CoStar Group Completes Acquisition of OnTheMarket.com With Overwhelming 97% Shareholder Support

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LONDON--(BUSINESS WIRE)-- CoStar Group, Inc. ("CoStar", NASDAQ: CSGP), the leading provider of commercial real estate information, analytics and online marketplaces, announces the completion of its acquisition of OnTheMarket plc ("OTM"), one of the UK's three most visited residential property portals.

On 19 October 2023, CoStar Group announced a recommended cash offer of 110 pence per share for OnTheMarket Plc, valuing OnTheMarket at approximately £99 million, to be implemented by a scheme of arrangement. The shareholders' meetings to vote on the scheme were held on 4 December 2023 and the scheme was approved by over 94% in number and over 97% in value of OnTheMarket shareholders voting, representing a record-breaking turnout for OnTheMarket shareholders. The failed efforts of a fringe objector without any standing were soundly rejected by shareholders, employees, and the court. A court hearing to sanction the scheme was held on 7 December 2023 and the Scheme Court Order became effective today.

CoStar Group's acquisition of OnTheMarket will combine the financial strength, online marketplace experience, and technology of CoStar Group with OnTheMarket's large network of agents to create a genuine disruptor to the established U.K. market leaders. The recommended acquisition was overwhelmingly supported by OnTheMarket shareholders, the majority of whom were agents.

Andy Florance, Founder and Chief Executive Officer of CoStar Group said: "Today's announcement gives us the opportunity to combine a leading UK agent friendly site with our technology, expertise, and capital to raise the game for online home shopping in the UK. The current market leader has grown complacent focusing on margin over innovation, and pricing ahead of value. The level of shareholder support we received is a major endorsement of our plans to invest in OnTheMarket.

"CoStar Group has been transforming the world's real estate through digitization for over three decades. We are relentlessly focused on empowering our customers, delivering this through strong growth in our portals, as well as our data & information businesses. As we digitize the sector and continue to enhance the experience of all those we work with, we are also focused on our investments into Europe, a market that is moving very quickly. Our OnTheMarket acquisition sits firmly within this strategy, and we will bring all our experience to bear as we take OnTheMarket to new levels of success while keeping costs to advertisers at a sustainable level."

CoStar Group plans to integrate OnTheMarket into its network of real estate marketplaces and anticipates investing £46.5 into sales and marketing in the first full year following the commencement of the integration, six times the current annual media spend and more than three times the current annual media spend of Rightmove plc. CoStar Group's initial planned investment will mark the first stage of a multi-year investment programme totalling hundreds of millions of pounds to drive more consumers to the OnTheMarket portal with the goal of significantly increasing the quantity of valuable leads to OnTheMarket's agent clients.

Jason Tebb, CEO of OnTheMarket, said: "We are very excited be joining CoStar Group, in a move which will see our business gain the backing of a proven product and technology market leader. We look forward to working together to accelerate our strategy, with the clear goal of becoming the market leader. To do so with a partner who shares our commitment to a fair and sustainable pricing model constitutes a huge step forward for our company".

The acquisition announcement and transaction information are outlined in the UK Takeover Code Rule 2.7 Announcement filing, which can be found at https://plc.onthemarket.com/recommended-cash-acquisition/.

ABOUT COSTAR GROUP, INC.

CoStar Group (NASDAQ: CSGP) is a leading provider of online real estate marketplaces, information, and analytics in the property markets. Founded in 1986, CoStar Group conducts expansive, ongoing research to produce and maintain the largest and most comprehensive database of real estate information. CoStar is the global leader in commercial real estate information, analytics, and news, enabling clients to analyse, interpret, and gain unmatched insight on property values, market conditions and availabilities. Apartments.com is the leading online marketplace for renters seeking great apartment homes, providing property managers and owners a proven platform for marketing their properties. LoopNet is the most heavily trafficked online commercial real estate marketplace with over twelve million monthly global unique visitors. STR provides premium data benchmarking, analytics, and marketplace insights for the global hospitality industry. Ten-X offers a leading platform for conducting commercial real estate online auctions and negotiated bids. Homes.com is the fastest growing online residential marketplace that connects agents, buyers, and sellers. BureauxLocaux is one of the largest specialized property portals for buying and leasing commercial real estate in France. Business Immo is France's leading commercial real estate news service. Thomas Daily is Germany's largest online data pool in the real estate industry. Belbex is the premier source of commercial space available to let and for sale in Spain. CoStar Group's websites attract nearly 100 million unique monthly visitors. Headquartered in Washington, DC, CoStar Group maintains offices throughout the U.S., Europe, Canada, and Asia. From time to time, we plan to utilize our corporate website, CoStarGroup.com, as a channel of distribution for material company information. For more information, visit CoStarGroup.com.

ABOUT ONTHEMARKET

OnTheMarket, which operates the OnTheMarket.com property portal, is a leading UK residential property portal provider.

OnTheMarket's objective is to create value for shareholders and property advertiser customers by delivering an agent-backed, tech-enabled portal, offering a first-class service to agents and new homes developers at fair and sustainable prices, with the mission to become the go-to portal for serious property seekers.

OnTheMarket also aims to support its agents in providing a superior service to their clients by providing a number of value-adding services to increase the profitability of their own businesses. Many agent customers choose to launch thousands of their newly instructed UK residential properties exclusively with OnTheMarket first, 24 hours or more ahead of advertising them on other property portals, and these are prominently featured as 'Only with Us'.

This news release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements about CoStar Group's plans, objectives, expectations, beliefs and intentions and other statements including words such as "hope," "anticipate," "may," "believe," "expect," "intend," "will," "should," "plan," "estimate," "predict," "continue" and "potential" or the negative of these terms or other comparable terminology. Such statements are based upon the current beliefs and expectations of management of CoStar Group and are subject to many risks and uncertainties. Actual results may differ materially from the results anticipated in the forward-looking statements and the assumptions and estimates used as a basis for the forward-looking statements. The following factors, among others, could cause or contribute to such differences: the possibility that the acquisition of OnTheMarket does not close when expected or at all; the risk that the businesses of OnTheMarket and CoStar may not be combined successfully or in a timely and cost-efficient manner; the risk that business disruption relating to the OnTheMarket's acquisition may be greater than expected; the risk that the acquisition does not produce the expected benefits or results for CoStar, OnTheMarket or their customers, agents and brokers; the risk that CoStar's business plans may change; and the risk that the combination and integration of OnTheMarket will disrupt CoStar Group's or OnTheMarket's operations or result in the loss of customers or key employees. More information about potential factors that could cause results to differ materially from those anticipated in the forward-looking statements include, but are not limited to, those stated in CoStar Group's filings from time to time with the Securities and Exchange Commission (the "SEC"), including in CoStar Group's Annual Report on Form 10-K for the year ended December 31, 2022 and Quarterly Reports on Form 10-Q for the quarters ended March 31, 2023, June 30, 2023, and September 30, 2023, each of which is filed with the SEC, including in the "Risk Factors" section of those filings, as well as CoStar Group's other filings with the SEC (including Current Reports on Form 8-K) available at the SEC's website (www.sec.gov). All forward-looking statements are based on information available to CoStar Group on the date hereof, and CoStar Group assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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