020	Q2 2019[12] (restated)	H1 2020	H1 2019[12] (restated)
Basic earnings per share after tax	6	21.76	0.16	21.63	0.23
Diluted earnings per share after tax	6	21.76	0.16	21.63	0.23

[12] See note 2.1 Discontinued operations.

Consolidated statement of comprehensive income

(EUR '000)	Note	Q2 2020	Q2 2019	H1 2020	H1 2019
Earnings after tax		**2,272,740**	**26,759**	**2,299,494**	**52,081**
Items that will not be reclassified to profit or loss:					
Measurement of pension obligations – before tax		-	0	-	0
Deferred taxes on measurement of pension obligations		-	0	-	0
Measurement of financial assets designated at fair value through other comprehensive income (FAFVOCI) – before tax	7	2,358	–180	2,358	–180
Deferred taxes on measurement of FAFVOCI		–720	-	–720	-
Sum of the items that will not be reclassified to profit or loss		**1,638**	**–180**	**1,638**	**–180**
Items that may be reclassified subsequently to profit or loss:					
Currency translation differences		–2	2	6	5
Sum of the items that may be reclassified subsequently to profit or loss		**–2**	**2**	**6**	**5**
Other comprehensive income, after tax		**1,636**	**–178**	**1,643**	**–175**
Total comprehensive income		**2,274,375**	**26,581**	**2,301,138**	**51,907**
Of which attributable to:					
Shareholders of the parent company		2,274,375	26,581	2,301,138	51,907
Total comprehensive income		**2,274,375**	**26,581**	**2,301,138**	**51,907**
Total comprehensive income attributable to shareholders of the parent company from:					
Continuing operations		19,228	9,579	45,865	27,126
Discontinued operations		2,255,147	17,003	2,255,273	24,781
		2,274,375	**26,581**	**2,301,138**	**51,907**

Consolidated statement of financial position

ASSETS

(EUR '000)	Note	30 Jun. 2020	31 Dec. 2019
Current assets		**2,132,669**	**740,382**
Cash and cash equivalents		1,384,319	65,574
Trade receivables		25,830	31,241
Financial assets	7	684,020	1,290
Income tax assets		37	32
Other assets		38,463	7,450
Assets held for sale	2.1	-	634,795
Non-current assets		**1,673,661**	**1,690,810**
Goodwill	3	692,690	692,690
Trademarks	3	872,818	872,818
Other intangible assets		80,918	91,437
Right-of-use assets from leases		8,925	22,051
Property, plant and equipment		4,908	8,747
Investments accounted for using the equity method		329	247
Financial assets	7	13,048	2,525
Deferred tax assets		6	277
Other assets		19	18
Total assets		**3,806,330**	**2,431,192**

EQUITY AND LIABILITIES

(EUR '000)	Note	30 Jun. 2020	31 Dec. 2019
Current liabilities		**118,405**	**210,809**
Trade payables		13,505	17,905
Financial liabilities	7	11,427	26,666
Lease liabilities		4,520	4,834
Other provisions		14,442	48,038
Income tax liabilities		48,738	17,124
Contract liabilities		8,973	8,339
Other liabilities		16,800	16,192
Liabilities associated with assets held for sale	2.1	-	71,710
Non-current liabilities		**591,653**	**1,166,465**
Financial liabilities	7	250,299	805,199
Lease liabilities		15,858	18,075
Other provisions		35,116	44,983
Deferred tax liabilities		287,946	296,060
Other liabilities		2,434	2,148
Equity	**8**	**3,096,272**	**1,053,919**
Subscribed share capital		107,600	107,600
Capital reserve		171,133	171,133
Retained earnings		3,109,708	904,083
Measurement of pension obligations associated with assets held for sale		-	–206
Other reserves		2,523	879
Treasury shares (5,020,218 shares; previous year: 2,437,041 shares)		–294,692	–129,571
Equity attributable to shareholders of parent company		**3,096,272**	**1,053,919**
Total equity and liabilities		**3,806,330**	**2,431,192**

Consolidated statement of changes in equity

(EUR '000)	Note	Subscribed share capital	Capital reserve	Retained earnings	Measurement of pension obligations	Measurement of pension obligations associated with assets held for sale	Other reserves	Treasury shares	Equity attributable to shareholders	Total equity
Balance at 1 Jan. 2019		**107,600**	**423,689**	**640,296**	**–121**	**–**	**1,047**	**–**	**1,172,511**	**1,172,511**
Measurement of pension obligations		-	-	-	0	-	-	-	0	0
Measurement of financial assets designated at fair value through other comprehensive income (FAFVOCI)		-	-	-	-	-	–180	-	–180	–180
Currency translation differences		-	-	-	-	-	5	-	5	5
Earnings after tax		-	-	52,081	-	-	-	-	52,081	52,081
Total comprehensive income		**0**	**0**	**52,081**	**0**	**0**	**–175**	**0**	**51,907**	**51,907**
Share-based payments		-	42	-	-	-	-	-	42	42
Withdrawal from the capital reserve		-	–252,632	252,632	-	-	-	-	0	0
Balance at 30 Jun. 2019		**107,600**	**171,098**	**945,009**	**-121**	**–**	**872**	**–**	**1,224,459**	**1,224,459**
Balance at 1 Jan. 2020		**107,600**	**171,133**	**904,083**	**–**	**-206**	**879**	**-129,571**	**1,053,919**	**1,053,919**
Reclassification of the remeasurement gains/losses on pension obligations associated with assets held for sale, after tax	2.1	-	-	-206	-	206	-	-	0	0
Measurement of financial assets designated at fair value through other comprehensive income (FAFVOCI), after tax	7	-	-	-	-	-	1,638	-	1,638	1,638
Currency translation differences		-	-	-	-	-	6	-	6	6
Earnings after tax		-	-	2,299,494	-	-	-	-	2,299,494	2,299,494
Total comprehensive income		**-**	**-**	**2,299,289**	**-**	**206**	**1,643**	**-**	**2,301,138**	**2,301,138**
Dividends	8	-	-	–93,663	-	-	-	-	–93,663	–93,663
Purchase of treasury shares	8	-	-	-	-	-	-	–165,121	–165,121	–165,121
Balance at 30 Jun. 2020		**107,600**	**171,133**	**3,109,708**	**-**	**-**	**2,523**	**–294,692**	**3,096,272**	**3,096,272**

Consolidated statement of cash flows

(EUR '000)	Note	H1 2020	H1 2019[13] (restated)
Earnings from continuing operations after tax		**44,221**	**27,301**
Depreciation, amortisation and impairment losses		24,859	27,489
Income tax expense	5	17,141	8,860
Finance income		–2,150	–18
Finance expenses		12,406	9,103
Profit/loss from investments accounted for using the equity method		–82	786
Gain/loss on disposal of intangible assets and property, plant and equipment		–524	4
Other non-cash transactions		–691	249
Change in trade receivables and other assets not attributable to investing or financing activities		–2,760	1,863
Change in trade payables and other liabilities not attributable to investing or financing activities		–6,090	–8,863
Change in provisions		2,056	15,448
Income taxes paid		–35,382	–33,978
Cash flow from operating activities of continuing operations		*53,004*	*48,244*
Cash flow from operating activities of discontinued operations		*–14,671*	*30,550*
Cash flow from operating activities		**38,333**	**78,794**
Investments in intangible assets, including internally generated intangible assets and intangible assets under development		–11,269	–6,652
Investments in property, plant and equipment		–1,309	–600
Proceeds from disposal of intangible assets and property, plant and equipment		6	3
Investments in financial assets		–641,706	-
Consideration transferred for investments accounted for using the equity method		-	–350
Interest received		131	1
Consideration transferred for a subsidiary	9.4	–23,800	-
Proceeds from subsidiaries sold in previous years		504	5,300
Cash flow from investing activities of continuing operations		*–677,443*	*–2,298*
Cash flow from investing activities of discontinued operations		*2,794,147*	*–2,113*
Of which net proceeds from disposal of discontinued operations	*2.1*	*2,797,448*	-
Cash flow from investing activities		**2,116,704**	**–4,411**

[13]See note 2.1 Discontinued operations.

(EUR ’000)	Note	H1 2020	H1 2019[13] (restated)
Raising of short-term financial liabilities		100,000	-
Repayment of short-term financial liabilities		–120,000	-
Repayment of medium- and long-term financial liabilities		–560,000	–53,000
Repayment of lease liabilities		–2,463	–2,771
Proceeds from lease receivables		323	-
Interest paid		–7,297	–6,876
Dividends paid	8	–93,663	-
Purchase of treasury shares	8	–157,467	-
Cash flow from financing activities of continuing operations		*–840,567*	*–62,647*
Cash flow from financing activities of discontinued operations		*–541*	*–1,709*
Cash flow from financing activities		**–841,108**	**–64,356**
Net foreign exchange difference, continuing operations		5	5
Net foreign exchange difference, discontinued operations		-	-
Change in cash and cash equivalents		**1,313,934**	**10,032**
Cash and cash equivalents at beginning of period		**70,385**	**59,202**
Cash and cash equivalents at end of period		**1,384,319**	**69,234**

Selected notes to the consolidated half-year financial statements

1 Information about the Company and basis of preparation

1.1 INFORMATION ABOUT THE COMPANY

Scout24 AG (hereinafter also referred to as the “Company”) is a listed public stock corporation with registered office in Munich, Germany. The business address is: Bothestrasse 13-15, 81675 Munich, Germany. Scout24 AG is registered at the Munich District Court (HRB 220 696).

The shares of Scout24 AG have been listed on the Prime Standard of the Frankfurt Stock Exchange since 1 October 2015. On 18 June 2018, Scout24 AG was listed on the MDAX.

Scout24 AG as the parent entity and its direct and indirect subsidiaries together form the Scout24 Group (hereinafter also referred to as “Scout24” or the “Group”).

Scout24 is a leading German digital company. With the ImmoScout24 online platform for residential and commercial properties, Scout24 has been successfully bringing together home sellers, agents, tenants and buyers for over 20 years. ImmoScout24 has also been active on the Austrian residential and commercial real estate market since 2012. To ensure that real estate transactions can be carried out digitally in the future, ImmoScout24 is continually developing new products and establishing an ecosystem for property rental and purchase as well as for commercial properties in Germany and Austria.

By purchase agreement dated 17 December 2019 Scout24 sold 100% of the shares in AutoScout24 GmbH and FFG FINANZCHECK Finanzportale GmbH to the financial investor Hellman & Friedman. The transaction was closed on 1 April 2020. For more detailed information see note 2.1 Discontinued operations.

1.2 BASIS OF PREPARATION

These interim condensed consolidated financial statements (“interim consolidated financial statements”) as of 30 June 2020 have been prepared applying International Accounting Standard (IAS) 34 “Interim Financial Reporting” and in accordance with Article 115 of the German Securities Trading Act (WpHG). Generally, the same accounting policies and estimation methods are applied as in the consolidated financial statements for the 2019 financial year. A detailed description of such policies and methods is published in the notes to the consolidated financial statements for 2019. Standards and interpretations that became effective beginning on or after 1 January 2020 did not lead to any changes in accounting policies. All IASs and IFRSs as well as interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), formerly Standing Interpretations Committee (SIC), that were effective as of 30 June 2020 were adopted.

The interim consolidated financial statements as of 30 June 2020 have been prepared in euros. Unless otherwise indicated, figures are generally presented in thousands of euros. The tables and information presented can contain rounding differences.

The business activities of Scout24 are not generally subject to seasonal effects. Considering the usual business performance over the year, the fourth calendar quarter tends to be stronger than the other three calendar quarters.

The interim consolidated financial statements were authorised for issue by the Management Board on 3 August 2020.

1.3 EFFECTS OF COVID-19

Changes in accounting estimates

Due to the Covid-19 pandemic, Scout24 introduced a comprehensive immediate-action programme in the first quarter of 2020 aimed at supporting its customers. Professional customers were offered the option of deferring payment of their April and May invoices for nine months (Liquidity Plus). When determining the estimated default risk and expected credit losses for trade receivables in accordance with IFRS 9, the deferred payments were considered as additional information in the estimate of the effects on expected cash flows.

In order to determine the lifetime expected credit losses for trade receivables, the judgement made regarding the extent to which expected credit losses are influenced by changes in economic factors was analysed and adjusted. Due to the stable political environment and the current nature of receivables, forecasts have so far not been included in measurement to any significant extent. As a result of the Covid-19 pandemic, assumptions are now made with regard to forward-looking information and taken into account in the measurement of expected credit losses. This change in accounting estimates led to other operating expenses of EUR 1,410 thousand as of 30 June 2020.

Indications of impairment of assets

The Covid-19 pandemic and its economic repercussions affected the Scout24 Group's financial position and results of operations, particularly in the first quarter of 2020, such that as of 31 March 2020 there was an indication that assets might be impaired within the meaning of IAS 36. Accordingly, last year's impairment test of intangible assets, in particular goodwill, was reviewed on 31 March 2020. The review did not indicate in any need to recognise an impairment loss as of 31 March 2020. In the second quarter of 2020, no significant changes with adverse consequences occurred which would have led to a change in the assumptions made, such that as of 30 June 2020 there was no objective indication that assets might be impaired within the meaning of IAS 36.

2 Changes in the consolidation scope

2.1 DISCONTINUED OPERATIONS

By purchase agreement dated 17 December 2019, Scout24 entered into an agreement to sell the digital marketplaces AutoScout24, FinanceScout24 and FINANZCHECK, which were part of the former AutoScout24 and Scout24 Consumer Services segments, to Speedster Bidco GmbH, HRB 253178, with registered office in Munich. Speedster Bidco GmbH, in turn, belongs to a fund of the financial investor Hellman & Friedman.

Therefore, in accordance with IFRS 5, the assets and liabilities attributable to the digital marketplaces AutoScout24, FinanceScout24 and FINANZCHECK were presented separately as assets held for sale and liabilities associated with assets held for sale in the statement of financial position as of 31 December 2019. The income and expenses attributable to these operations were retroactively reported under earnings from discontinued operations for the entire 2019 financial year.

The transaction was formally and legally closed as of 1 April 2020. The sale was effected by transferring all shares in AutoScout24 GmbH and FFG FINANZCHECK Finanzportale GmbH to the buyer. The provisional purchase price, based on preliminary net financial debt and net working capital indicators, was EUR 2.839 billion at the time of closing and was paid on 31 March 2020. Following the presentation of the closing financials and the corresponding adjustment of the net financial debt and net working capital indicators, the final purchase price amounted to EUR 2.834 billion. The resulting liability of EUR 4,509 thousand is reported under other current liabilities as of 30 June 2020. The sale of the entities resulted in a gain after tax of EUR 2.234 billion.

The assets and liabilities sold comprise the following main line items:

(EUR '000)	1 Apr. 2020	31 Dec. 2019
Goodwill	378,384	378,384
Trademarks	118,392	118,392
Other intangible assets	52,472	50,373
Right-of-use assets from leases	3,048	2,993
Investments accounted for using the equity method	37,918	37,623
Financial assets	1,324	1,585
Property, plant and equipment	7,708	2,619
Trade receivables	22,214	32,384
Other assets and deferred tax assets	4,815	4,942
Income tax assets	47	690
Cash and cash equivalents	15,434	4,811
Assets held for sale	**641,755**	**634,795**
Deferred tax liabilities	44,602	45,159
Other provisions	486	557
Financial liabilities and lease liabilities	2,587	3,262
Other liabilities	42,291	8,448
Trade payables	12,762	12,399
Income tax liabilities	3,497	1,190
Pensions and similar obligations	711	695
Liabilities associated with assets held for sale	**106,937**	**71,710**
Total net assets identified	**534,818**	**563,085**

The sale of discontinued operations had the following overall effect on the Scout24 Group's financial position and results of operations:

(EUR '000)	
Consideration received in cash	2,838,685
Liability from the purchase price adjustment	–4,509
Purchase price after adjustment	**2,834,176**
Identified net assets upon deconsolidation as of 1 April 2020	–534,818
Gain on disposal before costs of disposal and tax	**2,299,358**
Costs to sell	–26,067
Income taxes on the gain on disposal	–38,795
Gain on disposal after tax	**2,234,496**
Of which recognised in earnings from discontinued operations in 2020	*2,258,823*
Of which recognised in earnings from discontinued operations in 2019	*–24,327*
Consideration received in cash	2,838,685
Cash and cash equivalents disposed of	–15,434
Net cash inflow	**2,823,252**
Costs of disposal paid in 2020	–25,804
Net proceeds from disposal of discontinued operations	**2,797,448**

Discontinued operations also included costs of EUR 5,744 thousand (previous year: EUR 11,953 thousand) incurred at entities that were not sold, in particular Scout24 AG. These costs are attributable to the business activities of AutoScout24 and FINANZCHECK and were assumed by these entities in the course of the sale. Intercompany transactions between continuing and discontinued operations were eliminated in the course of consolidation. This does not include services amounting to EUR 164 thousand (previous year: EUR 1,276 thousand), which continue to be effected on a transitional basis between the operations after the sale and have accordingly been recognised as income in continuing operations and expenses in discontinued operations on the basis of the scope of services regulated in the service agreements between Scout24 AG and AutoScout24 GmbH.

The following table presents earnings from discontinued operations for the first half of 2020. This includes the operating business from the first quarter of 2020 as well as subsequent costs from the sale and taxes on the gain on disposal in the second quarter of 2020.

(EUR '000)	H1 2020	H1 2019
Revenue	56,626	129,385
Other revenue	1,949	3,914
Expenses	–59,499	–93,496
Earnings before interest and tax – EBIT	**–923**	**39,803**
Financial result	272	773
Earnings before tax	**–652**	**40,576**
Income taxes	–2,898	–15,796
Earnings after tax	**–3,550**	**24,780**
Gain on disposal before costs of disposal and tax	2,299,358	-
Costs to sell	–1,740	
Income tax on gain on disposal	–38,795	-
Earnings from discontinued operations after tax	**2,255,273**	**24,780**
Of which attributable to:		
Shareholders of Scout24 AG	2,255,273	24,780

Income taxes include a current tax expense of AutoScout24 GmbH attributable to discontinued operations that is actually borne by the controlling company Scout24 AG.

2.2 CONSOLIDATION OF A SPECIAL SECURITIES FUND SET UP FOR SCOUT24

Since May 2020, a special securities fund has been included in the Scout24 Group's consolidation scope that was set up for Scout24 to invest the financial funds received from the sale of the digital marketplaces AutoScout24, FinanceScout24 and FINANZCHECK (hereinafter "Scout24 special fund"). In the case of the consolidated structured entity, Scout24 determines the main relevant activities, even in the absence of an equity investment, and thereby influences its own variable returns. For details on the Scout24 special fund, see note 7 Disclosures on financial instruments.

Accounting policies

Securities of the special fund measured at fair value were measured using quoted market prices or dealer quotes for identical instruments at the end of the reporting period, to the extent available. If quoted market prices were not available for individual debt and equity instruments, fair value was determined by reference to parameters for which inputs were either directly or indirectly observable. Some fair values are determined by analysing the discounted cash flows (discounted cash flow method).

3 Reallocation of goodwill and trademarks due to new segment structure

As of 1 January 2020, the reporting structure was modified such that the products and solutions of the third operating segment, Scout24 Consumer Services were integrated into the ImmoScout24 segment and the AutoScout24 segment sold on 1 April 2020, thus transitioning from a three-segment to a two-segment structure. The corresponding allocation of goodwill and trademarks of continuing operations as of 1 January 2020 is shown below:

Carrying amounts as of 1 Jan. 2020 (EUR '000)	Goodwill	Trademarks with indefinite useful lives
ImmoScout24 cash-generating unit	692,690	872,818
Total	**692,690**	**872,818**

With the closing of the AutoScout24 transaction, goodwill and the trademarks of the continuing operations were also allocated to the three current cash-generating units Residential Real Estate, Business Real Estate and Media & Other as of 1 April 2020 due to the reorganisation of the operating segments in accordance with IFRS 8. For details on the new segments, see note 9.3 Segment reporting. In accordance with IAS 36.87, goodwill was allocated on the basis of the three cash-generating units' relative fair values less costs to sell.

Since the ImmoScout24 trademark contributes to the future cash flows of all three cash-generating units, it was allocated to the cash-generating units as a corporate asset on the basis of the planned ordinary operating EBITDA.

Carrying amounts as of 1 April 2020 (EUR '000)	Goodwill	Trademarks with indefinite useful lives
Residential Real Estate cash-generating unit	517,000	600,032
Business Real Estate cash-generating unit	145,053	201,425
Media & Other cash-generating unit	30,637	71,361
Total	**692,690**	**872,818**

As the recoverable amounts of the three cash-generating units are significantly higher than their respective carrying amounts, there was no indication of impairment either as of 1 April 2020 or as of 30 June 2020.

4 Revenue

Following the closing of the sales transaction for the shares in AutoScout24, FinanceScout24 and FINANZCHECK on the cut-off date 1 April 2020, the Scout24 Group will focus on rendering services in the real estate sector (for further explanations see note 9.3 Segment reporting). Revenue is generated primarily from placing online listings, generating leads and providing marketing space for business customers (partners) and private customers (consumers).

(EUR '000)	Q2 2020	Q2 2019[14] (restated)	H1 2020	H1 2019[14](restated)
Residential Real Estate segment	59,860	60,832	123,242	119,998
of which residential real estate partners	41,632	40,873	84,899	80,440
of which consumers	18,229	19,959	38,343	39,557
Business Real Estate segment	16,630	17,214	34,547	34,061
Media & Other segment	7,257	8,812	15,047	17,135
Total, reportable segments	**83,747**	**86,858**	**172,835**	**171,194**
Central group functions/consolidation/other	127	81	150	105
Total, consolidated	**83,874**	**86,939**	**172,985**	**171,299**

5 Income taxes

The applicable nominal tax rate for the Group is 30.54%. The expected effective tax rate as of year-end is 27.93%. Applying the budgeted tax rate, the effective tax rate for the period from 1 January to 30 June 2020 is 26.78%. The difference between the nominal and effective tax rate is mainly due to the fact that deferred tax liabilities on purchase price allocations were reduced due to an adjustment of the trade tax rate. The adjustment of the trade tax rate relates to the sale of the AutoScout24 group. In addition, they were reduced due to utilisation of previously unrecognised unused tax losses of EUR 1,225 thousand.

[14] See note 2.1 Discontinued operations.

The difference between the tax rate of 27.93% expected at the end of the year and the effective tax rate in the first half of 2020 is chiefly due to the adjustment of the trade tax rate. This is a one-off effect and therefore not correlated with earnings before tax.

6 Earnings per share

The table below shows the calculation of basic and diluted earnings per share attributable to the shareholders of the parent company:

		Q2 2020	Q2 2019	H1 2020	H1 2019
Earnings attributable to shareholders of the parent company	**EUR '000**	**2,272,740**	**26,759**	**2,299,494**	**52,081**
of which from continuing operations		17,592	9,756	44,221	27,301
of which from discontinued operations		2,255,147	17,003	2,255,273	24,780
Weighted average number of shares for earnings per share					
Basic	Number	103,620,663	107,600,000	104,244,555	107,600,000
Diluted	Number	103,620,663	107,743,723	104,269,530	107,765,478
Earnings per share					
Basic	EUR	21.93	0.25	22.06	0.48
of which from continuing operations		*0.17*	*0.09*	*0.42*	*0.25*
of which from discontinued operations		*21.76*	*0.16*	*21.63*	*0.23*
Diluted	EUR	21.93	0.25	22.05	0.48
of which from continuing operations		*0.17*	*0.09*	*0.42*	*0.25*
of which from discontinued operations		*21.76*	*0.16*	*21.63*	*0.23*

The average number of shares was determined taking into account the treasury shares acquired in the 2019 and 2020 financial years (see note 8 Equity and note 4.15 Equity in the consolidated financial statements for 2019).

The dilution up to the end of the first quarter of 2020 was solely related to potential shares in connection with share-based payments.

7 Disclosures on financial instruments

Carrying amounts and fair values

The following table presents the reconciliation of the statement of financial position items and the categories pursuant to IFRS 9, analysed by category and with respect to fair value by class. The financial assets and financial liabilities held for sale as of 31 December 2019 were sold in the first half of 2020.

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: Inputs are unadjusted quoted prices in an active market for identical assets or liabilities that the Company can access at the measurement date
- Level 2: Significant inputs other than those included in Level 1 that are observable, either directly or indirectly
- Level 3: Inputs including at least one unobservable significant input

For reclassification between the individual levels of the fair value hierarchy it is assumed that they are performed at the end of the period. In both reporting periods, there were no reclassifications between levels 1 and 2.

AMOUNT RECOGNISED IN ACCORDANCE WITH IFRS 9

(EUR '000)	Measurement category under IFRS 9	Carrying amount as of 30 Jun. 2020	Amortised cost	Fair value through other comprehensive income	Fair value through profit or loss	Fair value as of 30 Jun. 2020	Level of the fair value hierarchy
Assets							
Cash and cash equivalents	FAAC	1,384,319	1,384,319	-	-	n/a	
Trade receivables	FAAC	25,830	25,830	-	-	n/a	
Current financial assets		684,020	39,909	517,566	126,545	n/a	
Securities at FVTPL (Level 1)	FAFVTPL	125,546	-	-	125,546	125,546	1
Securities at FVTPL (Level 2)	FAFVTPL	999	-	-	999	999	2
Securities at FVOCI	FAFVOCI	517,566	-	517,566	-	517,566	2
Receivables from lease agreements	n/a	1,317	1,317	-	-	n/a	
Sundry current financial assets	FAAC	38,592	38,592	-	-	38,592	2
Non-current financial assets		13,048	13,048	-	-	n/a	
Receivables from lease agreements	n/a	10,018	10,018	-	-	n/a	
Sundry non-current financial assets	FAAC	3,030	3,030	-	-	2,998	2
Equity and liabilities							
Trade payables	FLAC	13,505	13,505	-	-	n/a	
Current financial liabilities		15,948	15,948	-	-	n/a	
Lease liabilities	n/a	4,520	4,520	-	-	n/a	
Liabilities from share buyback programme	FLAC	9,981	9,981	-	-	9,981	2
Other current financial liabilities	FLAC	1,447	1,447	-	-	n/a	
Non-current financial liabilities		266,157	265,510	-	647	n/a	
Derivative financial instruments	FLFVTPL	647	-	-	647	647	2
Lease liabilities	n/a	15,858	15,858	-	-	n/a	
Other non-current financial liabilities	FLAC	249,652	249,652	-	-	240,779	2

(EUR '000)	Measurement category under IFRS 9	Carrying amount as of 30 Jun. 2020
Of which aggregated by IFRS 9 category		
Financial assets measured at amortised cost	FAAC	1,451,772
Financial liabilities measured at amortised cost	FLAC	274,584
Financial assets measured at fair value through profit or loss	FAFVTPL	126,545
Financial liabilities measured at fair value through profit or loss	FLFVTPL	647
Financial assets measured at fair value through other comprehensive income	FAFVOCI	517,566

Cash, trade receivables as well as other current financial assets and liabilities essentially have a short residual term. Therefore, their carrying amounts as of the end of the reporting period approximate their fair value. The carrying amount of current financial liabilities approximates their fair value as of the reporting date.

As of 30 June 2020, the cash and cash equivalents line item includes bank balances and cash on hand as well as cash investments in money market funds amounting to EUR 409,259 thousand. Scout24 AG invests in three money market funds, which serve the short-term investment of cash received from the sale of entities. The cash in the money market funds is chiefly earmarked for the second tranche of the share buyback programme. Due to the short-term nature and liquidity of the investment, the full amount of the investment was reported under cash and cash equivalents.

For the purpose of investing cash received from the sale of entities, Scout24 AG has had an investment fund set up that is largely invested in fixed-yield bonds. The investment fund was set up as a special fund and follows Scout24 AG's investment strategy, objectives and guidelines. As of 30 June 2020, the special fund includes cash amounting to EUR 358,085 thousand that has not yet been invested in securities and is therefore reported under cash and cash equivalents.

The special fund's investments in securities totalling EUR 517,566 thousand are reported under current financial assets and allocated to the measurement category "Financial assets measured at fair value through other comprehensive income" (FAFVOCI). These are non-interest-bearing securities allocated to fair value level 2. In the first half of the year, impairment losses of EUR 213 thousand were recognised through profit or loss on securities in the FAFVOCI category. The special fund also has investments in securities that are designated as "Financial assets measured at fair value through profit or loss" (FAFVTPL) totalling EUR 126,545 thousand. These are non-interest-bearing securities allocated to fair value level 1 and interest-bearing securities allocated to fair value level 2.

In addition, current financial assets as of 30 June 2020 and 31 December 2019 include short-term rent deposits and creditors with debit balances. Current financial assets also include receivables due from AutoScout24 GmbH totalling EUR 38,142 thousand from profit and loss transfer agreements. Due to the short-term maturity of these items, the carrying amount represents an appropriate approximation of their fair value.

Non-current financial assets comprise deferred transaction costs attributable to the revolving credit line. Sundry financial assets include long-term rent deposits of EUR 864 thousand, whose fair values are calculated using a discounted cash flow model based on risk-free market interest rates in the form of German government bonds, and a credit risk premium derived from corporate bonds with a corresponding rating. As all inputs are directly or indirectly observable, the instruments are assigned to level 2.

Current financial liabilities include an obligation in connection with Scout24 AG's share buyback programme amounting to EUR 9,981 thousand. In March 2020, a second share buyback programme was announced, which will enable Scout24 AG in a first tranche to buy back shares with a value of up to EUR 490,000 thousand by 31 December 2020 at the latest. In the first half of 2020, shares worth EUR 165,069 thousand were repurchased under both programmes. Revolving credit facility I, which was reported under current financial liabilities as of 31 December 2019, was initially increased by EUR 100,000 thousand to EUR 120,000 thousand and subsequently repaid in full on 1 April 2020.

Non-current financial liabilities at amortised cost (FLAC) are measured using the effective interest method. There were no changes in valuation techniques in the reporting period. Non-current financial liabilities mostly consist of the liabilities relating to the loan concluded in December 2016 (term and revolving facilities agreement) and the liabilities for the promissory note loan (Schuldscheindarlehen) issued in March 2018. The liabilities' fair value is calculated using a discounted cash flow model based on a discount rate derived from the risk-free market rate adjusted to reflect an appropriate credit risk premium. Premiums on corporate bonds with the same rating as Scout24 were utilised for the credit risk premium. A repayment of EUR 200,000 thousand was made on Term Loan A in the first half of 2020. As a result, the principal as of 30 June 2020 comes to EUR 100,000 thousand. Furthermore, revolving credit facility II totalling EUR 315,000 thousand was repaid in full in the first half of 2020. The promissory note loans of EUR 45,000 thousand subject to a floating interest rate were likewise repaid in full in the first half of the year. As a result, the promissory note loan had a nominal value of EUR 152,000 thousand as of 30 June 2020.

The table below presents the reconciliation as of 31 December 2019 of the statement of financial position items and the categories pursuant to IFRS 9, analysed by category and with respect to fair value by class.

AMOUNT RECOGNISED IN ACCORDANCE WITH IFRS 9

(EUR '000)	Measurement category under IFRS 9	Carrying amount as of 31 Dec. 2019	Amortised cost	Fair value through other comprehensive income	Fair value through profit or loss	Fair value as of 31 Dec. 2019	Level of the fair value hierarchy
Assets							
Cash and cash equivalents	FAAC	65,574	65,574	–	–	n/a	
Trade receivables	FAAC	31,241	31,241	–	–	n/a	
Current financial assets	FAAC	1,290	1,290	–	–	n/a	
Non-current financial assets	FAAC	2,525	2,525	–	–	2,515	2
Equity and liabilities							
Trade payables	FLAC	17,905	17,905	–	–	n/a	
Current financial liabilities		31,500	31,500	-	-	n/a	
Lease liabilities	n/a	4,834	4,834	–	–	n/a	
Liabilities from share buyback programme	FLAC	2,327	2,327	-	-	2,327	2
Other current financial liabilities	FLAC	24,339	24,339	–	–	n/a	
Non-current financial liabilities		823,275	821,181	-	2,094	n/a	
Derivative financial instruments	FLFVTPL	2,094	–	–	2,094	2,094	2
Lease liabilities	n/a	18,075	18,075	–	–	n/a	
Other non-current financial liabilities	FLAC	803,106	803,106	–	–	807,128	2

(EUR '000)	Measurement category under IFRS 9	Carrying amount as of 31 Dec. 2019
Of which aggregated by IFRS 9 category		
Financial assets measured at amortised cost	FAAC	100,630
Financial liabilities measured at amortised cost	FLAC	847,677
Financial liabilities measured at fair value through profit or loss	FLFVTPL	2,094

8 Equity

Subscribed share capital

On 18 June 2020, the Annual General Meeting of Scout24 AG authorised the Company's Management Board to reduce the share capital by cancelling shares in a simplified procedure after their purchase by Scout24 AG.

In order to reduce share capital by redeeming, in a simplified procedure, shares to be purchased, it is intended to reduce Scout24 AG's share capital by a total amount of up to EUR 30 million by redemption of fully paid-up shares still to be purchased by way of simplified redemption pursuant to Article 237 (3) No. 2, (4) and (5) of the German Stock Corporation Act (AktG).

The shares to be redeemed will be acquired and redeemed by Scout24 AG in accordance with Article 71 (1) No. 6 AktG within a period to be determined by the Management Board, which begins no earlier than 1 February 2021 and ends no later than the end of 30 June 2021 ("execution period"). The purchased shares will be cancelled immediately.

The purpose of the capital reduction by redemption of shares is to repay part of the share capital to the shareholders following the sale of AutoScout24 GmbH.

Furthermore, the Supervisory Board was authorised to amend Article 4 (1) of the Articles of Association in accordance with the extent to which the capital reduction is implemented.

The corresponding resolution of the Annual General Meeting will become invalid in the event that the purchase of shares to be redeemed and the redemption are not carried out by the end of the execution period on 30 June 2021 at the latest.

A total of 102,579,782 shares are outstanding as of the reporting date (previous year: 105,162,959).

Shares outstanding	Number
Balance at 1 Jan. 2019	**107,600,000**
Purchase of treasury shares	–
Issue of treasury shares	–
Balance at 30 Jun. 2019	**107,600,000**
Balance at 1 Jan. 2020	**105,162,959**
Purchase of treasury shares	–2,583,177
Issue of treasury shares	–
Balance at 30 Jun. 2020	**102,579,782**

Authorised capital

At the Annual General Meeting on 18 June 2020, new authorised capital 2020 was created in return for cash and/or non-cash contributions with the option to exclude subscription rights. This replaces the previous authorised capital 2015 under the Articles of Association, which would have expired on 3 September 2020 and is cancelled upon registration of authorised capital 2020.

For authorised capital 2020, the Management Board was authorised, with the approval of the Supervisory Board, to increase the Company's share capital by up to EUR 32,280 thousand in one or more tranches up to (and including) 17 June 2025 by issuing new registered no-par value shares in return for cash and/or non-cash contributions. The shareholders must generally be granted subscription rights.

Treasury shares

The Company's Management Board was authorised by Scout24 AG's Annual General Meeting of 8 June 2017 to purchase treasury shares pursuant to Article 71 (1) No. 8 of the German Stock Corporation Act (AktG); the Management Board is thus authorised to purchase treasury shares for any permissible purpose within the context of statutory restrictions and under certain terms.

Exercising said authorisation, the Management Board of Scout24 AG announced on 25 March 2020 that it would carry out a further share buyback programme of up to EUR 690 million, building on the share buyback transactions carried out up to the end of January 2020 (see note 4.15 Equity in the 2019 annual report). This corresponds to a volume of up to approximately 13,018,867 shares based on the closing price in Xetra trading on the Frankfurt Stock Exchange (as of 3 April 2020: EUR 53,00). The share buyback process started on 6 April 2020. In a first tranche, the Company will repurchase treasury shares with a value of up to EUR 490 million on the stock exchange over the period up to 31 December 2020 at the latest. The remaining volume of up to EUR 200 million is to be bought back in 2021 by the date of the 2021 Annual General Meeting.

The Supervisory Board has approved the share buyback programme. The treasury shares are repurchased for legally permitted purposes.

Together with other shares that the Company has already purchased and still holds, the shares acquired as part of the share buyback programme will at no time account for more than 10% of the share capital.

A total of 2,583,177 shares in the Company were purchased in the course of the share buyback programme in the period from 1 to 31 January and from 6 April up to and including 30 June 2020. The transaction costs incurred amounted to EUR 52 thousand and were deducted from equity.

Treasury shares developed as follows:

Treasury shares (EUR '000)	Number	Tranche	Transaction costs*	Total
Balance at 1 Jan. 2020	**2,437,041**	**129,507**	**64**	**129,571**
Purchase of treasury shares	2,583,177	165,069	52	165,121
Issue of treasury shares	0	-	-	-
Balance at 30 Jun. 2020	**5,020,218**	**294,576**	**117**	**294,692**

* Taking into account the tax effect.

The authorisation to purchase treasury shares of 8 June 2017 was renewed by Scout24 AG's Annual General Meeting of 18 June 2020 to the effect that the Company's Management Board was authorised until 17 June 2025 to purchase Scout24 AG treasury shares up to a total of 10% of the share capital at the time of the resolution or – if lower – at the time the authorisation is exercised. Together with other treasury shares held by Scout24 AG or attributable to Scout24 AG in accordance with Article 71a et seq. AktG, the shares acquired under this authorisation may not at any time exceed 10% of share capital.

The authorisation granted by Scout24 AG's Annual General Meeting of 8 June 2017 to purchase treasury shares pursuant to Article 71 (1) No. 8 AktG is revoked and replaced in full when this authorisation takes effect. This will not affect the authorisation by the Annual General Meeting of 8 June 2017 relating to the use of treasury shares of Scout24 AG.

Dividends

Based on a corresponding resolution of the Annual General Meeting of 18 June 2020, in the 2020 financial year the Company paid a dividend of EUR 93,663 thousand (previous year: EUR 68,864 thousand) to its dividend-entitled shareholders, equivalent to EUR 0.91 (previous year: EUR 0.64) per dividend-entitled share (102,926,616 no-par-value shares).

The share capital entitled to dividends and thus the number of no-par-value dividend-entitled shares is based on Scout24 AG'share capital of EUR 107,600,000 divided into 107,600,000 no-par-value shares, less the 4,673,384 no-par-value shares held by the Company that are not entitled to dividends.

9 Other notes

9.1 SHARE-BASED PAYMENTS

2016 and 2017 programmes
The 2016 and 2017 programmes were fully paid out in the first half of the year.

Long-term incentive programme (LTIP) 2018
The LTIP was modified in the first half of the year due to the sale of AutoScout24, FINANZCHECK and FinanceScout24.

Modification for AutoScout24 and FINANZCHECK programme participants
For the AutoScout24 and FINANZCHECK programme participants, the retention share units (RSUs) vested by 31 March 2020 (closing date of the AutoScout sale) were paid out under the conditions applicable prior to modification (for the programme's terms and conditions applicable prior to modification, see note 5.3 to the consolidated financial statements for 2019; the share price of EUR 56 as of 31 March 2020 was used for the valuation). Retention share units (RSUs) will not continue to vest after 31 March 2020.

The performance share units (PSUs) vested by 31 March 2020 were also paid out under the conditions applicable prior to modification (for the programme's terms and conditions applicable prior to modification, see note 5.3 to the consolidated financial statements for 2019; the share price as of 31 March 2020 was used for valuation purposes). AutoScout24 and FINANZCHECK participants are entitled to the remaining PSUs if they are still in an employment relationship with these entities on 31 March 2021. A performance factor of 100% and the share price as of the cut-off date of 31 March 2020 are to be applied in the valuation as of 31 March 2021. As of 30 June 2020, the total obligation amounts to EUR 5,972 thousand and is borne by Scout24 AG.

The aforementioned pay-outs for the PSUs and RSUs took place in the second quarter of 2020 and totalled EUR 12,985 thousand.

Modification for ImmoScout24 and Scout24 AG programme participants
For ImmoScout24 and Scout24 AG participants, the valuation of the shares was split into two periods:

For the period between the start of the programme and 31 March 2020 (pre-closing period), revenue and ordinary operating EBITDA were used as performance factors applicable for said period in the valuation (see note 5.3 to the consolidated financial statements for 2019 for details of the programme's terms and conditions). The amount for the pre-closing period will be paid out at the end of the programme on the basis of the share price prevailing at that time. For the members of the Management Board, this share price is applied, while for participants who are not members of the Management Board, the share price at the end of the programme is applied if higher than the share price on 31 March 2020.

For the period between 1 April 2020 and the end of the programme (post-closing period), the performance factors revenue and ordinary operating EBITDA have been adjusted for growth in continuing operations and, for share price performance, to that of peer group companies in the MDAX.

The total obligation comes to EUR 33,496 thousand as of 30 June 2020.

The portfolio of shares held under the long-term incentive programme as of 30 June 2020, broken down into the pre-closing and post-closing periods, is as follows:

(in ’000)	LTIP
Pre-closing period	439
Post-closing period	476
Number of shares as of 30 June 2020	**914**

9.2 RELATED PARTY DISCLOSURES

Related parties in the meaning of IAS 24 are deemed to be individuals or entities which Scout24 AG can influence, which can influence Scout24 AG, or which are influenced by any other related party of Scout24 AG.

Related parties (entities)

As of the reporting date and during the past quarters of 2020, no party was able to exert control or significant influence over Scout24 AG.

In the course of its ordinary business activities, the Scout24 Group has relationships with some of its associates and joint ventures. The transactions of continuing operations with associates and joint ventures are disclosed below.

As a result of the discontinuation of the AutoScout24 operating segment, the associate SUMAUTO MOTOR S.L. is included in discontinued operations, and transactions with continuing operations and discontinued operations have been adjusted accordingly. The table below does not include transactions between the operating segments included in discontinued operations and SUMAUTO MOTOR S.L.

(EUR ’000)	Total for continuing operations	Associate	Joint ventures	Total for discontinued operations	SUMAUTO MOTOR S.L. (associate)
	H1 2020			H1 2020	
Services rendered and other income	8	-	8	-	-
Services received and other expenses	–72	-	–72	–15	–15
	30 Jun. 2020			30 Jun. 2020	
Receivables	2	-	2	-	-
Liabilities	-	-	-	-	-

The extent of continuing operations' business relationships with related party entities in the 2019 financial year is presented in the table below:

(EUR '000)	Total for continuing operations	Associate	Joint ventures	Total for discontinued operations	SUMAUTO MOTOR S.L. (associate)
	H1 2019			H1 2019	
Services rendered and other income	9	-	9	-	-
Services received and other expenses	–97	-	–97	–46	–46
	31 Dec. 2019			31 Dec. 2019	
Receivables	2	-	2	-	-
Liabilities	-	-	-	3	3

Related parties (individuals)

Upon conclusion of the Annual General Meeting on 18 June 2020, the term of office of all members of the Supervisory Board ended. Dr. Hans-Holger Albrecht, Mr. Christoph Brand, Mr. Frank H. Lutz, Mr. Peter Schwarzenbauer and Mr. André Schwämmlein were elected to the Supervisory Board of Scout24 AG for a further term of office of four years. Ms. Ciara Smyth stepped down from the Supervisory Board effective as of the end of the Annual General Meeting 2020. Dr. Elke Frank was elected as new member to the Supervisory Board of Scout24 AG.

As of 30 June 2020, the Supervisory Board comprises the six individuals listed below who hold the following further offices.

Name Function	Profession exercised	Member since	Appointed until	Other board positions in 2020 (during term of office)
Dr Hans-Holger Albrecht Chair	CEO and member of the Board of Directors of Deezer S.A., Paris, France and London, UK	21 June 2018	AGM 2024	• Ice Group ASA, Oslo, Norway (member of the Board of Directors) • VEON Ltd, Hamilton, Bermuda (non-executive member of the Board of Directors)
Frank H. Lutz Member of the Supervisory Board	CEO of CRX Markets AG, Munich, Germany	30 August 2019	AGM 2024	• Bilfinger SE, Mannheim, Germany (member of the Supervisory Board)
Christoph Brand Member of the Supervisory Board	CEO of Axpo Holding AG, Baden, Switzerland	30 August 2019	AGM 2024	• Centralschweizerische Kraftwerke AG, Lucerne, Switzerland (member of the Board of Directors) • gfm Schweizerische Gesellschaft für Marketing, Zurich, Switzerland (member of the Management Board, pro bono)
André Schwämmlein Member of the Supervisory Board	Managing Director of FlixMobility GmbH, Munich, Germany	30 August 2019	AGM 2024	
Peter Schwarzenbauer Member of the Supervisory Board	Former member of the Board of Management of BMW AG, Munich, Germany	8 June 2017	AGM 2024	• UnternehmerTUM GmbH, Munich, Germany (member of the Supervisory Board) • Lunewave, Inc., Tucson (AZ), United States (member of the Advisory Board) • Mobility Impact Partners LLC, New York (NY), United States (member of the Advisory Board)

Name Function	Profession exercised	Member since	Appointed until	Other board positions in 2020 (during term of office)
Dr Elke Frank Member of the Supervisory Board	Member of the Management Board of Software AG, Darmstadt, Germany	18 June 2020	AGM 2024	• Board of Trustees of the Fraunhofer Institute for Industrial Engineering IAO, Stuttgart, Germany (member, pro bono)

Agreements have been concluded between Immobilien Scout GmbH, a subsidiary of Scout24 AG, and Homeday GmbH, Berlin, on the placement of real estate listings and the intermediation of customer leads. The wife of a member of Scout24 AG's Management Board is Chief Operating Officer of Homeday GmbH. The agreements have a term of one year from April 2020 and a contract volume of around EUR 1 million in revenue and EUR 100 thousand in costs. The agreements were concluded at arm's length conditions. The member of Scout24 AG's Management Board was not involved in conclusion of the agreement.

Directors' dealings

In accordance with Article 19 (1) of the Market Abuse Regulation (Regulation (EU) No. 596/2014), members of the Management Board and the Supervisory Board as well as certain family members of theirs are required to publish immediately any sale or purchase of Scout24 shares and other related rights if they exceed the threshold of EUR 5,000 within a calendar year.

The table below presents a list of the published transactions in the first half of 2020:

Notifying party	Notification dated	Date of transaction	Nature of transaction	Price in EUR (aggregated)	Volume in EUR (aggregated)
André Schwämmlein (member of the Supervisory Board)	17 Jun. 2020	16 Jun. 2020	Purchase	67.50	101,250.00
Dr. Thomas Schroeter (member of the Management Board)	20 Jan. 2020	17 Jan. 2020	Purchase	61.55	141,565.00
Dr. Thomas Schroeter (member of the Management Board)	20 Jan. 2020	17 Jan. 2020	Sale of virtual shares – transaction under employee stock option plan	59.65	894,750.00

9.3 SEGMENT REPORTING

IFRS 8 requires operating segments to be identified on the basis of an entity's internal management and reporting structure. The organisational and reporting structure of the Scout24 Group is based on management by area of business. As the chief operating decision-maker, the Management Board assesses the performance of the various segments and the allocation of resources on the basis of a reporting system that it has established.

In the previous financial year, the Scout24 Group had structured its business operations in three operating segments within the meaning of IFRS 8: ImmoScout24, AutoScout24 and Scout24 Consumer Services. As of 1 January 2020, the reporting structure was modified such that the products and solutions of the third operating segment, Scout24 Consumer Services were integrated into the ImmoScout24 segment and the AutoScout24 segment sold on 1 April 2020, thus transitioning from a three-segment to a two-segment structure.

Since closing of the transaction for the sale of the shares in AutoScout24, FinanceScout24 and FINANZCHECK, the following segment structure applies from 1 April 2020; the previous year's figures and figures for the first quarter of 2020 have been restated accordingly:

Residential Real Estate

- Business with residential real estate partners, i.e. real estate agents primarily offering residential properties for sale or rent, property management and housing companies that regularly enter into new leases, and financial services partners, e.g. savings banks, with estate agent activities
- Business with consumers who directly offer properties for sale or rent and who are looking for or have looked for rental properties (using services such as credit checks and/or premium membership)
- Business with removal companies to whom IS24 sells moving leads as well as with banks, financial consultants, loan brokers, insurance companies and intermediaries to whom IS24 sells financing leads and property-related insurance leads

Business Real Estate

- Business with real estate agents who primarily offer commercial properties for sale or rent
- Business with real estate project developers and new home builders that market new construction projects

Media & Other segment

- Business with advertisers who place advertisements on the IS24 marketplace
- ImmobilienScout24 Austria
- The subsidiary FlowFact (real estate agent CRM software)

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

SEGMENT INFORMATION

(EUR '000)		External revenue	Ordinary operating EBITDA
Residential Real Estate	Q2 2020	59,860	38,240
	Q2 2019	60,832	39,522
Business Real Estate	Q2 2020	16,630	11,709
	Q2 2019	17,214	12,085
Media & Other	Q2 2020	7,257	2,973
	Q2 2019	8,812	3,753
Total, reportable segments	**Q2 2020**	**83,747**	**52,922**
	Q2 2019	**86,858**	**55,361**
Central group functions/consolidation/other	Q2 2020	127	**–2,578**
	Q2 2019	81	**–1,706**
Total, consolidated	**Q2 2020**	**83,874**	**50,344**
	Q2 2019	**86,939**	**53,655**

SEGMENT INFORMATION

(EUR '000)		External revenue	Ordinary operating EBITDA
Residential Real Estate	H1 2020	123,242	79,460
	H1 2019	119,998	75,371
Business Real Estate	H1 2020	34,547	24,898
	H1 2019	34,061	23,226
Media & Other	H1 2020	15,047	6,083
	H1 2019	17,135	6,851
Total, reportable segments	**H1 2020**	**172,835**	**110,441**
	H1 2019	**171,194**	**105,447**
Central group functions/consolidation/other	H1 2020	150	**–4,993**
	H1 2019	105	**–3,635**
Total, consolidated	**H1 2020**	**172,985**	**105,448**
	H1 2019	**171,299**	**101,812**

The “central group functions/consolidation/other” item primarily contains costs incurred in connection with central group functions as well as consolidation and immaterial transactions not allocated to reportable segments.

The following table shows the reconciliation of the Group's ordinary operating EBITDA and EBITDA to earnings before tax from continuing operations under IFRS:

RECONCILIATION OF ORDINARY OPERATING EBITDA

(EUR '000)	Q2 2020	Q2 2019[15] (restated)	H1 2020	H1 2019[15](restated)
Ordinary operating EBITDA	**50,344**	**53,655**	**105,448**	**101,812**
Non-operating effects	–6,535	–18,127	–9,053	–28,292
of which share-based payments	–4,782	–10,072	–4,517	–17,800
of which M&A transactions	–129	–5,906	–663	–7,979
of which reorganisation	–1,598	–2,134	–3,570	–2,487
of which other non-operating effects	–26	–15	–302	–25
EBITDA	**43,809**	**35,528**	**96,395**	**73,520**
Depreciation, amortisation and impairment losses	–12,073	–13,901	–24,859	–27,489
Profit/loss from investments accounted for using the equity method	48	–840	82	–786
Other financial result	–3,806	–4,867	–10,256	–9,084
Earnings before tax	**27,978**	**15,921**	**61,362**	**36,161**

9.4 EVENTS AFTER THE REPORTING PERIOD

As of 1 July 2020, the Group acquired 100% of the shares in the entity immoverkauf24 GmbH, with registered office in Hamburg. The entity operates the real estate portal "immoverkauf24" and was allocated to the Residential Real Estate segment. The total purchase price was EUR 26,800 thousand, of which EUR 23,800 thousand was paid in the second quarter of 2020.

[15] See note 2.1 Discontinued operations.

Responsibility statement

To the best of our knowledge, we assure that in accordance with the accounting principles applicable for interim financial reporting the consolidated half-year financial statements give a true and fair view of the Group's net assets, financial position and results of operations and that the interim group management report gives a true and fair view of the Group's business development including the business performance and situation and describes the significant opportunities and risks relating to the Group's expected future development for the rest of the financial year.

Munich, 3 August 2020

Scout24 AG

The Management Board

Tobias Hartmann | Dr Dirk Schmelzer

Dr Thomas Schroeter | Ralf Weitz

[Translation of the German review report; the original German version is authoritative]

Review report

To Scout24 AG, Munich,

We have reviewed the interim condensed consolidated financial statements, comprising the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows and selected notes to the interim consolidated financial statements, together with the interim group management report of Scout24 AG, for the period from 1 January to 30 June 2020, which are part of the half-year financial report in accordance with Article 115 of the German Securities Trading Act (WpHG). The preparation of the interim condensed 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 interim condensed consolidated financial statements and on the interim group management report based on our review.

We conducted our review of the interim condensed consolidated financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the review to obtain a certain level of assurance in our critical appraisal to preclude that the interim condensed consolidated financial statements have not been prepared, in all 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 all material respects, in accordance with the applicable provisions of the WpHG. A review is limited primarily to making inquiries of company personnel and applying analytical procedures and thus does not provide the assurance obtainable from an audit of financial statements. In accordance with our engagement, we have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements have not been prepared, in all 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 all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports.

Munich, 4 August 2020

KPMG AG

Wirtschaftsprüfungsgesellschaft

signed by Schmidt

Wirtschaftsprüfer
[German Public Auditor]

signed by Thummert

Wirtschaftsprüferin
[German Public Auditor]

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