VAPIANO®

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INTERIM REPORT 01–06 / 2017

KEY FINANCIALS

in EUR million	Q2/2017	Q2/2016	Change	H1/2017	H1/2016	Change
System sales (corporate, joint venture and franchise restaurants)	122.7	110.8	10.7%	241.8	220.8	9.5%
Net sales (corporate and joint venture restaurants and franchise income)	78.2	55.0	42.2%	153.6	109.0	40.9%
Like-for-like growth	6.3%	-3.6%	9.9pp	5.8%	-2.6%	8.4pp
Average receipt per guest (EUR)	12.3	11.5	7.0%	12.1	11.4	6.1%
Adjusted EBITDA	8.9	6.0	49.6%	15.9	10.4	52.5%
Adjusted EBITDA margin	11.4%	10.8%	0.6pp	10.3%	9.6%	0.7pp
Reported EBITDA	3.0	5.4	-44.9%	6.5	8.6	-23.5%
Reported EBITDA margin	3.8%	9.8%	-6.0pp	4.3%	7.8%	-3.5pp
Equity*				151.1	81.2	86.1%
Equity ratio*				38.1%	27.4%	10.7pp
Net debt*				74.5	131.4	-43.3%
Cash flow from operating activities	-1.2	4.0	-130.0%	3.2	7.0	-53.9%
Cash flow from investing activities	-19.0	-6.2	306.5%	-35.9	-12.0	199.3%
Cash flow from financing activities	104.6	1.4	———	115.6	5.7	———

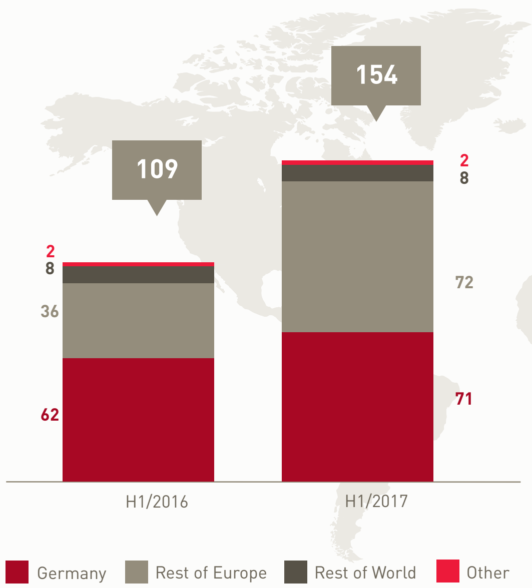
*Figures relate to the reporting dates of 30 June 2017 and 31 December 2016

	30/06/2017	30/06/2016	Change
Number of restaurants	186	171	+15**
Employees (headcount)	5,869	5,493	6.8%

**Net change (incl. closure of 2 restaurants)

KEY FINANCIALS

Net sales by segment in EUR million



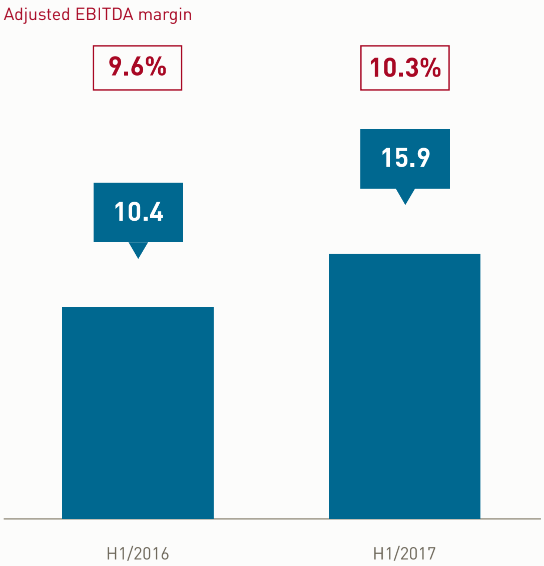
+41%

Net sales

+6%

Like-for-Like sales

Adjusted EBITDA EUR million



+53%

Adjusted EBITDA

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LETTER FROM THE CEO

Jochen Halfmann
Chief Executive Officer

Dear shareholders, guests and Vapianisti,

On 27 June 2017, we opened a new chapter in the successful history of our company. Since 27 June 2017, Vapiano has been listed on the Prime Standard segment of the Frankfurt Stock Exchange – this is something all of us at Vapiano are very proud of. As CEO, it therefore gives me great pleasure to, for the first time, present to you today our half-yearly report on behalf of the Executive Board – a report which bears witness to a further milestone in our ongoing growth. Our successful and many-times oversubscribed stock exchange launch has shown that the Vapiano business model is a convincing one and that our international investors are very confident in our growth strategy.

Supported by this important step, we will drive forward focussed growth in our European key markets and the rapid international implementation of successful innovations in the areas of guest journey and formats in the months and years to come, consequently increasing the value of our company.

This important milestone has been made possible by the over 40 million Vapiano guests across the globe in the last year alone and our over 8,000 committed Vapianisti, franchise partners and joint venture partners who, in the current 186 international Vapiano restaurants and the support centre in Bonn, have turned Vapiano into one of the most successful European fast casual dining concepts of recent years thanks to the outstanding and committed work they do every day, putting their hearts and minds into our mission of “all we do, we do with love”. For this reason, I would like to give them all a resounding “mille grazie” and express my profound gratitude to them.

The first half of 2017 was extremely successful for us. Net sales have increased by around 41% to EUR 153.6 million. Our new openings last year and in the first half of 2017 contributed to this significant increase in revenue. However, we also grew significantly on a like-for-like basis. Like-for-like revenue across the Group increased by 5.8%. In the three segments of Germany, Europe and Rest of World, we recorded our highest revenue growth for over five years. Earnings before interest, tax, depreciation and amortization (EBITDA) rose disproportionally, more specifically by around 53% to a satisfactory EUR 15.9 million.

At this point, I would particularly like to highlight the rapidly growing digital share of our business. Our takeaway and home delivery business is experiencing double-digit growth, allowing our guests to order and enjoy Vapiano “anytime, anyplace, anywhere”. Opening the 51st takeaway, the high acceptance of the new Vapiano app and our own order website are a reflection of this additional growth momentum. This focussed multi-channel approach will also play an increasingly important role in Vapiano‘s continued growth.

The new format pilots, such as our first freestander in Fürth and the first “small” Vapianos in Ingolstadt and Vienna, are progressing very well and, if they continue to be successful, will be a further addition to our portfolio.

Last but not least, I would like to point out our growing focus as a company on health-conscious food and social responsibility, which are causes particularly close to my heart.

For example, the introduction of a gluten-free menu, vegan and vegetarian dishes, and sugar-free/reduced sugar and lactose-free products in the last year were also very well received by our guests in the first half of 2017. With current specials like courgette spaghetti (“courgetti”), we will also continue to develop this area in future.

Furthermore, the initial establishment of a social fund that helps our Vapianisti at times of personal crises in an uncomplicated, unbureaucratic way has also been met with a very positive response and has allowed the Vapiano family to grow closer together.

Dear shareholders, guests and Vapianisti, the second half of the year will concentrate on the continued focused implementation of our strategy. I am convinced that, together with our guests, our team and our partners, we will continue to forge the path we have successfully taken in the first half of the year. I look forward, dear shareholders, to seeing you make this journey with us.
Thank you for your confidence!

With kind regards,

Jochen Halfmann

MEMBERS OF THE MANAGEMENT BOARD

Jochen Halfmann, CEO

Born in 1964, Jochen Halfmann has been a member of the Executive Board since June 2015 and CEO since September 2015. He studied business management at the Ludwig-Maximilian University of Munich and the University of Cologne, and economics at Baylor University in Waco, Texas. Mr Halfmann began his professional career as a management trainee at Douglas Holding AG. This was followed by further positions within the Douglas Group as branch manager, area manager and assistant to the management board. From 1999 to 2005 he was CEO of BiBA GmbH, which was a subsidiary of Douglas Group up to 2003. From 2005 to 2009, he was also an executive board member of Primera AG, a subsidiary of Escada AG, responsible for the BiBA, Laurel, apriori and Cavita brands. From 2009 to 2014, Mr Halfmann, as General Manager, was the board member responsible for the Germany, Austria and Switzerland region and for worldwide own-brand and exclusive brand business at the Douglas perfumery chain. Last but not least, from 2014 to 2015 he was managing director for Germany at Pandora Jewelry GmbH.

Lutz Scharpe, CFO

Born in 1969 and a member of the Executive Board since December 2015. He studied business management at Bayreuth University and began his professional career in 1990 at Commerzbank AG in Düsseldorf, starting out as a banking trainee. Between 1994 and 1997, he participated in a Commerzbank AG trainee program in the area of corporate customer care. In 1998, he worked as corporate finance manager at Mannesmann AG. He was then head of finance at IR.on AG from 2000 to 2003. From 2003 to 2015, he worked in various roles for the Deutsche Lufthansa AG Group, including as Director Controlling Solutions & M&A at LSG Lufthansa Service holding AG, as Director Merger & Acquisitions for Deutsche Lufthansa AG and as head of finance for Northern and Eastern Europe for LSG-Sky Chefs Denmark AS in Copenhagen. Last but not least, from 2010 to 2015 he was chief financial officer Europe for LSG Sky Chefs Europe Holdings in London.

Mario C. Bauer, Executive Board Member for Expansion, Partnerships and New Markets

Born in 1977 and member of the Executive Board since January 2017. He began his career in 2003 as the co-founder and co-founder and managing director of Bagel Station GmbH in Vienna where he remained until 2008. In November 2008, Mr Bauer was Director of Sales Development & Education at Superfund and from 2010 to 2011 Chief Operating Officer of Apeiron AG. He joined Vapiano in 2011 and held various positions in the company before his appointment to the board, including the position of managing director of Vapiano Franchising International GmbH.

IPO

27 June 2017 was a historic day for us – our début on the Frankfurt Stock Exchange. CEO Jochen Halfmann rang the exchange bell at 9:22 am and our Vapianisti rung in a new chapter in the company's history by performing the Wok Dance on the trading floor.

The success of the IPO shows that Vapiano hit the spot with investors. The issue was oversubscribed by more than four times. This is a success we are very proud of.

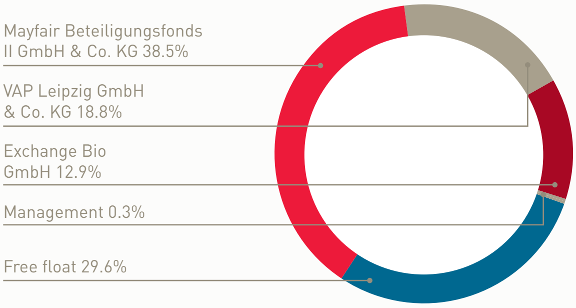
In total, 7,986,850 shares were placed with a total value of around EUR 184 million at an issue price of EUR 23.00. The original price range for book building had been between EUR 21.00 and EUR 27.00. Of these shares, just under 4.3 million (including an additional allocation of 758,074 shares) came from the holdings of existing shareholders and around 3.7 million from a capital increase, the proceeds of which are fully available to the company. This gives Vapiano SE a stock market valuation of around EUR 550 million at issue price. As a result, the company received around EUR 85 million, which we want to use to drive forward worldwide growth and our expansion into new and existing markets. This also includes targeted acquisitions of affiliated companies and Vapiano restaurants.

As a pioneer in the dynamically growing "fast casual dining segment", Vapiano has already grown very successfully as a private company in the past. Access to the capital market is the next logical step and will support our continued growth and innovation plans. This means we can continue our growth record and almost double the number of our restaurants by the end of 2020. We are also placing additional focus on investments in our innovation projects, such as new restaurant formats and the further digitization of our business.

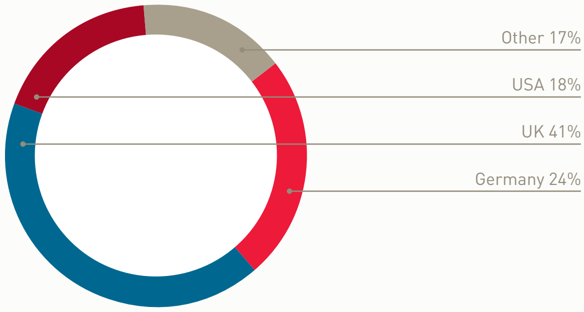
Following the end of the stabilization period and exercise of the greenshoe option for 122,224 shares (16.1% of the total over-allotment), the free float of Vapiano shares stands at 29.6%, the majority of which is held by renowned institutional investors from all over the world. As of June 30, 2017, the estimated percentage of shares held by the shareholders are as follows:

Shareholder structure by investor categories[1]

Shareholder structure



Shareholder structure by region[1]



[1]Referring to free float of 29.6%

Key share data

Share class	Ordinary bearer shares (no par value)
ISIN (International Securities Identification Number)	DE000A0WMNK9
WKN (German Securities Identification)	A0WMNK
Ticker symbol	VAO
Transparency level	Prime Standard
Stock exchange	Frankfurt Stock Exchange, XETRA, Berlin, Düsseldorf, Hamburg, Munich, Stuttgart, Tradegate
Shares in issue as of 30 June 2017	24,029,833
Share capital	EUR 24,029,833.00
Issue price	EUR 23.00
Share price as of 30 June 2017 (XETRA)	EUR 22.80
Market capitalisation as of 30 June 2017	EUR 547.88 m
Designated Sponsors	JOH. BERENBERG, GOSSLER & CO. KG and equinet Bank AG

NEW OPENINGS

Since we opened our first restaurant in Hamburg in 2002, we have grown our restaurant network over the last 15 years to 186 restaurants in 32 countries. This is an average of 12 new openings per year.

In the first half of 2017, we have already opened eight new locations, such as in Düsseldorf, Hanover, Groningen (the Netherlands), Metz and La Défense in Paris (France).

For years, the market for Italian cuisine has been growing considerably in our European core markets, as well as in the USA and China. As a pioneer in the Italian fast casual dining segment, Vapiano has particularly benefited from this. This is because we are the only Italian fast casual dining restaurant concept with a wide international presence. We therefore want to almost double the number of our restaurants to around 330 worldwide by 2020, thereby continuing to strengthen our market position.

NEW OPENINGS

Düsseldorf, 20/01/2017

La Défense in Paris, 06/04/2017

Metz, 10/05/2017

Groningen, 11/05/2017

Hanover, 30/06/2017

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Santiago de Chile, 17/03/2017

Jeddah, 27/04/2017

Bogotà, 02/06/2017

TAKEAWAY AND HOME DELIVERY

As we wanted to offer our customers something new, since 2016 we have also been offering takeaway and home delivery services. By the end of June 2017, we had equipped 51 restaurants in Germany, Austria, France, the UK, the Netherlands, Sweden, Switzerland and the USA with takeaway counters, i.e. 27% of our restaurants worldwide.

In the dynamic home delivery market, which is growing in the double-digit range, we have concluded strategic partnerships with, for example, Delivery Hero, Deliveroo, UberEATS and Thuisbezorgd.

We consider takeaway and home delivery services to be an important building block for growth and want to boost the development of this further addition to our range of restaurants.

We have also launched our own ordering website through which we offer additional delivery service applications via the Vapiano app. By introducing a converter solution, we always have access to our guests who place orders.

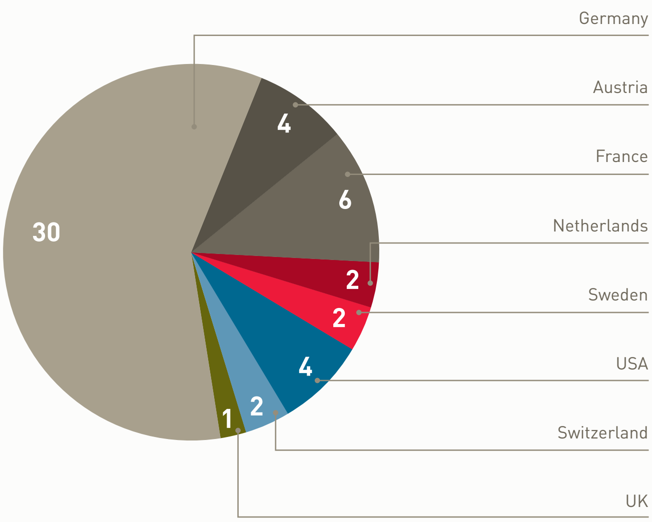
TAKEAWAY AND HOME DELIVERY

Number of restaurants with takeaway counters

27%

Percentage of restaurants with takeaway counters

Restaurants with takeaway counters by country



8

Countries (Europe and USA)

PEOPLE APP

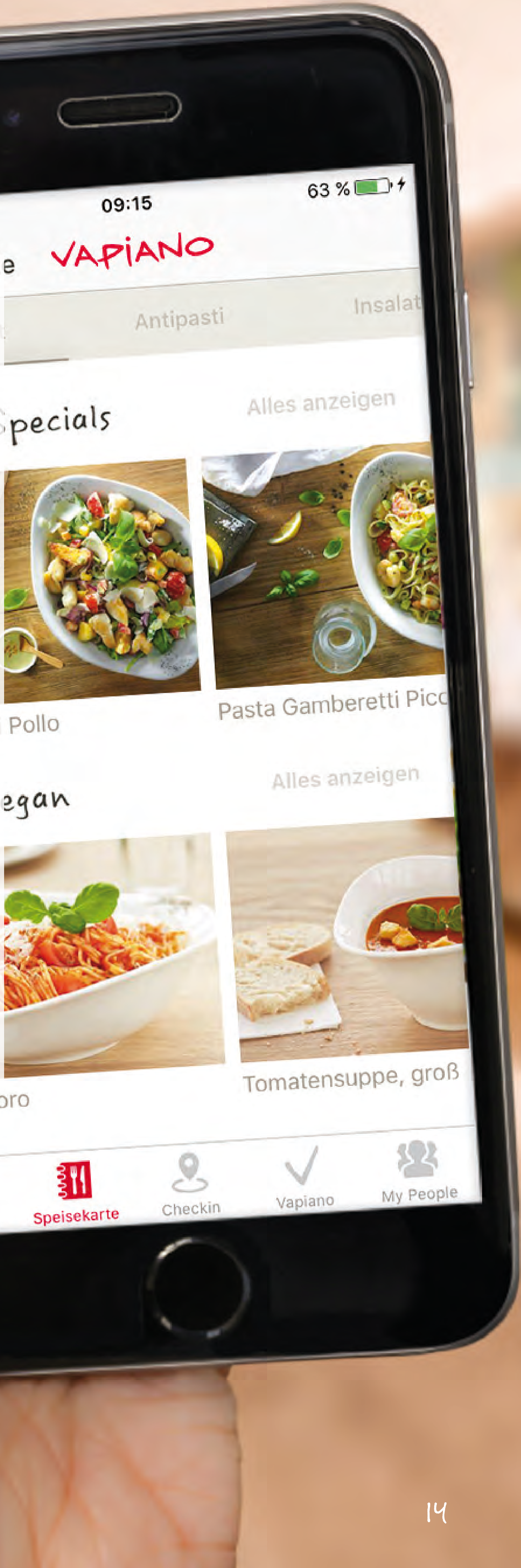
Since 18 April 2017, we have offered users of our People app an even more pleasant restaurant experience. In addition to the menu, the Vapiano finder and special offers, guests can now check in and out of restaurants, pay and order anything from the bar and have it all brought to their tables through their phones. The self check-out option shortens the waiting time when leaving to just a few seconds.

Our digital expertise has found widespread approval from our guests and experts. Almost 150,000 guests have already downloaded the app, and our innovative strength in digital matters was awarded with a prize in the “Best Customer Experience” category at the 2016 European Retail Technology Awards.

The completely new and modern app design offers additional integrations to social media channels such as Instagram and Facebook.

138,734 APP USERS

DACH REGION, AS AT 30 JUNE 2017



GROUP MANAGEMENT REPORT 01–06 / 2017

Basic principles

BUSINESS MODEL

Vapiano is a leading European restaurant chain in the fast casual dining segment. The company follows a clear concept: Vapiano serves its guests fresh, high-quality food at affordable prices and offers an exciting culinary experience. The menus contain a large selection of dishes inspired by traditional Italian cooking (pasta, pizza, antipasti, salads, dolci) and prepared fresh “à la minute” while guests look on. Vapiano restaurants offer lunch and dinner served in a “piazza” atmosphere and usually include a lounge and bar offering a range of coffees, wines, spirits and non-alcoholic drinks. Vapiano restaurants are known for their high-quality design and décor as well as a pleasant atmosphere. As of the half-year reporting date of 30 June 2017, the Vapiano network encompassed 186 restaurants in 32 countries on five continents.

Since first being listed on 27 June 2017, the shares of Vapiano SE, as the Group's parent company, have been traded under securities identification number A0WMNK or ISIN DE000A0WMNK9 in the regulated market of the Frankfurt Stock Exchange (Prime Standard).

The restaurants operated by Vapiano SE and its wholly-owned subsidiaries are internally referred to as corporate restaurants. Restaurants in which the Group has a share of less than 100% are referred to as joint venture restaurants. The other restaurants not included in the consolidated financial statements of Vapiano SE are referred to as franchise restaurants. The shareholders of these restaurants are Vapiano’s respective franchise partners. Vapiano Franchising GmbH & Co. KG, Vapiano Franchising International GmbH and other companies charge all restaurant businesses (the Group’s own and those operated by franchisees) a monthly franchise fee.

OBJECTIVES AND STRATEGIES

The growth strategy supported by numerous new openings in recent years was merged at the end of 2015 by the new Management Board into “Our road to success 2020”, an integrated growth and corporate strategy programme that we have been implementing since the start of 2016.

The strategy programme is mainly based on the following pillars:

1. Driving profitable expansion:	Focused growth in profitable markets with sufficient growth potential with the aim of doubling the restaurant network by 2020 to 330 restaurants.
2. Operational excellence:	Structured implementation of measures to lower costs and increase the efficiency of our processes in order to increase like-for-like sales and profitability in existing restaurants.
3. Keep the concept fresh:	Expand existing guest journeys by implementing take away/delivery business, focus on digitalization through app and terminal solutions, and vary formats.
4. Build a winning team:	Increase attractiveness through employer branding, qualification and development of qualitative resources at all management levels.

MANAGEMENT SYSTEM

In order to effectively manage our business activities and to measure the success of our strategic objectives, we use both financial and non-financial performance indicators. The financial performance indicators used by Vapiano are derived from the interests and requirements of our investors and represent the basis of value-based management. (Adjusted) EBITDA and revenue are used as the key financial performance indicators for managing business operations.

The management system also oversees adherence to the covenants agreed in our loan agreements when implementing our expansion plans. Vapiano SE has committed to reporting its gearing and net equity to its third-party investors at half-yearly intervals (covenants). Net equity is the product of consolidated equity plus subordinated shareholders' loans and less goodwill. In addition to the financial performance indicators, we monitor non-financial factors that are relevant for managing the company, such as the development of the number of restaurants separated into "corporate restaurants", "joint venture restaurants" and "franchise restaurants".

Economic report

MACROECONOMIC SITUATION IN TARGET MARKETS

The solid economic development witnessed during the 2016 financial year is continuing in 2017 in our core market, the eurozone. The International Monetary Fund (IMF), for example, is expecting economic growth of 1.9% for 2017. Leading economic research institutes also expect solid gross domestic product growth of 1.7% (Kiel Institute for Economic Research) to 1.8% (Munich IFO Institute) across 2017 for our most important core market of Germany, where private consumption is one of the drivers of economic development.

INDUSTRY DEVELOPMENT

The stable macroeconomic environment was also reflected in the development of the catering industry. For example, the hospitality industry in Germany recorded price-adjusted sales growth of 0.3% in the first half of 2017.

BUSINESS PERFORMANCE

One of the main drivers of restaurant business performance was the thoroughly encouraging like-for-like sales growth in the first half of 2017. In addition, we implemented the investments planned according to our Group strategy in takeaway business and set up home delivery services.

Following the acquisitions of companies in the second half of financial year 2016, year on year comparability of the results of operations in the first half of 2017 is limited.

The following table illustrates that Vapiano Group continued to push ahead with its international expansion strategy in the first half of 2017:

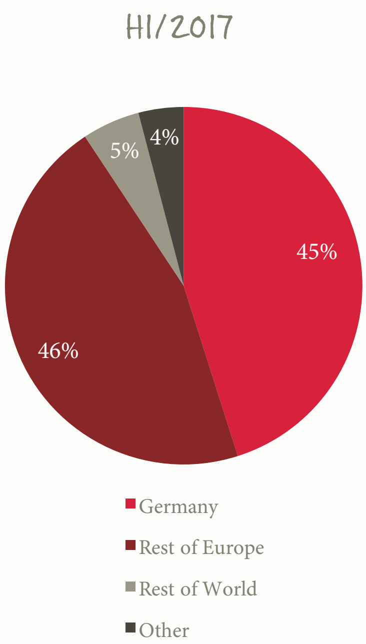
H1/2017 Openings	Corporate	Joint Venture	Franchise	Total
Germany	2	0	0	2
Rest of Europe	0	3	0	3
Rest of World	0	0	3	3

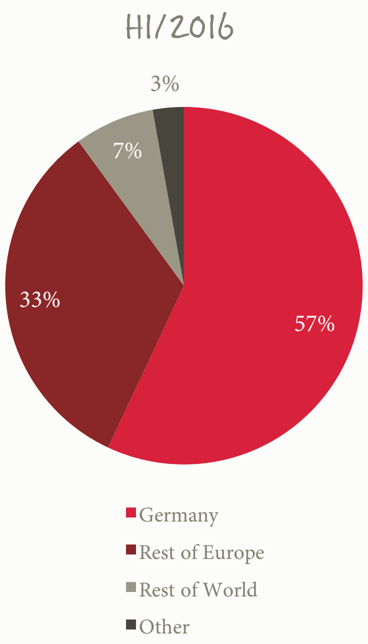
RESULTS OF OPERATIONS

Vapiano Group net sales increased during the course of this expansion and growth strategy from kEUR 109,017 in the first half of 2016 (“H1/2016”) by kEUR 44,565 to kEUR 153,582 in the first half of 2017 (“H1/2017”), corresponding to revenue growth of 41%. The increase was predominantly driven by the acquisitions made in the previous year in France, Sweden and Nuremberg, which contributed kEUR 38,233 overall to the increase in revenue in H1/2017.

Revenue also increased at existing locations and is up 5.8% on the previous year.

Revenue allocation to the respective segments in the first is shown as follows in comparison to the previous year:





The increase in sales in the “Germany” segment is attributable both to the Nuremberg acquisition in H2/2016 and an increase in sales in existing restaurants. In addition, two new restaurants were opened in Germany in the first half of 2017.

The considerable increase in sales in the “Rest of Europe” segment was driven in particular by the acquisitions in France and Sweden in the previous year. The three restaurants that started operating in the first half-year only contributed to the increase in sales to a comparably small extent, by contrast, as they only opened during the course of the second quarter.

The “Rest of World” segment benefited from three new openings in the first half of 2017, in addition to a slight increase in sales in existing premises.

Other operating income in H1/2017 was kEUR 4,552 (H1/2016 kEUR 2,055) and mainly includes income from cost allocations, income from insurance reimbursements and the reversal of accruals and valuation allowances.

In light of the considerably higher business volume, cost of materials increased by 53% from kEUR 25,594 in H1/2016 to kEUR 39,020 in H1/2017. The ratio of cost of materials to net sales increased from 24% to 25%. This increase was mainly due to the considerable increase in the cost of fruit and vegetables compared to the prior-year period as a spell of icy weather in southern Europe in spring 2017 had led to a shortage of produce.

Personnel expenses increased from kEUR 44,778 in H1/2016 to kEUR 65,626 in H1/2017 (increase of 47%). The increase was mainly attributable to the considerably larger headcount due to acquisitions and new openings, and to the recruitment of additional administrative staff. Furthermore, in Germany the regulated collective wage agreement increases (wage group adjustment as of 1 June 2016) resulted in higher personnel expenses in the first six months of the 2017 fiscal year.

By contrast, adjusted EBITDA, which is used for steering purposes, increased significantly year on year by 53% in H1/2017 to kEUR 15,889 (H1/2016: kEUR 10,421). The following reconciliation was performed to derive adjusted EBITDA from reported EBITDA:

Items from the P/L account in EUR million	H1/2017	H1/2016
Restaurant Contribution	19.4	11.7
Franchise EBITDA	1.9	4.1
Central Costs	-14.8	-7.2
% of net sales	8.3%	6.6%
Reported EBITDA	6.5	8.6
Adjustments:		
Foreign exchange gains or losses	1.5	0.6
Loss from sale of assets	1.0	0.0
Rent guarantee expenditures	0.0	0.0
One time effects	1.4	0.5
Costs/Losses related to the acquisition or sale of assets	0.0	0.2
Costs related to capital market transactions	3.9	0.3
Total adjustments	7.8	1.5
Adjusted EBITDA (incl. pre-opening costs)	14.4	10.1
Pre-opening cost	1.5	0.3
Adjusted EBITDA	15.9	10.4

Adjusted EBITDA margin increased slightly to 10.3% (H1/2016: 9.6%).

Depreciation/amortization increased by kEUR 6,797 from kEUR 10,002 in H1/2016 to kEUR 16,799 in H1/2017 mainly due to the strong average increase in the Group's assets following acquisitions from the same period in the previous year. The intangible assets recognized as part of the acquisitions in the second half of 2016 resulted in amortization of kEUR 3,351 in the first six months of the 2017 financial year. Depreciation and amortization also increased as a result of the capital expenditures in the second half of 2016 and the first half of 2017.

Other operating expenses increased considerably, by kEUR 14,642 to kEUR 47,255, due mainly to the substantial acquisitions in France and Sweden in the second half of 2016. Furthermore, costs associated with the IPO in the first half of 2017 were recognized in the income statement and further increased these expenses.

The operating result in H1/2017 was kEUR -10,254 (H1/2016: kEUR -1,445). The decrease in the operating result was mainly due to the IPO costs recognized in the income statement, the increase in material and personnel expense ratios as described above and negative effects from currency translation.

Financing expenses increased from kEUR 1,415 in H1/2016 to kEUR 2,828 in H1/2017 due to higher average borrowings to finance the expansion strategy.

On the whole, the consolidated comprehensive income before third-party, non-controlled interests amounted to kEUR -13,337 in H1/2017 and was thus kEUR 8,974 lower year on year (H1/2016: kEUR -4,363).

NET ASSETS

As of 30 June 2017, total assets amounted to kEUR 396,400 (31 December 2016: kEUR 296,770). The 34% increase in total assets was mainly due to the accounting effects on equity and cash and cash equivalents of the IPO on 27 June 2017.

The most significant changes in value of key items on the statement of financial position are described below.

Non-current and current assets
Intangible assets decreased slightly due to amortization to kEUR 107,686 as of 30 June 2017 (31 December 2016: kEUR 111,612). They mainly comprise goodwill (kEUR 45,249) and reacquired rights as part of company acquisitions (kEUR 43,541).

As of 30 June 2017, property, plant and equipment increased to kEUR 143,472 due to capital expenditures. The capital expenditures mainly related to investments associated with the restaurants opened in the first half of 2017 and remodelling measures. Furthermore, extensive investments were made in existing restaurants in order to set up take away areas as planned in the Group strategy.

Non-current other financial and non-financial assets decreased slightly from kEUR 2,734 as of 31 December 2016 to kEUR 2,485 as of 30 June 2017. They mainly comprise rent deposits for restaurant premises.

Deferred tax assets increased slightly to kEUR 8,187 (31 December 2016: kEUR 7,701), due mainly to additional capitalization of deferred taxes from losses carried forward.

Current assets increased considerably in comparison to 31 December 2016 by kEUR 84,606, mainly as a result of the net proceeds (i.e. less transaction costs) of the IPO of kEUR 83,379 which are reflected accordingly in the increase of cash and cash equivalents. In addition, inventories and trade receivables were both similar to the comparable figures for year-end 2016, at kEUR 6,012 (31 December 2016: kEUR 5,992) and kEUR 6,695

(31 December 2016: kEUR 6,835) respectively. Current other financial assets were largely unchanged compared to 31 December 2016 and mainly include receivables from associated companies, sales tax refund claims and a capital claim against the non-controlling shareholder of a company that was acquired. Current other assets increased in particular due to higher advance rental payments before the reporting date.

Equity

As of 30 June 2017, equity increased significantly following the IPO on 27 June 2017 and associated capital increase, to kEUR 151,123 (31 December 2016: kEUR 81,194). As a result, subscribed capital increased by kEUR 3,696 and capital reserves by kEUR 79,579 net (i.e. less transaction costs charged). Equity decreased, in contrast, due to the negative overall result from the first half of 2017 of kEUR -13,337. The equity ratio increased significantly to 38% (31 December 2016: 27%).

Equity was not, however, affected by the capital increase from company funds that also took place in the first half of 2017 in contrast as only capital reserves were converted into subscribed capital by issuing 19,779,070 shares. Subscribed capital increased by kEUR 19,799 as a result, while the capital reserve decreased by a corresponding amount.

Current and non-current liabilities

Total non-current and current financial liabilities recognized under debt capital as of 30 June 2017 increased to kEUR 164,196 following drawdown of the new syndicated loan agreement concluded in H1/2017 (31 December 2016: kEUR 141,381).

Net debt as of 30 June 2017 kEUR 74,510 decreased by kEUR 56,855 (31 December 2016: kEUR 131,365). Calculation is based on other financial assets (current), cash and cash equivalents, current/non-current financial liabilities and current/non-current other financial liabilities of the consolidated statement of financial positions.

Current and non-current provisions mainly comprise provisions for asset retirement obligations and, at kEUR 5,226, were comparable to 31 December 2016.

Deferred tax liabilities decreased from kEUR 13,578 to kEUR 11,797, mainly as a result of the further scheduled reversal of valuation differences expensed in connection with assets recognized as part of company acquisitions.

Other current and non-current financial liabilities increased to kEUR 16,162 mainly due to the granting of a shareholder loan of kEUR 10,000. In contrast, other financial liabilities were reduced by the repayment of purchase price liabilities in connection with the acquisition of a company in 2016.

In addition, the increase of trade payables by kEUR 8,486 due to the expanded business activity, contributed to an increase in current liabilities, which rose overall as of 30 June 2017 by kEUR 10,169 to kEUR 71,595 (previous year: kEUR 61,426).

FINANCIAL POSITION

Cash flow from operating activities was lower year on year at kEUR 3,213 in the first half of 2017 (H1/2016: kEUR 6,972). This was mainly due to the lower result for the period compared to the first half of 2016. In addition, working capital expanded.

Cash flow from investing activities recorded an outflow of kEUR -35,945 (H1/2016: kEUR -12,010). This outflow was due to investments in recently opened restaurants and remodelling existing restaurants.

Cash flow from financing activities recorded an inflow of kEUR 115,602 in the reporting period (H1/2016: kEUR 5,689). This was mainly due to inflows from the IPO (kEUR 83,379). The gross proceeds from the capital increase resulting from the IPO of kEUR 85,000 were offset against the transaction costs of kEUR 1,621 paid on 30 June 2017 and recognized directly in equity. In addition, a new syndicated loan of kEUR 200,000 was agreed on 23 May 2017 for a term of five years, which replaces the existing syndicated loan of EUR 145 million as of the reporting date. The interest rate is based on EURIBOR plus a floating margin specified in the loan agreement to be determined depending on the Group's debt ratio. This refinancing resulted in cash outflows of kEUR 130,853 from the repayment of the existing syndicated loan and cash inflows of kEUR 155,463 from the new syndicated loan agreement. Moreover, a shareholder loan granted to Vapiano group in the first half of 2017 resulted in a cash inflow of kEUR 10,000.

The financing volume is sufficient to drive the planned expansion forward in the opinion of the Management Board. Vapiano complied with the key ratios agreed as covenants with its lenders in the reporting period just ended.

EMPLOYEES

The number of employees in the Group continued to rise due to sustained growth. The number of employees as of 30 June 2017 was 5,869, following 5,495 as of 31 December 2016.

	30/06/2017	31/12/2016
Germany	3,060	2,816
Administration	173	138
Restaurants	2,887	2,678
Rest of Europe	2,556	2,436
Administration	58	54
Restaurants	2,498	2,382
Rest of World	253	243
Administration	8	8
Restaurants	245	235
Total	**5,869**	**5,495**

Events after the reporting date

Please see the Notes to the Consolidated Financial Statements for details of events after the reporting date.

Opportunities and risks

In H1/2017, there were no significant changes to the opportunities and risks of Vapiano Group compared to the 2016 management report. There is still no evidence of any risks that could jeopardize the continued operations of Vapiano Group.

Forecast

There are no changes to the statements in the 2016 management report regarding the future development of the Group.

With its growth and expansion strategy, its digitalization campaign and extensive investments in the future, the Group is adequately positioned to face future challenges. Vapiano is on a stable growth path that we will continue to consistently pursue. The Management Board of Vapiano SE is convinced that the Group will benefit from the investments it has made and those it has planned as well as from inherent growth potential and therefore expects positive development.

The VAPIANO SE Management Board expects a slight improvement in the EBITDA margin (adjusted EBITDA) with a significant increase in revenue for the 2017 financial year (driven by new openings and acquisitions) and a moderate increase in like-for-like revenue.

Bonn, 30 August 2017

Jochen Halfmann	Lutz Scharpe	Mario Bauer
Chief Executive Officer	Chief Financial Officer	Executive Board Member for Expansion, Partnerships and New Markets

CONSOLIDATED FINANCIAL STATEMENTS 01–06 / 2017

Consolidated Statement of Comprehensive Income

(kEUR)	Notes	Q2/2017	Q2/2016	H1/2017	H1/2016
Result for the period					
Revenue	2.1	78,185	54,973	153,582	109,017
Other operating income	2.2	3,510	1,280	4,552	2,055
Capitalized development costs		135	272	312	470
Cost of materials	2.3	-20,471	-13,189	-39,020	-25,594
Personnel expenses	2.4	-34,503	-22,486	-65,626	-44,778
Amortization and depreciation of intangible assets and property, plant and equipment	2.5	-8,403	-5,230	-16,799	-10,002
Other operating expenses	2.6	-23,885	-15,459	-47,255	-32,613
Operating result		-5,432	161	-10,254	-1,445
Financial income		225	238	325	378
Financing expenses		-1,764	-823	-2,828	-1,415
Financial result	2.7	-1,539	-585	-2,503	-1,037
Result from accounting using the equity method		-135	-105	-145	65
Earnings before taxes		-7,106	-529	-12,902	-2,417
Income tax income/expenses		-84	-122	-609	-1,291
Result for the period		-7,190	-651	-13,511	-3,708
Other comprehensive income					
Items which may be reclassified under profit or loss in future					
Differences in exchange rates when translating foreign business operations					
Differences in exchange rates that occurred during the financial year		101	-459	174	-655
Other comprehensive income	3.8	101	-459	174	-655
Total comprehensive incomes		-7,089	-1,110	-13,337	-4,363
Period result attributable to:					
Shareholders of the parent company		-7,117	-1,230	-13,651	-4,071
Non-controlling interests		-73	579	140	363
Total		-7,190	-651	-13,511	-3,708
Total comprehensive income attributable to:					
Shareholders of the parent company		-6,889	-1.688	-13,380	-4,725
Non-controlling interests		-200	579	43	363
Total		-7,089	-1,110	-13,337	-4,363
Earnings per share from continuing operations					
Undiluted (euros per share)	2.8	-0.35	-0.06	-0.67	-0.20
Diluted (euros per share)	2.8	-0.35	-0.06	-0.67	-0.20

Consolidated Statement of Financial Position

(kEUR)	Notes	30/06/2017	31/12/2016
Assets			
Intangible assets	3.1	107,686	111,612
Property, plant and equipment	3.2	143,472	124,935
Financial assets accounted for using the equity method	3.3	4,159	3,983
Other financial assets (non-current)	3.4	1,742	1,719
Other assets (non-current)	3.5	743	1,015
Deferred tax assets	3.6	8,187	7,701
Non-current assets		265,989	250,965
Inventories		6,012	5,992
Trade receivables		6,695	6,835
Other financial assets (current)	3.4	11,308	11,435
Other assets (current)	3.5	9,615	8,668
Income tax assets		2,241	1,184
Cash and cash equivalents	3.7	94,540	11,691
Current assets		130,411	45,805
Total		396,400	296,770
Equity and liabilities			
Subscribed capital		24,030	534
Capital reserve		90,215	29,851
Other reserves		-354	-625
Retained earnings		13,967	27,619
Equity attributable to the owners of the parent company		127,858	57,379
Non-controlling interests		23,265	23,815
Equity	3.8	151,123	81,194
Provisions	3.9	4,564	4,533
Non-current financial liabilities	3.10	155,573	133,133
Other financial liabilities (non-current)	3.11	1,514	1,933
Other liabilities (non-current)	3.12	234	973
Deferred tax liabilities	3.13	11,797	13,578
Non-current liabilities		173,682	154,150
Provisions	3.9	662	862
Current financial liabilities	3.10	8,623	8,248
Trade payables	3.14	25,931	17,445
Other financial liabilities (current)	3.11	14,648	11,177
Other liabilities (current)	3.12	19,132	21,232
Income tax liabilities		2,599	2,462
Current liabilities		71,595	61,426
Liabilities		245,277	215,576
Total		396,400	296,770

Consolidated Statement of Changes in Equity

(kEUR)	Attributable to the owners of the parent company: Subscribed capital	Capital reserve	Currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Group equity as of 01/01/2017	**534**	**29,851**	**-625**	**27,619**	**57,379**	**23,815**	**81,194**
Total comprehensive income							
Result for the period	0	0	0	-13,651	-13,651	140	-13,511
Other comprehensive income	0	0	271	0	271	-97	174
Total comprehensive income	0	0	271	-13,651	-13,380	43	-13,337
Capital contribution*	1	584	0	0	585	0	585
Capital increase from company funds	19,799	-19,799	0	0	0	0	0
Capital increase from the IPO	3,696	81,304	0	0	85,000	0	85,000
IPO transaction costs	0	-1,725	0	0	-1,725	0	-1,725
Distribution of earnings	0	0	0	0	0	-593	-593
Group equity as of 30/06/2017	**24,030**	**90,215**	**-354**	**13,968**	**127,859**	**23,265**	**151,124**

*of which kEUR 585 from employee participation programme

(kEUR)	Attributable to the owners of the parent company: Subscribed capital	Capital reserve	Currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Group equity as of 01/01/2016	**501**	**14,228**	**382**	**28,306**	**43,417**	**6,925**	**50,342**
Total comprehensive income							
Result for the period	0	0	0	-4,071	-4,071	363	-3,708
Other comprehensive income	0	0	-655	0	-655	0	-655
Total comprehensive income	0	0	-655	-4,071	-4,725	363	-4,363
Capital contribution	0	601	0	0	601	0	601
Change due to business combinations/change in scope of consolidation	0	0	0	0	0	11	11
Disposals from the sale of companies/changes in the scope of consolidation	0	0	0	0	0	-12	-12
Other changes	0	0	0	-118	-118	0	-118
Profit distribution	0	0	0	0	0	-136	-136
Group equity as of 30/06/2016	**501**	**14,829**	**-273**	**24,117**	**39,174**	**7,151**	**46,325**

Consolidated Statement of Cash Flows

(kEUR)	H1/2017	H1/2016
Cash flow from operating activities		
Period result (pre-tax)	-12,902	-2,417
Adjustments for:		
Depreciation/amortization of intangible assets and property, plant and equipment	16,799	10,002
Non-cash income and expenses	210	440
Net financing expenses	2,503	1,037
Profit and loss share in companies accounted for using the equity method, after taxes	145	-65
Loss from scrapped property, plant and equipment	1,077	198
	7,832	9,195
Changes in:		
Inventories	-20	8
Trade receivables and other receivables	-456	-2,994
Trade payables and other payables	412	3,331
Other provisions and provisions for employee benefits	-367	65
Cash flow from operating activities	7,401	9,605
Interest paid	-2,289	-1,415
Income tax paid	-1,899	-1,218
Net cash flow from operating activities	3,213	6,972
Cash flow from investing activities		
Purchase of intangible assets and property, plant and equipment	-32,601	-10,558
Purchase of subsidiaries	-2,595	0
Purchase of other financial assets	-749	-1,452
Cash flow from investing activities	-35,945	-12,010
Cash flow from financing activities		
Capital increase from the IPO	85,000	0
IPO transaction costs	-1,621	0
Other payments by owners	0	601
Loans from shareholders	10,000	0
Inflow from other financial liabilities	155,463	6,406
Transaction costs in connection with the syndicated loan	-1,794	0
Outflow from other financial liabilities	-130,853	-1,182
Profit distribution	-593	-136
Cash flow from financing activities	115,602	5,689
Cash and cash equivalents		
Net increase in cash and cash equivalents	82,870	651
Cash and cash equivalents at the start of the reporting period	11,691	5,553
Effects of changes in exchange rates and the scope of consolidation on cash and cash equivalents	-21	-226
Cash and cash equivalents at the end of the reporting period	94,450	5,978

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 01–06 / 2017

1. General Disclosures

1.1 REPORTING COMPANY

Vapiano SE is a company headquartered in Germany. The Company's registered office is Kurt-Schumacher-Straße 22, 53113 Bonn, Germany. The Company is entered under HRB 16304 in the Commercial Register at the District Court in Bonn.

Since first being listed on 27 June 2017, Vapiano SE shares have been traded under securities identification number A0WMNK or ISIN DE000A0WMNK9 on the regulated market of the Frankfurt Stock Exchange (Prime Standard).

The Vapiano SE Management Board approved the condensed consolidated financial statements for the period from 1 January 2017 to 30 June 2017 (hereinafter referred to as “the consolidated financial statements”) on 30 August 2017.

1.2 PRINCIPLES AND METHODS

These consolidated financial statements as at 30 June 2017 have been prepared in accordance with IAS 34 guidelines in condensed form in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board, London applicable on the reporting date and as adopted by the European Union together with the interpretations of the IFRS Interpretations Committee.

These consolidated financial statements and the Group management report are unaudited and also have not been reviewed by an auditor.

The disclosures in the notes of the 2016 consolidated financial statements apply particularly with regard to the significant accounting and valuation policies with the exception of the accounting matters described and initially appearing under note 4.5, “Transaction costs in association with the planned IPO”.

In the first six months of 2017, there were no standards or revisions that were to be applied for the first time. We have assessed the effects of the accounting standards issued by the IASB, but which do not as yet need to be applied and which are predicted to be significant for the Vapiano Group, and these do not give rise to any significant amendments. For more information, please refer to the disclosures in the Vapiano SE consolidated financial statements as at 31 December 2016.

The consolidated financial statements were prepared in the Group's currency, the euro. The figures contained in the financial statements are shown in kEUR unless otherwise stated. Please note that there may be rounding differences from the mathematically precise resulting values (monetary units, percentages etc.). The consolidated income statement has been prepared using the total-cost method.

Due to the significant company acquisitions in France/Luxembourg and Sweden in autumn 2016, the consolidated statements for the first half of 2017 are only comparable with the corresponding previous-year period to a limited extent. With regard to the effects resulting from the company acquisitions in the 2016 financial year, please refer to the disclosures in the consolidated notes as at 31 December 2016.

Amendments to the underlying parameters are primarily based on the exchange rates used.

Euro exchange rates for principle currencies are as follows:

		Closing date rate		Average rate	
in EUR		**30/06/2017**	31/12/2016	**H1/2017**	H1/2016
Currency	Country				
USD	USA	**1.14**	1.05	**1.12**	1.12
GBP	United Kingdom	**0.88**	0.85	**0.88**	0.78
CNY	China	**7.74**	7.30	**7.65**	7.29
SEK	Sweden	**9.66**	9.54	**9.75**	

1.3 SCOPE OF CONSOLIDATION

As at 30 June 2017, 71 domestic and foreign subsidiaries directly or indirectly managed by Vapiano SE (31 December 2016: 66 subsidiaries) were included in addition to Vapiano SE.

In addition, four (31 December 2016: three) associated companies were accounted for using the equity method. Together with two further shareholders, a company was founded in Spain in the reporting period which with the purpose of operating restaurants in the local market in future. The financial assets accounted for using the equity method also increased due to an additional contribution to the investment in an already existing associated company.

Please refer to the Notes to the Consolidated Financial Statements as at 31 December 2016 for more information regarding the companies included in the scope of consolidation.

The following significant changes occurred to the companies included in the consolidated financial statements in the first six months of 2017:

Effective 1 January 2017, Vapiano SE acquired 8% of the voting shares in VAP München GmbH at a purchase price of kEUR 430. The exercise amount of the put option underlying the share purchase agreement was recognised in other current financial liabilities as at 31 December 2016 and was measured at the purchase price of the shares. The shares purchased had already been accounted for upon receipt of the put option as if they had already been exercised. As a result, there were no effects on the statement of non-controlling interests in total comprehensive income.

The remaining changes to the scope of consolidation result from newly-founded companies or the first-time inclusion of two previously insignificant subsidiaries.

2. Notes to the consolidated statement of comprehensive income

2.1 REVENUE

Revenue from the first six months of the financial year and for the second quarter, each compared with the corresponding prior-year period, breaks down as follows:

in kEUR	Q2/2017	Q2/2016	H1/2017	H1/2016
Revenue from restaurant operations	74,630	51,147	145,765	99,672
Other revenue	3,555	3,826	7,817	9,345
Total	**78,185**	**54,973**	**153,582**	**109,017**

in kEUR	Q2/2017	Q2/2016	H1/2017	H1/2016
Domestic	33,438	28,965	72,618	62,835
Abroad	44,747	26,008	80,964	46,182
Total	**78,185**	**54,973**	**153,582**	**109,017**

The growth recorded over the prior period is mainly due to the company acquisitions made in Sweden, France and Nuremberg in the second half of 2016. Revenue from the restaurants acquired as a result amounted to kEUR 38,233 in the first six months of the 2017 financial year.

Deducting the effect from company acquisitions, revenue growth in the first half of 2017, compared with the first half of 2016, was kEUR 6,332. This primarily results from the new openings carried out when the Group's expansion strategy was being implemented and from an increase in proceeds from existing restaurants in our core market of Germany.

With regard to the classification of revenue according to segment, please refer to our disclosures on segment reporting.

2.2 OTHER OPERATING INCOME

Other operating income mainly includes income from charging-on, income from insurance refunds and income from the reversal of provisions and impairments.

2.3 COST OF MATERIALS

The cost of materials mainly comprises inventory costs for food and drink and costs of procurement and sale (e.g. for transport and packaging materials).

The cost-of-materials ratio in relation to revenue worsened by 1.9 percentage points in the first half of 2017 compared with the corresponding previous-year period. A key factor in this was the considerable increase in purchasing costs for fruit and vegetables compared to the previous-year period, as the onset of winter in southern Europe had led to a shortage of available produce in spring 2017.

2.4 PERSONNEL EXPENSES

The increase in personnel expenses can mainly be attributed to the increased number of employees. This is due both to the companies acquired in the second half of 2016 and to the recruitment of employees as part of restaurant openings.

2.5 AMORTIZATION AND DEPRECIATION OF INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

The increase in amortization expenses is partially due to the additional amortization of intangible assets that were scheduled for the second half of 2016 as part of the company acquisitions. The resulting amortization expenses amounted to kEUR 3,351 in the first six months of the 2017 financial year. In addition, amortizations increased due to the investments made in the second half of 2016 and the first half of 2017 (see section 3.2).

2.6 OTHER OPERATING EXPENSES

The absolute increase in other operating expenses of kEUR 14,642 relates to expenses of kEUR 10,871 from the subsidiaries acquired in the second half of 2016 in France, Sweden and Nuremberg. In addition, expenses in connection with preparing the company for the IPO were incurred in the first half of 2017.

2.7 FINANCIAL RESULT

The financial result decreased by kEUR 1,466 compared to the corresponding period in the previous year, reflecting the Group's progressive expansion activity. Financing the company acquisitions made in 2016 and investment in new and existing restaurants led to much greater use of the Group's external financing structure, which accordingly led to higher interest expenses.

2.8 EARNINGS PER SHARE

The following data is used as a basis to calculate the earnings per share:

	Ordinary shares	
	2017	2016
Issued on 1 January	533,827	500,811
Issued in exchange for cash	1,283	
Capital increase from company funds	19,799,070	
Issue as part of the IPO	3,695,653	
Issued on 30 June - fully paid-in*	24,029,833	500,811

*Approved – par value EUR 1

Undiluted and diluted earnings per share are calculated in accordance with IAS 33 as follows:

in EUR or EUR per share	30/06/2017	30/06/2016
The annual Group surplus in EUR to which the shareholders of the parent company are entitled (undiluted/diluted)	-13,651,499	-4,070,757
Number of shares issued (in units)	24,029,834	500,811
Adjusted weighted average number of ordinary shares issued*	20,415,731	20,800,692
Undiluted/diluted earnings per share (in euros per unit)	-0,67	-0,20

*Based on the consideration of the sub-year capital increase of 19,799,070 shares, a retroactive adjustment of the number of shares is to be carried out in accordance with IAS 33.64 for the determination of diluted and undiluted earnings per share. The previous year's figures have been adjusted accordingly.

3. Notes to the Consolidated Statement of Financial Position

3.1 INTANGIBLE ASSETS

Intangible assets mainly include goodwill (kEUR 45,249, kEUR 45,412 as at 31 December 2016) and franchise rights reacquired as part of company acquisitions (kEUR 43,541, kEUR 47,585 as at 31 December 2016). Intangible assets also include licence rights acquired for the use of the Vapiano concept, software and internally generated intangible assets.

3.2 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment mainly include the equipment for the restaurants operated by the Group including incidental acquisition costs from expenses expected in future in connection with the potential dismantling of the restaurants.

The additions from investments recorded in the first half of 2017 are due to restaurant openings that have already taken place or will take place in the near future, the remodelling of existing restaurants and setting up the takeaway areas as part of implementing the Group's strategy. As the investments exceed the amortization carried out, there was a corresponding increase in this item compared to 31 December 2016.

3.3 FINANCIAL ASSETS ACCOUNTED FOR USING THE EQUITY METHOD

The carrying amount of financial assets accounted for using the equity method increased, as the losses from associated companies relating to the first half of 2017 were kEUR 140 less than the contributions made in this period of kEUR 321.

3.4 OTHER FINANCIAL ASSETS

Non-current other financial assets mainly include rental deposits made for restaurant locations.

Current other financial assets mainly include receivables from associated companies, VAT refund claims and a contribution claim against the local non-controlling shareholder resulting from the company acquisition in Sweden.

3.5 OTHER ASSETS

As at 31 December 2016, non-current other assets mainly include an advance payment made for the acquisition of a restaurant location in the Netherlands.

Current other assets increased mainly due to the advance rental payments made in the first half of 2017.

3.6 DEFERRED TAX LIABILITIES

The increase in deferred tax assets compared to 31 December 2016 is mainly attributable to the recognition of additional deferred tax assets from losses carried forward.

3.7 CASH AND CASH EQUIVALENTS

The increase in cash and cash equivalents mainly results from the inflow of gross issue proceeds of kEUR 85,000 achieved due to the IPO.

3.8 EQUITY

The changes in Vapiano SE's shareholders' equity are presented in the consolidated statement of changes in equity.

The increase in subscribed capital and capital reserves is mainly indicated by the inflows from the IPO carried out in the reporting period and the capital increase from company funds carried out in April 2017.

All differences from the translation of financial statements from foreign business operations not prepared in the Group's currency are recorded in the currency translation reserve which is assigned to the other reserves item.

Retained earnings comprise net income and the previous years' undistributed group earnings. The decrease is mainly attributable to the capital increase carried out from company funds during the reporting period and the negative result for the period.

3.9 PROVISIONS

Provisions mainly comprise dismantling liabilities. Provisions are formed for each rental property provider if Vapiano is contractually obliged to dismantle the installed restaurant units at the end of the lease term. Provision amounts attributable to leases with a remaining maturity of less than one year are recognised as current.

3.10 FINANCIAL LIABILITIES

A new syndicated loan agreement for an amount of EUR 200.0 million and a term of five years was concluded on 23 May 2017, which replaced the previous syndicated loan agreement of EUR 145.0 million. The interest rate is calculated based on the EURIBOR plus a variable interest margin agreed in the loan agreement, which is determined depending on the Group's debt ratio. The increase recorded compared to 31 December 2016 is due to an increased use of funding to finance the investment in the restaurant business.

3.11 OTHER FINANCIAL LIABILITIES

The decrease in non-current other financial liabilities is mainly due to the reduction in fair value of the obligation to exercise a put option on the acquisition of shares from non-controlling shareholders and the reduction in negative fair value of the interest rate swaps concluded for hedging purposes.

The increase in current other financial liabilities is mainly attributable to a fixed-interest loan of EUR 10.0 million granted by the three main shareholders in the Group. The term of the loan originally ran to the 2024 financial year. According to the contractually agreed conditions, this may, however, be declared due at any time after the successful IPO of Vapiano SE. In this context, please refer to the disclosures on the Group's related parties.

There was an inverse impact from the reduction in the residual purchase price from the company acquisition in Sweden, which is recognised in current financial liabilities. In April 2017, a contractually agreed instalment of kEUR 2,595 was paid to the seller. Furthermore, the share of the purchase price of kEUR 2,463 relating to the Swedish minority shareholder, which was also due in 2017, was offset against the contribution claim accounted for under other current financial assets.

3.12 OTHER LIABILITIES

Non-current other financial liabilities mainly include accruals for rental expenses relating to rent-free periods.

Current other liabilities mainly comprise liabilities for wages and salaries, accrued construction cost subsidies, liabilities from outstanding VAT and accrued revenue from the Group's customer retention programme.

3.13 DEFERRED TAX LIABILITIES

The decrease in deferred tax liabilities compared to 31 December 2016 is mainly due to the further reversal of deferred tax liabilities on measurement differences. These differences are mainly due to measurement differences for intangible assets that are recognised as part of the company acquisitions carried out in the second half of 2016 and that were amortised as scheduled during the current reporting period.

3.14 TRADE PAYABLES

The significant increase in trade payables is mainly due to the increase in liabilities from ongoing capital expenditure for property, plant and equipment. The accrual made at 30 June 2017 of outstanding incoming invoices for legal and consultation costs incurred in connection with the IPO also contributed to the increase.

4. Other information

4.1 SEGMENT REPORTING

The calculation and presentation of segment reporting as at 30 June 2017 only changed to a minor extent compared to the notes to the consolidated financial statements as at 31 December 2016, due to the allocation of new businesses to the appropriate segments.

The revenue and EBITDA of the individual Vapiano Group segments subject to reporting are presented below:

H1/2017 in kEUR	Germany	Rest of Europe	Rest of World	Other	Consoli-dation-	Total
External sales	71,298	72,416	7,890	1,978	0	153,582
Sales with other business segments	4,753	4,475	924	4,905	-15,057	0
Proceeds from segment sales	76,051	76,891	8,814	6,883	-15,057	153,582
Segment EBITDA	8,343	12,136	157	-14,088	-3	6,545
Amortization and depreciation of intangible assets and property, plant and equipment						-16,799
Financial result						-2,503
Result from accounting using the equity method						-145
Capital gains income/expenses						-609
Result for the period						-13,511

H1/2016 in kEUR	Germany	Rest of Europe	Rest of World	Other	Consoli-dation	Total
External sales	62,363	36,396	8,011	2,247	0	109,017
Sales with other business segments	3,961	1,993	411	1,020	-7,385	0
Proceeds from segment sales	66,324	38,389	8,422	3,267	-7,385	109,017
Segment EBITDA	6,855	7,854	673	-6,825	0	8,557
Amortization and depreciation of intangible assets and property, plant and equipment						-10,002
Financial result						-1,037
Result from accounting using the equity method						65
Capital gains income/expenses						-1,291
Result for the period						-3,708

Q2/2017 in kEUR	Germany	Rest of Europe	Rest of World	Other	Consoli-dation	Total
External sales	36,383	37,629	4,064	321	-212	78,185
Sales with other business segments	2,366	2,224	462	3,453	-8,505	0
Proceeds from segment sales	38,749	39,853	4,526	3,774	-8,717	78,185
Segment EBITDA	4,202	6,013	-145	-7,078	-21	2,971
Amortization and depreciation of intangible assets and property, plant and equipment						-8,403
Financial result						-1,539
Result from accounting using the equity method						-135
Capital gains income/expenses						-84
Result for the period						-7,190

Q2/2016 in kEUR	Germany	Rest of Europe	Rest of World	Other	Consoli-dation	Total
External sales	31,358	18,598	4,420	911	-314	54,937
Sales with other business segments	1,999	1,008	-13	-30	-2,964	0
Proceeds from segment sales	33,357	19,606	4,407	881	-3,278	54,937
Segment EBITDA	2,960	4,207	479	-2,144	-111	5,391
Amortization and depreciation of intangible assets and property, plant and equipment						-5,230
Financial result						-585
Result from accounting using the equity method						-105
Capital gains income/expenses						-122
Result for the period						-651

Geographic Information

Revenue from Group business areas from transactions with external customers by geographical location of the business operation can be seen in the table above. Information on the segment assets by geographical location of the assets is comprised as follows:

	Non-current assets (by region)*	
in kEUR	**30/06/2017**	31/12/2016
Germany	**96,087**	86,887
France	**66,353**	62,590
Sweden	**31,025**	33,715
Austria	**13,350**	13,785
Other	**45,086**	40,585
Total	**251,901**	237,562

*Non-current assets do not include any financial assets accounted for using the equity method, financial fixed assets or deferred tax liabilities.

Revenue by product segment

An analysis of Group revenue by product segment in accordance with IFRS 8.32 can be found in note 2.1, "Revenue".

Information on main customers
No single customer contributed 10% or more to consolidated revenue in the first half of 2017 or 2016.

4.2 RELATED PARTY DISCLOSURES

Related parties as defined by IAS 24 are natural or legal persons that can influence transactions with Vapiano SE and its subsidiaries, or that are subject to control, joint control or significant influence by Vapiano SE or its subsidiaries.

This includes, in particular, the following groups of Vapiano SE companies, which exert significant influence over the Group. Non-consolidated subsidiaries, joint ventures and associated companies are also included among the related parties.

Transactions with related parties are carried out on an arm's length basis.

The parent company of the Vapiano Group is Vapiano SE. There are three important groups of companies above Vapiano SE that each exert significant influence over the Group:

- VAP Leipzig GmbH & Co. KG
- Exchange Bio GmbH
- Mayfair Beteiligungsfonds II GmbH & Co. KG

In addition to these groups of shareholders, the following individuals must also be defined as related parties:

- Gregor Gerlach
- Hans-Joachim Sander (until 27 June 2017)
- Gisa Sander (until 27 June 2017)
- Daniela Herz-Schnoeckel and children
- Günter Herz and children
- Hinrich Stahl
- Kristian Wettling
- Dr Rigbert Fischer

During the financial year, Group companies carried out the following transactions with related parties that do not belong to the group of consolidated companies:

	Goods provided and services rendered from franchise and marketing services and cost allocations			
in kEUR	**Q2/2017**	Q2/2016	**H1/2017**	H1/2016
VAP Leipzig GmbH & Co. KG	**528**	42	**568**	81
Exchange Bio GmbH	**638**	0	**638**	0
Vapiano SE associated companies	**289**	293	**729**	643
Total	**1,455**	335	**1,935**	724

	Goods provided and services rendered from leases			
in kEUR	**Q2/2017**	Q2/2016	**H1/2017**	H1/2016
VAP Leipzig GmbH & Co. KG	**60**	0	**120**	0
Total	**60**	0	**120**	0

The following balances were outstanding at the end of the respective reporting period:

	Receivables		Liabilities	
in EUR	**30/06/2017**	31/12/2016	**30/06/2017**	31/12/2016
VAP Leipzig GmbH & Co. KG	**577**	0	**3,036**	0
Exchange Bio GmbH	**760**	0	**2,572**	0
Mayfair Beteiligungsfonds II GmbH und Co. KG	**0**	0	**4,479**	0
Vapiano SE associated companies	**6,459**	5.384	**0**	0
Total	**7,796**	5.397	**10,087**	0

Transactions with shareholders

The three main Vapiano SE shareholders granted the Group a subordinate loan of EUR 10.0 million in the first quarter of the 2017 financial year. The shareholders' share of the overall loan amount corresponds to their respective stake in Vapiano SE at the time the loan was granted. In addition, a part of expenses that were incurred as part of the IPO was charged to two main shareholders. Moreover, further transactions with VAP Leipzig GmbH & Co. KG have resulted from the franchise relationship between the Vapiano Group and VAP Leipzig GmbH & Co. KG, which operates a restaurant as a franchisee. In addition, further transactions with VAP Leipzig GmbH & Co. KG have resulted from the franchise relationship between the Vapiano Group and VAP Leipzig GmbH & Co. KG, which operates a restaurant as a franchisee.

Transactions with associated companies

Transactions with associated companies are mainly based on normal franchise relationships and the resulting franchise and marketing fees. Transactions with associated companies are also based on receivables resulting from the loan issued by the Group.

No expense was recognised in the first half of 2017 or in the previous year for bad or doubtful debts in respect of amounts owed by related parties.

The „DRIVE“ management incentive programme
A further 2,000 shares were issued for purchase in 2016, 1,283 of which were subscribed in January 2017. No further new shares were issued for purchase in the first half of 2017 due to the initial public offer and the management incentive program Drive 2.0. The goal of the program remains the establishment of management loyalty.

4.3 CHANGES IN CONTINGENT RECEIVABLES AND LIABILITIES, OTHER FINANCIAL OBLIGATIONS AND GUARANTEES AND OTHER COMMITMENTS

Further leases for restaurant premises were concluded or extension options taken in connection with the expansion of the business. There were closures in some cases. This resulted in an overall increase in other financial liabilities.

As at 30 June 2017, there are future minimum lease payments under non-cancellable leases as follows:

in kEUR	30/06/2017	31/12/2016
Less than one year	30,112	27,393
More than one year and less than five years	123,169	96,506
More than 5 years	131,261	84,460
Total	284,542	208,359

With regard to further contingent receivables and liabilities, there were no changes compared to 31 December 2016. Please refer to the 2016 consolidated notes.

4.4 FINANCIAL INSTRUMENTS REPORTING

The carrying amount and fair value as at 30 June were as follows:

30 June 2017	Carrying amount					Fair value			
in EUR	Held for trading	Loans and receivables	Available for sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value									
Investments	-	-	12	-	12	-	-	-	-
Trade receivables	-	6,695	-	-	6,695	-	-	-	-
Other financial assets	-	13,038	-	-	13,038	-	13,038	-	13,038
Cash and cash equivalents	-	94,540	-	-	94,540	-	-	-	-
Total	-	114,273	12	-	114,285	-	13,038	-	13,038
Financial liabilities measured at fair value		-							
Interest-rate swaps	244	-	-	-	244	-	244	-	244
Other financial liabilities	-	-	-	531	531	-	-	531	531
Contingent consideration from company acquisitions	-	-	-	1,086	1,086	-	-	1,086	1,086
Total	244	-	-	1,617	1,861		244	1,617	1,861
Financial liabilities not measured at fair value	-	-							
Liabilities to banks	-	-	-	163,492	163,492	-	164,077	-	164,077
Trade payables	-	-	-	25,931	25,931	-	-	-	-
Liabilities from finance leases	-	-	-	704	704	-	704	-	704
Other financial liabilities	-	-	-	14,301	14,301	-	15,297	-	15,297
Total	-	-	-	204,428	204,428	-	180,078	-	180,078

31 December 2016	Carrying amount					Fair value			
in EUR	Held for trading	Loans and receivables	Available for sale	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value									
Investments	-	-	19	-	19	-	-	-	-
Trade receivables	-	6,835	-	-	6,835	-	-	-	-
Other financial assets	-	13,135	-	-	13,135	-	13,134	-	13,134
Cash and cash equivalents	-	11,691	-	-	11,691	-	-	-	-
Total	-	31,661	19	-	31,680	-	13,134	-	13,134
Financial liabilities measured at fair value									
Interest-rate swaps	335	-	-	-	335	-	335	-	335
Other financial liabilities	-	-	-	1,056	1,056	-	430	626	1,056
Contingent consideration from company acquisitions	-	-	-	1,112	1,112	-	-	1,112	1,112
Total	335	-	-	2,168	2,503	-	765	1,738	2,503
Financial liabilities not measured at fair value									
Liabilities to banks	-	-	-	140,368	140,368	-	141,875	-	141,875
Trade payables	-	-	-	17,445	17,445	-	-	-	-
Liabilities from finance leases	-	-	-	1,013	1,013	-	1,013	-	1,013
Other financial liabilities	-	-	-	12,897	12,897	-	12,897	-	12,897
Total	-	-	-	171,723	171,723	-	155,785	-	155,785

No reclassification within the level hierarchies took place in the first six months of 2017.

4.5 TRANSACTION COST IN CONNECTION WITH IPO

In association with the equity procurement as a result of the IPO, transaction costs of kEUR 2,574 were incurred in the first half year that were not recorded as expenses but instead under capital reserves after deducting tax effects (kEUR 849).

4.6 SUBSEQUENT EVENTS

At the beginning of July 2017, a part of the shareholders' loan to the value of EUR 2.55 million was repaid.

In August 2017, a minority shareholder made use of his contractual right to sell his shares. As at 30 June 2017, a corresponding obligation to exercise this right had already been recognised under liabilities, meaning there was no effect on the amount of non-controlling shares or consolidated equity.

Bonn, 30 August 2017

Jochen Halfmann
Chief Executive Officer

Lutz Scharpe
Chief Financial Officer

Mario Bauer
Executive Board Member for Expansion, Partnerships and New Markets

Responsibility Statement

We assure, to the best of our knowledge, that in accordance with the applicable reporting principles for interim reporting, the consolidated financial statements give a true and fair view of the Group's net assets, financial position and results of operations, and that the group management report accurately reflects the Group's net assets, financial position and results of operations, as well as the key opportunities and risks of the Group's future development.

Bonn, 30 August 2017

The Management Board

Jochen Halfmann
Chief Executive Officer

Lutz Scharpe
Chief Financial Officer

Mario Bauer
Executive Board Member for Expansion, Partnerships and New Markets

Financial calendar 2017

Date	Event
19–20 September 2017	Berenberg and Goldman Sachs Sixth German Corporate Conference, Munich, Germany
21 November 2017	Publication quarterly financial report (as of 30 September 2017)
End of November 2017	Investor Roadshow
4–7 December 2017	Berenberg European Conference, Pennyhill, Bagshot / Surrey, United Kingdom

Disclaimer / Forward-looking statements

This report may contain „forward-looking statements". Forward-looking statements are generally identifiable by the use of the words „may", „will", „should", „plan", „expect", „anticipate", „estimate", „believe", „intend", „project", „goal" or „target" or the negative of these words or other variations on these words or comparable terminology. Forward-looking statements are based on current expectations and involve a number of known and unknown risks, uncertainties and other factors that could cause the Group's or its industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. You should not place undue reliance on forward-looking statements and the Group does not undertake publicly to update or revise any forward-looking statement that may be made herein, whether as a result of new information, future events or otherwise.

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