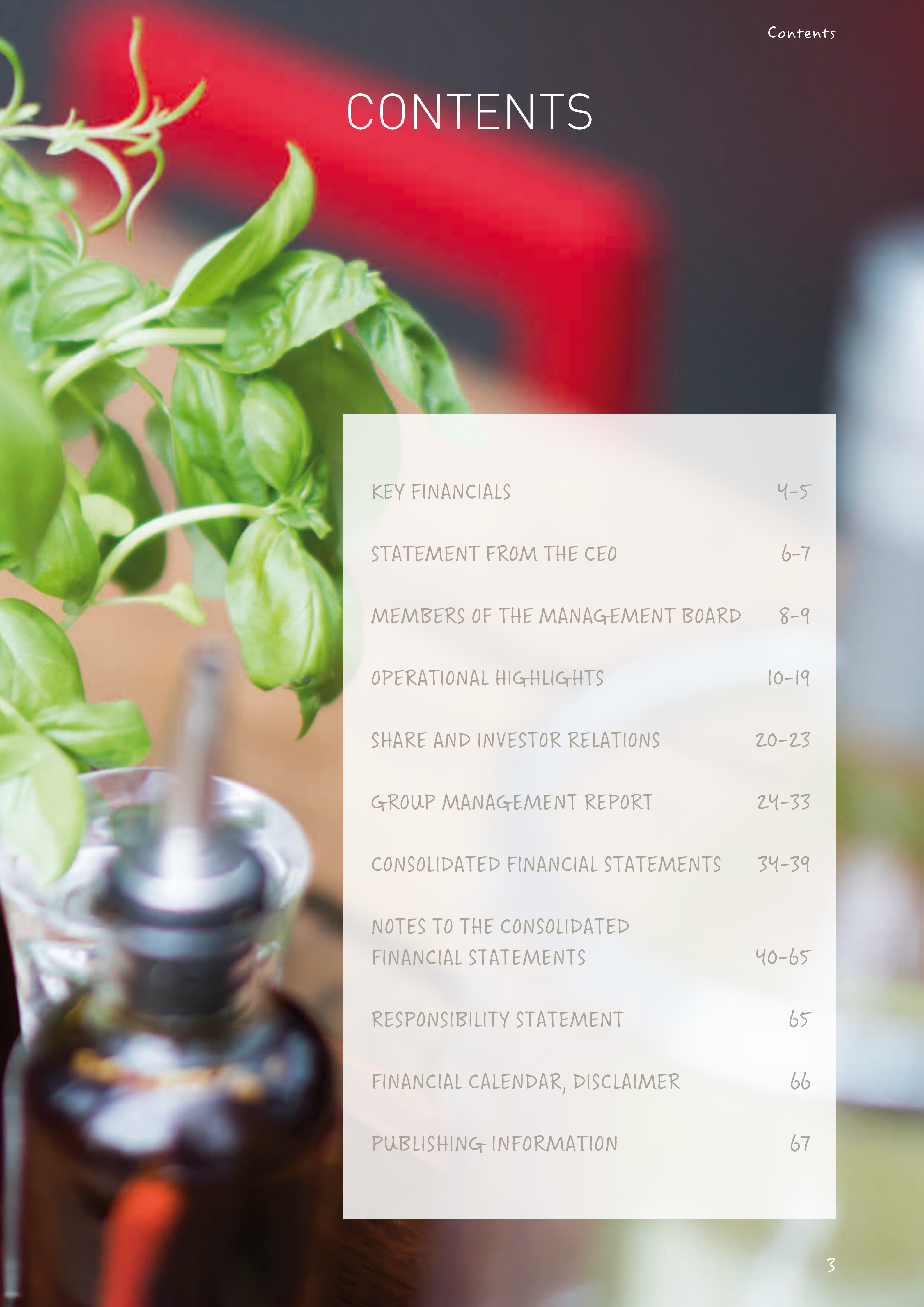
Interim Report 01-06/2018

VAPIANO®

PASTA | PIZZA | BAR



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KEY FINANCIALS

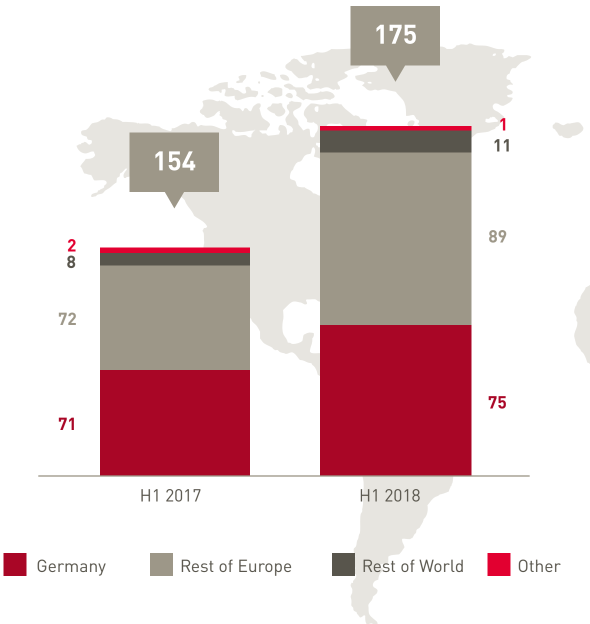
in EUR millions	H1 2018	H1 2017	Change	Q2 2018	Q2 2017	Change
System sales (corporate, joint venture and franchise restaurants)	262.1	241.8	8.4%	132.2	122.7	7.7%
Group sales (corporate and joint venture restaurants)	175.1	153.6	14.0%	88.8	78.2	13.6%
Like-for-like Group sales	-0.8%	5.8%	–	-2.2%	6.3%	–
Average receipt per guest (in EUR)	11.72	11.47	2.2%	11.71	11.49	1.9%
Adjusted EBITDA	14.0	15.9	-11.9%	4.8	8.9	-46.6%
Adjusted EBITDA margin	8.0%	10.3%	–	5.3%	11.4%	–
Reported EBITDA	8.4	6.5	29.2%	1.6	2.9	-44.8%
Reported EBITDA margin	4.8%	4.2%	-	1.8%	3.7%	–
Adjusted result for the period*	-8.1	-1.1	> -100%	-8.5	0.2	> -100%
Adjusted earnings per share (in EUR)	-0.34	-0.05	> -100%	-0.35	0.01	> -100%
Reported result for the period	-17.9	-14.7	-21.8%	-13.8	-7.7	-79.2%
Reported earnings per share (in EUR)	-0.67	-0.71	5.6%	-0.54	-0.37	-45.9%
Cash flow from operating activities before taxes and interest	7.4	6.8	8.8%	4.4	0.4	> 100%
Investment in tangible and intangible assets	-32.7	-32.6	-0.3%	-18.3	-16.4	-11.6%
Investments for acquisitions (less acquired cash)	-0.9	-2.6	65.4%	-0.9	-2.6	65.4%
Cash flow from investing activities	-33.9	-35.9	5.6%	-19.5	-19.7	1.0%
Cash flow from financing activities	33.2	116.2	-71.4%	19.3	104.8	-81.6%

* Result for the period adjusted to consider EBITDA adjustments plus correction for depreciation, amortization and tax effects from company acquisitions.

in EUR millions	06/30/2018	12/31/2017	Change
Total assets	382.4	350.3	9.2%
Equity	110.0	131.1	-16.1%
Equity ratio in %	28.8%	37.4%	–
Net debt	156.2	116.2	34.5%
Net debt/adjusted EBITDA (in years)	4.12	2.99	37.8%
Number of restaurants	212	205	7*

* Net change (incl. closure of two restaurants)

Net Sales by segment in EUR million



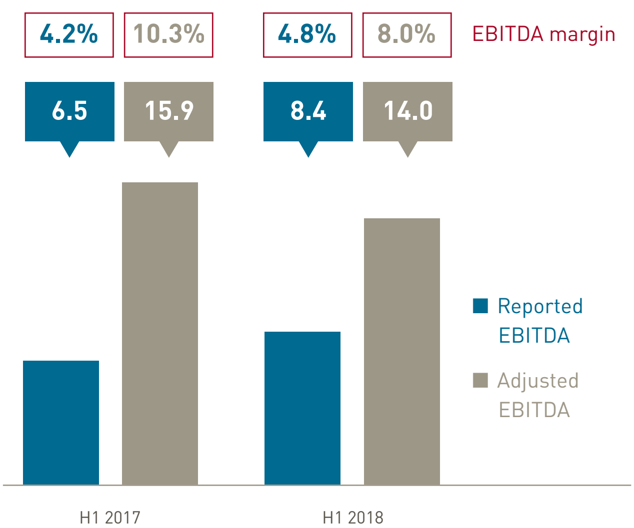
+14.0%

Net sales

-0.8%

Like-for-Like sales

Reported and adjusted EBITDA in EUR million



+29.2%

Reported EBITDA

-11.9%

Adjusted EBITDA

STATEMENT FROM THE CEO

Jochen Halfmann
Chief Executive Officer

Dear Shareholders, dear Guests, dear Vapianisti,

The first half of 2018 has proven to be difficult overall for Vapiano SE. Although we increased Group sales by 14.0% to EUR 175.1 million in the first six months of 2018, like-for-like sales did not match our expectations, falling by 0.8% Group-wide in the first half of the year. This was primarily due to the significantly weaker development in Sweden and the exceptionally long and hot summer in Europe in the second quarter of 2018. Footfall frequency declined as a result; a trend that was further exacerbated by the soccer world cup in June and ongoing in July.

Profitability in terms of adjusted EBITDA (adjusted earnings before taxes, interest, depreciation and amortization) – Vapiano's key performance indicator for the operating earnings performance as a growth company – totaled EUR 14.0 million in the first half of 2018 after EUR 15.9 million in 2017. Accordingly, the adjusted EBITDA margin dropped by 2.3 percentage points to 8.0%. By contrast, reported EBITDA improved by EUR 1.9 million to EUR 8.4 million, and the reported EBITDA margin rose accordingly by 0.6 percentage points to 4.8%. The positive trend in EBITDA is primarily due to the earnings contributions by the restaurants that opened in 2017, to improvements in productivity due to our OPEX program targeting operational excellence, and to the positive development of our take away and home delivery services.

Taking into consideration the personnel and operational measures we have already enforced in Sweden, we are convinced that our Swedish joint venture will develop positively again in Q1 2019 at the latest. Nevertheless, the influencing factors outlined above led to an adaption of our outlook for the 2018 financial year. We now expect sales to total between EUR 385 million and EUR 400 million in 2018, with like-for-like growth of between 0% and 1%. Adjusted EBIDTA is expected to increase to between EUR 42 million and EUR 47 million.

Over the course of the first six months, we opened nine restaurants. Between then and now, a further eight have opened. We currently operate 219 Vapiano restaurants around the globe. We have also expanded our take away and delivery service. As of the end of June 2018, this service was available at a new total of 108 locations, equivalent to around 50% of our restaurant network.

We plan to further digitalize our business to continue optimizing the Vapiano experience for our guests. In the remaining months of 2018 we will be focusing strictly on turning our Swedish joint venture around in order to achieve a positive development here again. We confirm our long-term plans and the associated target of a positive net income by 2020. The Management Board of Vapiano will do everything we can to achieve this goal.

On behalf of the Management Board, I thank you for your trust in Vapiano SE.

With kind regards
yours,

Jochen Halfmann

MEMBERS OF THE MANAGEMENT BOARD

Jochen Halfmann, CEO

Born in 1964, Jochen Halfmann has been a member of the Management Board since June 2015 and CEO since September 2015.

Jochen Halfmann studied business management at the Ludwig-Maximilian University of Munich and the Albertus Magnus University of Cologne. He 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. With the transfer of BiBA GmbH to Primera AG, Jochen Halfmann was also a board member of Primera AG, a subsidiary of Escada AG, responsible for the BiBA, Laurel, apriori and Cavita brands. From 2009 to 2014, Jochen 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. Before joining Vapiano, from 2014 to 2015 he was managing director for Germany at Pandora Jewelry GmbH.

Jochen Halfmann has been appointed CEO of Vapiano SE until December 31, 2020.

Lutz Scharpe, CFO

Born in 1969, Lutz Scharpe has been a member of the Management Board since December 2015.

Lutz Scharpe 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. Before joining Vapiano, from 2010 to 2015 he was chief financial officer Europe for LSG Sky Chefs Europe Holdings in London.

Lutz Scharpe has been appointed to the Management Board of Vapiano SE until June 30, 2020.

Cornelius Everke, COO

Born in 1964, Cornelius Everke has been a member of the Management Board since May 2018.

Cornelius Everke began his professional career in 1987 at Steigenberger Hotels in Constance. After he completed his training in hotel management, he worked for five years in a variety of management positions at the Omni Hotel Group in New York and at the Mandarin Oriental Hotel in Hong Kong. This was followed by positions as Operations Manager at Warner Bros. Movie World and as COO at the VW Autostadt in Wolfsburg. From 2002 to 2008, Cornelius Everke was Managing Director of Starbucks and responsible for the development and management of the German business. He subsequently moved to the British SSP Group. During his ten-year stint at the globally active travel catering company, he worked initially as director on restructuring and refinancing the German business before taking over the responsibility for the DACH region in 2012. Beginning in 2014, as CEO Central Europe, he was also responsible for the company's profitable growth in France, Holland and Belgium and, as a member of the international Management Board, was significantly involved in the IPO of SSP Group plc. in the same year.

Cornelius Everke has been appointed to the Management Board of Vapiano SE until June 30, 2021.

New Openings 2018

Utrecht (3/15/2018)

Miami (3/23/2018)

Canberra (3/29/2018)

Stockholm (4/18/2018)


Berlin (4/21/2018)

Kuwait (5/15/2018)

Pau (5/17/2018)

Chicago (5/21/2018)

Monterrey (6/5/2018)

Toulouse (7/4/2018)

Al Ain (7/5/2018)

Prag (7/6/2018)

23 New openings by the end of Q3 2018

Abu Dhabi
Paris
Heidelberg
Bordeaux
Nancy
London

Toulon (7/23/2018)


Vienna (7/13/2018)

Graz (8/22/2018)

Barcelona (8/26/2018)

Vienna Parndorf (08/30/2018)

International

186
Restaurants in H1/2017

212
Restaurants in H1/2018

In order to meet the special features of the different markets, we run our restaurants with a mix of three operational models: corporate restaurants, joint venture restaurants and franchise restaurants. These three different models give us the strategic flexibility we need to venture into new markets and to properly develop existing markets.

56 Restaurants in H1/2017
73 Restaurants in H1/2018

Corporate restaurants

- Restaurants owned (100%) and operated by Vapiano Group
- Mainly in markets such as Germany, Austria, Denmark and the UK

46 Restaurants in H1/2017
51 Restaurants in H1/2018

Joint venture restaurants

- Restaurants in which Vapiano Group holds a stake of less than 100%
- Cooperation with experienced local partners with excellent knowledge of their markets
- Model for existing markets such as France, Sweden, the Netherlands and Australia and new markets such as Spain
- Optional acquisition of a majority stake following successful ramp-up phase

84 Restaurants in H1/2017
88 Restaurants in H1/2018

Franchise Restaurants

- Restaurants operated by franchisees
- Model for smaller – existing and new international – or large markets with higher market entry barriers
- Vapiano receives franchise fees based on sales, and benefits from increased international brand awareness

expansion

Over the coming years, we plan to further strengthen our position and market penetration in our home market of Germany by opening further restaurants in metropolitan areas such as Berlin, Hamburg or Munich and expanding our presence in medium sized cities such as Erfurt or Ulm. We will also continue to expand in the „Rest of Europe“ segment, with more than ten new stores opening in France alone in 2018, for example. When venturing into new markets, such as Spain or Belgium, we plan to resort mainly to joint ventures and franchise restaurants. In our “Rest of World” segment, we also see long-term growth opportunities with joint venture and franchise restaurants in selected regions such as the US, Mexico, the Middle East, and Australia.

108 Vapianos

offering take away & home delivery services

Thus more than 50% of all Vapiano restaurants
are equipped with these services.
By mid-2017, there were 51 restaurants.

We expect the segment to continue to be a relevant driver for our like-for-like sales growth in the future and intend to consequently expand it further. For each newly opened restaurant, the take away & home delivery guest journey is a must-have.

17 countries

with take away & home delivery

41
Vapianos in Germany

10
Vapianos in France

8
Vapianos in the USA

7
Vapianos in Switzerland

6
Vapianos in the UK

6
Vapianos in the Netherlands

6
Vapianos in Sweden

5
Vapianos in Australia

5
Vapianos in Austria

4
Vapianos in Hungary

3
Vapianos in the United Arab Emirates

2
Vapianos in Chile

1
Vapiano in Denmark

1
Vapiano in Colombia

1
Vapianos in Luxembourg

1
Vapiano in Saudi Arabia

1
Vapiano in Czech Republic

Simply order – enjoy together

A growing number of our restaurants in Germany feature the order terminals that reduce waiting times and ensure groups can eat together. Our guests can enter their entire order at a terminal and then settle back with family, friends or colleagues to wait for all meals to be prepared at the same time. As soon as the pager flashes, all meals are ready and can be collected at the pick-up station.

Mainly used during
peak hours
to reduce waiting times

Spending per order
has increased by
11%

12.5%
of the orders within restaurants
are generated at the terminals

Simply smart

The Vapiano People App

We have expanded the functions of our People app – check in, order, pay, and much more. The app is currently available in Germany, Austria, the UK, and Sweden. In a first restaurant in Berlin we are currently already testing the process the process of ordering all meals via the app, which are then delivered directly to the table for our guests.

Vapiano Finder

Find the nearest Vapiano quickly and easily in "Locations"

Check in & out

"Check in" at Vapiano using the QR code and "check out" when leaving and paying

App instead of card

Order your favorite meal at the cooking station and have it booked to the app

Social Media

Did you enjoy your meal? Share you experience with friends on Instagram or Facebook.

Straight to the table

Have whatever is available at the bar served to your table

Mainly used during

peak hours

to reduce waiting times

App tabs are around

20%

higher


VAPIANO
IPO
2017
VAPIANO
IPO
2017
VAPIANO
IPO

SHARE AND INVESTOR RELATIONS

Vapiano views the capital market and its players – shareholders, institutional and private investors, banks and brokers – as equal partners. The goal of investor relations is to raise Vapiano's profile worldwide while establishing and expanding awareness of Vapiano as an attractive growth stock. The management communicates the development of Vapiano's strategic direction continually, reliably and transparently. The aim is to strengthen investor confidence in the stock and to achieve a realistic and fair valuation of the stock on the capital market.

DEVELOPMENT OF SHARE PRICE

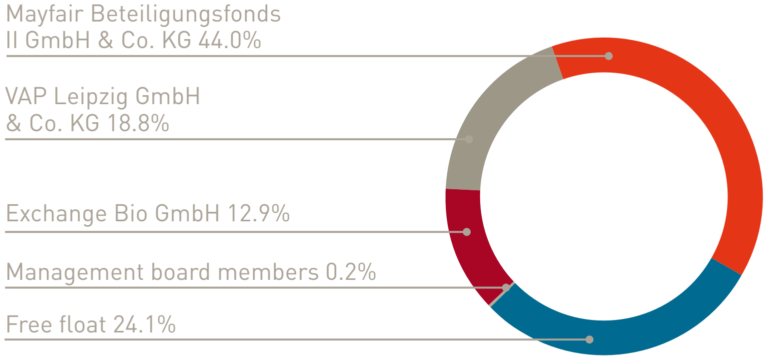
Trends on international markets at the start of 2018 remained favorable and the Vapiano share reached a new high of EUR 24.80 (January 5, 2018). The weeks and months that followed saw a price correction on international markets. The Vapiano share was not spared from the effects of this development and was quoted at EUR 20.25 on June 30, 2018.

After adjusting the outlook for the 2018 financial year, the share continued to come under pressure and was significantly lower at EUR 12.40 at the editorial deadline on September 7.

STABLE SHAREHOLDER BASE / TRADING VOLUME

Vapiano has a stable shareholder base. The anchor investors are still Mayfair Beteiligungsfonds II GmbH & Co. KG with 44.0%, VAP Leipzig GmbH & Co. KG with 18.8% and Exchange Bio GmbH with 12.9%. Shares in free float, including the shares held by the management board, amount to 24.3% of share capital. Management board members together hold around 0.2% of issued shares.

Shareholder structure



Trading in Vapiano shares takes place almost exclusively in the electronic XETRA trading system. The daily volume traded there declined slightly over the course of the first half of 2018; the average was around 14,400 shares daily.

DIALOGUE WITH THE CAPITAL MARKET

In the first half of the year the company undertook extensive communications measures. Company performance was described during two phone conferences. In addition, the management board and the investor relations team informed current and prospective investors about Vapiano’s performance and strategic direction during multiple roadshows, investor conferences and one-on-one meetings at all major European financial centres as well as in the USA and Canada.

Shareholders can obtain information on Vapiano's performance at any time via the internet. An extensive range of information is available in both German and English at ir.vapiano.com. Along with the latest news and reports, the website also provides analyst assessments, presentations as well as an updated financial calendar.

Along with the periodic phone conferences for releasing quarterly figures, numerous one-on-one discussions and further roadshows worldwide are planned for the second half of 2018. In addition, the Management Board and the investor relations team will be participating in investor conferences for institutional as well as private investors. The goal is to provide current investors excellent services while at the same time acquiring new – institutional and private – investors for our stock.

GROUP MANAGEMENT REPORT 01-06/2018


Addicted to Pasta

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 always prepared fresh "à la minute". Vapiano restaurants offer lunch as well as 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 modern design and attention to high quality decor, ensuring a pleasant atmosphere. As of the half-year reporting date on June 30, 2018, the Vapiano network comprised 212 restaurants in 33 countries on five continents[1]. As of the reporting date, Vapiano had 6,907 employees and generated sales of kEUR 175,122.

Economic report

MACROECONOMIC SITUATION IN THE TARGET MARKETS

The solide economic growth in the Eurozone (core market of Vapiano) in financial year 2017 continued in financial year 2018. The leading German economic research institutes predict a GDP increase of 2.2% in their spring forecast for 2018, of which the hospitality industry will likely account for about 2.0% (source: DEHOGA Economic Survey in Spring 2018, Berlin, May 2018).

In the Eurozone, GDP grew by 2.5% compared to the same period in the previous year, with Latvia (5.1%), Poland and Slovenia (5% each) leading, and Germany (2.3%) and France (2.2%) in the middle (source: eurost at – press release of June 7, 2018).

INDUSTRY DEVELOPMENT

Overall, the stable general economic environment was reflected with weaker intensity in the gastronomy industry. Thus, the gastronomy sector in Germany recorded a price-adjusted sales growth of 0.4% year-on-year until May 2018 (source: German Federal Statistical Office, press release No. 266 of July 17, 2018). While the industry is benefiting from Germany's increasing attractiveness as a travel destination on the one hand, the recruitment of skilled employees, followed by rising costs and bureaucratic requirements, is cited as the main problem areas (source: DEHOGA Economic Survey in Spring 2018, Berlin, May 2018). Furthermore, the heat wave and the World Cup soccer championship had a detrimental effect on the development of the sector in the key European core markets.

Positive effects are expected for the Eurozone's gastronomy markets for 2018, but the risks arising from new kinds of guest demands must be clearly pointed out. Meanwhile, European guests are ordering more frequently online, although still considerably less than guests in the U.S., which points towards significant growth potential for this area. In addition, it is expected that the experience aspect of visiting a restaurant will increase in importance, and the gastronomy industry must generally be prepared for rising demands in the areas of freshness, health and travel venue gastronomy, which is considered to be a challenge for European gastronomy (source: Europa 2018 Gastronomie-Ausblick [Europe 2018 Gastronomy Perspectives] by Maria Bertoch, www.npdgroup.de).

[1] Including a soft opening in Al Ain, UAE

BUSINESS PERFORMANCE

Vapiano's growth path is driven on the one hand by like-for-like growth and on the other by expansion through the opening of new restaurants: During the reporting period, sales increased by 14.0% to TEUR 175,122. Like-for-like sales, on the other hand, declined slightly by 0.8%; the positive developments in the segments Germany (+0.4%) and Rest of World (+0.1%) could not offset the negative development of the Rest of Europe segment (-2.2%).

In the reporting period, the expanded investments in "take away" and "home delivery" based on Group strategy generated additional sales and helped to compensate for the decline in guest numbers during the heat wave in Europe and the World Cup.

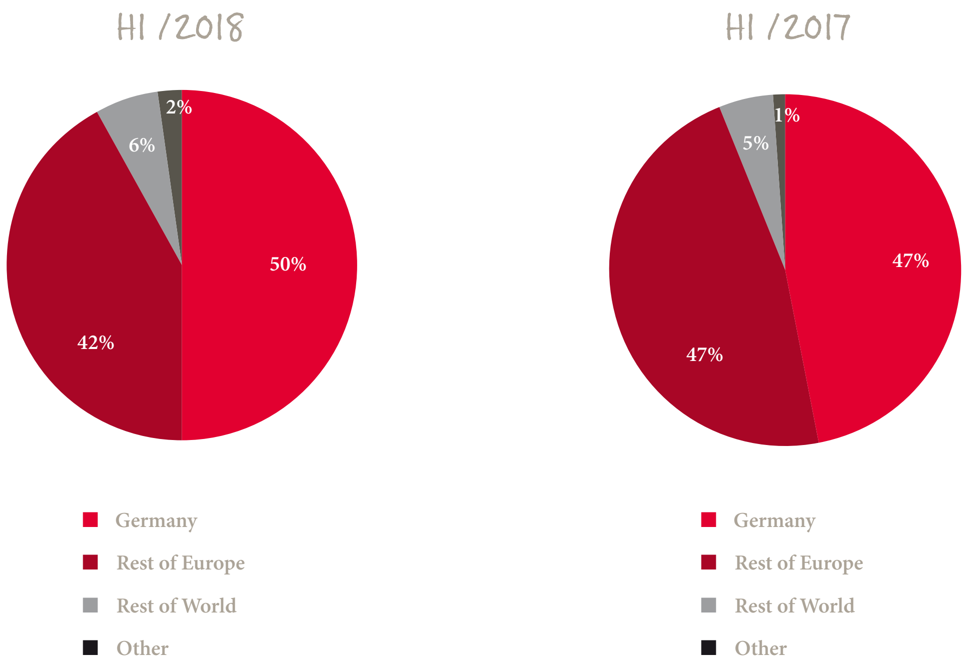
In the first half of 2018, the Vapiano Group's international expansion strategy developed as follows, broken down by segment and type of business:

H1/2018	Corporate	Joint Venture	Franchise	Total
Germany	1	0	0	1
Rest of Europe	0	3	0	3
Rest of World	1	1	3	5
Total	2	4	3	9

RESULTS OF OPERATIONS

Vapiano Group net sales increased as part of this expansion and growth strategy by kEUR 21,540 from kEUR 153,582 in the first half of 2017 ("H1/2017") to kEUR 175,122 in the first half of 2018 ("H1/2018"), representing sales growth of 14.0%. The increase in net sales is mainly the result of sales contributions from new restaurants opened in the second half of 2017 and first half of 2018.

The distribution of net sales per segment in H1/2018 compared to the previous year is as follows:



The sales growth in the "Germany" segment (4.6% - for absolute figures see notes) results from the opening of new restaurants and a slight increase in sales from existing restaurant spaces amounting to 0.4%. Without the heat wave and the World Cup, the increase would likely have been higher.

The further significant increase in sales in the "Rest of Europe" segment (22.3%) is particularly due to new restaurant openings in France and growth from existing spaces in France and Austria. By contrast, like-for-like sales in Sweden declined in the first half of 2018. As a result, like-for-like sales in the rest of Europe declined by 2.2% compared to the first half of 2017.

In the "Rest of World" segment, like-for-like sales showed a slightly positive growth, particularly in the U.S. market. In addition, the full consolidation of the Australian restaurants as of May 1, 2018 resulted in a significant increase in sales in this segment (33.4%).

Other operating income in H1/2018 amounted to kEUR 8,077 (H1/2017: kEUR 4,552) and mainly consisted of income from cost allocations, income from insurance settlements and from the reversal of provisions and impairments.

In view of the significantly larger business volume, the cost of materials increased by 13.9% from kEUR 39,020 in H1/2017 to kEUR 44,444 in H1/2018. The cost-of-materials ratio in relation to net sales has remained stable at 25.4% (previous year: 25.4%).

Personnel expenses increased from kEUR 65,626 in H1/2017 to kEUR 76,431 in H1/2018 (increase of 16.5%). The increase mainly results from the greater number of restaurants and disproportionate personnel expenses that tend to occur during the startup phase of a new restaurant. In addition, more personnel was hired in the administrative departments. Furthermore, wage increases under collective bargaining agreements in Germany (wage group adjustment as of June 1, 2018) resulted in an increase of personnel expenses of the first six months of financial year 2018.

Adjusted EBITDA used for management purposes decreased in H1/2018 by 11.9% to EUR 14.0 million (H1/2017: EUR 15.9 million) compared to the previous year. The following corrections were carried out to move from reported EBITDA to adjusted EBITDA:

P&L Items in kEUR	H1 2017	H1 2018
Restaurant Contribution	19.4	17.0
Franchise EBITDA	1.9	2.8
Central Costs	-14.8	-11.4
% of net sales	6.1%	6.5%
Reported EBITDA	**6.5**	**8.4**
Adjustments:		
Foreign exchange gains or losses	1.5	-0.4
Loss from sale of assets	1.0	0.2
Rent guarantee expenditures	0.0	0.1
One time effects	1.4	4.2
Costs/Losses related to the acquisition or sale of assets	0.0	-1.3
Costs related to capital market transactions	3.9	0.0
Total adjustments	**7.8**	**2.8**
Adjusted EBITDA	14.4	11.2
Pre-Opening Costs	1.5	2.8
Adjusted EBITDA (excl. pre-opening costs)	**15.9**	**14.0**

The adjusted EBITDA margin decreased to 8.0% (H1/2017: 10.3%), which is specifically due to the fact that newly opened restaurants like those opened in the second half of 2017 and first half of 2018 usually realize a lower margin in their startup phase than existing restaurants. In addition, the aforementioned effects in Sweden and the Netherlands had a dampening effect.

The increase in depreciation by kEUR 3,725 from kEUR 17,715 in H1/2017 to kEUR 21,440 in H1/2018 can be explained in particular by the higher average fixed assets of the Group due to acquisitions and investments compared to the same period of the previous year. Company acquisitions in the second half of 2017 and the first half of 2018 contributed kEUR 265 to the increase in depreciation and amortization.

Other operating expenses amounted to kEUR 54,438 in H1/2018. The changes compared to the previous year (kEUR 47,255) primarily result from the increase in the number of restaurants. As a result, operating costs increased in particular, such as rental and leasing expenses, incidental costs on leases, costs for heating, electricity and water and the costs for operating materials and purchased services. Also the sales provisions should be mentioned, which were incurred by utilizing delivery services connected with the expansion of the take away business.

The operating result in H1/2018 is kEUR -13,071 (H1/2017: kEUR -11,170) and thus declined by 17.0%.

The finance costs increased compared to the first half of the previous year, from kEUR 3,421 in H1/2017 to kEUR 3,891 in H1/2018, due to a higher average utilization of debt capital to finance the Group's expansion strategy.

Overall, the consolidated comprehensive result amounted to kEUR -19,257 in H1/2018 and was thus kEUR 4,713 lower than the corresponding figure for the previous year (H1/2017: kEUR -14,544).

The adjusted consolidated result for the period at the half-year mark was kEUR -8,091 (H1 / 2017: kEUR -1,148).

NET ASSETS

As of June 30, 2018, net assets amounted to kEUR 382,400 (December 31, 2017: kEUR 350,317). The increase in net assets by 9.2% is mainly the result of the Group's investment activities.

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

Non-current and current assets
Due to the acquisitions, intangible assets increased slightly to kEUR 114,358 as of June 30, 2018 (December 31, 2017: kEUR 110,661). They primarily comprise goodwill (kEUR 40,094) and franchise rights (kEUR 54,905) reacquired as part of the company acquisitions. Of particular note are the acquisition-related increases in intangible assets of kEUR 8,516 for the acquisitions Australia and Darmstadt.

As of June 30, 2018, property, plant and equipment increased to kEUR 190,968 due to investments. The investments were made primarily in the restaurants opened in the first half of 2018 and their decor as well as in remodeling measures. In addition, large-scale investments were carried out in existing restaurants to create "take away" and "home delivery" areas as part of the implementation of the Group strategy.

Other non-current financial and non-financial assets increased from kEUR 1,461to kEUR 3,285 as of June 30, 2018. They mainly comprise lease deposits paid for restaurant locations.

Deferred tax assets have decreased slightly to kEUR 11,957 (December 31, 2017: kEUR 12,246). This was mainly due to valuation adjustments on deferred tax assets on loss carryforwards of kEUR 929 in the first half of 2018.

As a result of growth, current assets increased from kEUR 56,483 to kEUR 59,418 compared to December 31, 2017. Inventories increased from kEUR 6,850 to kEUR 7,085.

Trade receivables were kEUR 7,773 in H1/2018 and thus slightly below the level of December 31, 2017 (kEUR 8,808).

Other financial assets decreased to kEUR 13,306 (December 31, 2017: kEUR 14,404). Non-current financial assets increased primarily due to lease deposits pledged in connection with further restaurant openings. Other current financial assets mainly include VAT refund claims, receivables from supplier bonuses, receivables from associated companies and receivables from claims for damages against insurance companies and lessors of restaurant locations.

Equity

Equity decreased in the first half of 2018 from kEUR 131,129 to kEUR 109,966. The main reason for this was the negative consolidated result for the period in the amount of kEUR 17,932 in the first half of the year. Furthermore, the retained profit recognized in equity decreased significantly by kEUR 1,747 due to the first-time application of new IFRS.

The Group's equity ratio decreased overall to 28.8% (December 31, 2017: 37.4%).

Current and non-current liabilities

Total non-current and current financial liabilities recognized under debt capital as of June 30, 2018 increased to kEUR 164,956 following drawdown of the syndicated loan agreement concluded in H1/2017 (December 31, 2017: kEUR 129,218).

Net financial debt as of June 30, 2018 amounts to kEUR 156,168, having increased by 34.5%. The calculation of the net financial debt comprises the items other financial assets (current), cash and cash equivalents, current/non-current financial liabilities and other current/non-current financial liabilities of the consolidated statement of financial position.

Current and non-current provisions mainly comprise provisions for asset retirement obligations; they have increased as a result of growth to kEUR 7,519 (December 31, 2017: kEUR 6,606).

Deferred tax liabilities decreased from kEUR 13,843 to kEUR 14,934 compared to December 31, 2017, which is mainly due to the valuation differences accrued in connection with the company acquisitions in the first half of 2018.

Other current and non-current financial liabilities amount to kEUR 21,654 and have thus increased by kEUR 5,423. This item still includes the utilization of a shareholder loan of EUR 7,450 thousand. The rights of minority shareholders reported as liabilities and increased VAT liabilities contributed to the increase.

The trade payables amount to kEUR 29,641 (December 31, 2017: kEUR 28,424) as of the reporting date. The increase was caused by the expansion in business activities.

FINANCIAL POSITION

The cash flow from operating activities before interest and taxes was kEUR 7,385 in the first half of 2018 (H1/2017: kEUR 6,808) and thus higher than the previous year, which is attributable to the strategic expansion of business activities.

The cash flow from investing activities resulted in an outflow of kEUR 33,871 (H1/2017: kEUR 35,945). This was caused by investments in newly opened and remodeling of existing restaurants.

The cash flow from financing activities amounted to kEUR 33,170 (H1/2017: kEUR 116,195). The high difference compared to the same period of the previous year is explained by the cash inflows realized in June 2017 as a result of the IPO. The financing of Vapiano is secured by the syndicated loan of kEUR 200,000 concluded in May 2017 for a period of 5 years. The interest rate is composed of the EURIBOR and a variable interest margin stipulated in the loan agreement depending on the Group's gearing ratio.

As a result of the earnings situation in the first half of 2018, which did not meet expectations, Vapiano entered into discussions with syndicate banks, other lenders and shareholders in order to adjust the terms of existing loans and raise additional funds. In the period under review, Vapiano complied with the contractual terms and conditions with the credit financing lenders that had been amended by previous supplementary agreements.

EMPLOYEES

As of June 30, 2018, the Group had a total of 6,907 employees (December 31, 2017: 6,803). The increase is dispropor-tionately low for the opening of new restaurants due to seasonal causes. In Germany, Vapiano has 3,603 employees, in the rest of Europe 2,494 and in the rest of the world 810.

Events after the reporting date

On September 4, 2018, Vapiano published an ad hoc announcement because due to the developments in Sweden and the unusual heat wave, the sales and earnings forecast had to be adjusted (see Forecast Report).

Vanessa Claire Hall was appointed to the Supervisory Board of Vapiano SE with effect from August 13, 2018.

Opportunities and risks

In H1/2018, there were no fundamental changes in the Vapiano Group compared to the opportunities and risks described in the Management Report 2017. In addition, the Management Board considers the planned measures to adjust the refinancing to be sufficient and feasible. Based on the discussions to date with syndicate banks, other capital providers and shareholders, the risk of not being able to implement the planned measures to the extent planned is estimated to be low, but cannot be entirely eliminated. There are still no recognizable risks that might threaten the continued existence of the Vapiano Group.

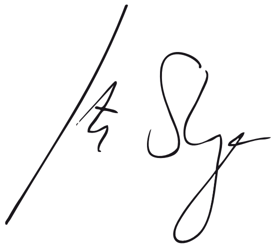
Outlook

The Vapiano Group plans to further continue its planned growth course in the 2018 financial year. In total, in addition to the three openings postponed from 2017 to 2018, the Group has planned 30 to 35 new openings for the financial year. Using the take away and home delivery concept, the Vapiano People app and the order terminals, Vapiano will consistently advance the digitization and diversification of its business model, optimize the guest experience and thus develop new revenue opportunities.

Due to the development of results in the first half of the year and the already mentioned negative development in Sweden and the summer heat wave in Europe, the Management Board has adjusted its forecast for 2018 as a whole as follows:

The Management Board expects net sales in 2018 between EUR 385 million and EUR 400 million and a like-for-like growth between 0 and 1%. Adjusted EBITDA (specifically also comprising pre-opening costs) should increase to between EUR 42 million and EUR 47 million. Over the long term, the Management Board continues to expect that the consolidated comprehensive income will improve, but it will still be significantly negative in 2018.

Cologne, September 11, 2018


Jochen Halfmann Chief Executive Officer	Lutz Scharpe Chief Financial Officer	Cornelius Everke Chief Operating Office

CONSOLIDATED FINANCIAL STATEMENTS 01-06/2018


VAPIANO
Chi va piano, va sano e va lontano
INSALATA & ANTIPASTI

Consolidated statement of comprehensive income

(kEUR)	Q2/2018	Q2/2017	6M/2018	6M/2017
Result for the period				
Sales	**88,803**	**78,185**	**175,122**	**153,582**
Other operating income	4,541	3,510	8,077	4,552
Capizalized own work	372	135	483	312
Cost of materials	-22,891	-20,471	-44,444	-39,020
Personnel costs	-39,931	-34,503	-76,431	-65,626
Amortization and depreciation of intangible assets and property, plant and equipment	-11,189	-8,861*	-21,440	-17,715*
Other operating costs	-29,448	-23,885	-54,438	-47,255
Operating result	**-9,743**	**-5,890***	**-13,071**	**-11,170***
Finance income	100	225	190	325
Finance costs	-2,695	-1,957*	-3,891	-3,421*
Finance result	*-2,595*	*-1,732**	*-3,701*	*-3,096**
Share of net profit/loss of associates accounted for using the equity method	-174	-135	-182	-145
Earnings before taxes	**-12,512**	**-7,757***	**-16,954**	**-14,411***
Income tax income/expenses	-1,341	67*	-978	-307*
Result for the period	**-13,853**	**-7,690***	**-17,932**	**-14,718***
Other comprehensive income				
Items which may be reclassified to profit or loss in future				
Currency translation differences as a result of foreign operations	*-817*	*101*	*-1,325*	*174*
Total comprehensive income	**-14,670**	**-7,589***	**-19,257**	**-14,544***
Result for the period attributable to:				
Shareholders of the parent company	-12,858	-7,589*	-16,129	-14,553*
Non-controlling interests	-995	-102*	-1,803	-166*
Total	**-13,853**	**-7,690***	**-17,932**	**-14,718***
Total comprehensive income attributable to:				
Shareholders of the parent company	-13,546	-7,361*	-16,919	-14,282*
Non-controlling interests	-1,124	-229*	-2,338	-263*
Total	**-14,670**	**-7,589***	**-19,257**	**-14,544***
			2018	**2017**
Earnings per share from continuing operations				
Basic (euros per share)	-0.54	-0.37	-0.67	-0.71*
Diluted (euros per share)	-0.54	-0.37	-0.67	-0.71*

* Prior-year figures adjusted

Consolidated statement of financial position

(kEUR)	6/30/2018	12/31/2017
Assets		
Assets		
Intangible assets	114,358	110,661
Property, plant and equipment	190,968	164,143
Trade receivables	1,040	1,188
Investments accounted for using the equity method	1,374	4,135
Other financial assets (non-current)	2,777	889
Other assets (non-current)	508	572
Deferred tax assets	11,957	12,246
Non-current assets	**322,982**	**293,834**
Inventories	7,085	6,850
Trade receivables	6,733	7,620
Other financial assets (current)	10,529	13,515
Other assets (current)	15,375	11,876
Income tax assets	2,456	1,751
Cash and cash equivalents	17,240	14,871
Current assets	**59,418**	**56,483**
Total	**382,400**	**350,317**

Equity and liabilities		
Equity		
Subscribed capital	**24,030**	24,030
Capital reserve	**88,775**	88,775
Other reserves	**-1,010**	-220
Retained earnings	**-19,214**	-1,488
Equity attributable to the shareholders of the parent company	92,581	111,097
Non-controlling interests	17,385	20,032
Equity	**109,966**	**131,129**
Liabilities		
Provisions	6,931	5,937
Non-current financial liabilities	150,309	113,778
Other financial liabilities (non-current)	3,411	1,159
Other liabilities (non-current)	8,469	4,051
Deferred tax liabilities	14,934	13,843
Non-current liabilities	**184,054**	**138,768**
Provisions	588	669
Current financial liabilities	14,647	15,440
Trade payables	29,641	28,424
Other financial liabilities (current)	18,243	15,072
Other liabilities (current)	23,010	18,481
Income tax liabilities	2,251	2,334
Current liabilities	**88,380**	**80,420**
Liabilities	**272,434**	**219,188**
Total	**382,400**	**350,317**

Consolidated statement of cash flows

(kEUR)	6M/2018	6M/2017
Cash flow from operating activities		
Result for the period (before taxes)	-16,954	-14,411*
Adjustments for:		
Depreciation, amortization and write-downs of intangible assets and property, plant and equipment	21,440	17,715*
Non-cash income and expenses	-1,519	210
Net finance costs	3,701	3,096*
Share of profit/loss of equity-accounted investees, after tax	182	145
Net loss from the sale of property, plant and equipment	185	1,077
	7,035	7,832*
Changes in:		
Inventories	-4	-20
Trade receivables and other receivables	1,129	-456
Trade payables and other liabilities	-1,540	-181*
Other provisions and provisions for employee benefits	765	-367
Cash inflow from operating activities	**7,385**	**6,808**
Interest paid	-2,842	-2,289
Income taxes paid	-1,472	-1,899
Net cash flow from operating activities	**3,071**	**2,620***
Cash flow from investing activities		
Acquisition of intangible assets and property, plant and equipment	-32,715	-32,601
Acquisition of subsidiary, net of cash acquired	-946	-2,595
Acquisition of other financial assets	-210	-749
Cash flow from investing activities	**-33,871**	**-35,945**
Cash flow from financing activities		
Capital increase from IPO	0	85,000
IPO-related transaction costs	0	-1,621
Loan received from shareholders	0	10,000
Proceeds from other financial liabilities	37,598	155,463
Transaction costs relating to syndicated loan	0	-1,794
Outflows relating to other financial liabilities	-4,429	-130,853
Acquisition of non-controlling interests	0	0
Distribution of profits	0	0*
Cash flow from financing activities	**33,169**	**116,195***
Cash and cash equivalents		
Net increase in cash and cash equivalents	2,369	82,870
Cash and cash equivalents at the beginning of the period	14,871	11,691
Effect of movement in exchange rate and changes in the scope of consolidation on cash held	0	-21
Cash and cash equivalents at June 30	**17,240**	**94,540**

* Prior-year figures adjusted

Consolidated statement of changes in equity

(kEUR)	Attributable to shareholders of the parent company						
	Share capital	Capital reserve	Currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Group equity as of 1/1/2018	**24,030**	**88,775**	**-220**	**-1,488**	**111,097**	**20,032**	**131,129**
Total comprehensive income							
Result for the period	0	0	0	-16,129	-16,129	-1,803	-17,932
Other comprehensive income	0	0	-790	0	-790	-535	-1,325
Total comprehensive income	0	0	-790	-16,129	-16,919	-2,338	-19,257
Allocation to reserve for share-based payment	0	0	0	52	52	0	52
Share purchases from minority shareholders	0	0	0	98	98	-309	-211
Effects of first-time adoption of new IFRSs	0	0	0	-1,747	-1,747	0	-1,747
Group equity as of 6/30/2018	**24,030**	**88,775**	**-1,010**	**-19,214**	**92,581**	**17,385**	**109,966**

(kEUR)	Attributable to shareholders of the parent company						
	Share capital	Capital reserve	Currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
Group equity as of 1/1/2017	**534**	**29,851**	**-625**	**26,405***	**56,165***	**20,795***	**76,960***
Total comprehensive income							
Result for the period	0	0	0	-14,553*	-14,553*	-166*	-14,718*
Other comprehensive income	0	0	271	0	271	-97	174
Total comprehensive income	0	0	271	-14,553*	-14,282*	-263*	-14,544*
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 IPO	3,696	81,304	0	0	85,000	0	85,000
IPO-related transaction costs	0	-1,725	0	0	-1,725	0	-1,725
Distribution of earnings	0	0	0	0	0	0*	0
Group equity as of 6/30/2017	**24,030**	**90,215**	**-354**	**11,853***	**125,744***	**20,533***	**146,276***

* Figures adjusted

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 01-06/2018

1. General disclosures

1.1 REPORTING COMPANY

Vapiano SE (the "Company") is a company registered in Bonn, Germany. The business address of the Company is Im Zollhafen 2-4 in 50678 Cologne, Germany. The Company is registered under HRB 16304 in the Commercial Register at the District Court in Bonn, Germany.

The shares of Vapiano SE are traded under the 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 January 1, 2018 to June 30, 2018 (hereinafter the "consolidated financial statements") on September 11, 2018.

1.2 BACKGROUND AND METHODS

The present consolidated financial statements as of June 30, 2018 were prepared in accordance with the provisions of IAS 34 in condensed format pursuant to the provisions of the International Financial Reporting Standards (IFRS), as adopted by the European Union and as applicable on the balance sheet date, of the International Accounting Standards Board, London, and the interpretations of the IFRS Interpretations Committee.

The present consolidated financial statements and Group management report have been neither audited and nor reviewed by an auditor.

The disclosures in the notes to the 2017 consolidated financial statements apply with regard to significant accounting and valuation methods. In addition, there were effects from the first-time application of the rules of IFRS 9 and IFRS 15, mandatory as of January 1, 2018. The impact of the adoption of these standards is shown in the table below:

Reconciliation of the consolidated statement of financial position - IFRS 9 and IFRS 15

(kEUR)

ASSETS	12/31/2017	Effects from IFRS 9	Effects from IFRS 15	1/1/2018
Assets				
Non-current assets	293,834	85	363	294,282
thereof deferred tax assets	12,246	85	363	12,694
Current assets	56,483	-282	0	56,201
thereof trade receivables	7,620	-282	0	7,338
Total assets	**350,317**	**-197**	**363**	**350,483**

EQUITY AND LIABILITIES	12/31/2017	Effects from IFRS 9	Effects from IFRS 15	1/1/2018
Equity	131,129	-197	-1,549	129,383
thereof retained earnings	-1,488	-197	-1,627	-3,132
Non-current liabilities	138,768	0	1,786	140,554
thereof non-current other liabilities	4,051	0	1,786	5,837
Current liabilities	80,420	0	126	80,546
thereof current other liabilities	18,481	0	126	18,607
Total equity and liabilities	**350,317**	**-197**	**363**	**350,483**

IFRS 9: Financial instruments

This standard comprehensively deals with the recognition of financial instruments. Compared to its predecessor IAS 39, noteworthy changes include in particular the rules for classifying financial assets, which have been newly formulated and revised in the latest version of IFRS 9. They are based on the characteristics of the business model and on the contractual payment flows relating to financial assets. Another fundamentally new item is the regulations for the recognition of impairment, which is now based on an expected loss model. The recognition of hedging relationships has also been revised under IFRS 9 and is designed to better reflect operational risk management.

The effects on the classification of financial instruments is described in the table below:

Reconciliation of the IAS 39 valuation categories for financial assets and liabilities to IFRS 9

(kEUR)	Carrying amount as of December 31, 2017	Valuation category acc. to IAS 39	Revaluation due to application of the impairment model	Carrying amount as of 1/1/2018	Valuation category acc. to IFRS 9
Financial assets not measured at fair value					
Trade receivables	8,808	Loans and receivables	-282	8,526	At amortized cost
Other financial assets	14,404	Loans and receivables	0	14,404	At amortized cost
Cash and cash equivalents	14,871	Loans and receivables	0	14,871	At amortized cost
Total	**38,083**		**0**	**37,801**	

Financial liabilities measured at fair value					
Interest rate swaps	194	held for trading	0	194	at fair value through profit and loss
Other financial liabilities	4,067	Other financial liabilities	0	4,067	at fair value through profit and loss
Total	**4,261**		**0**	**4,261**	

Financial liabilities not measured at fair value					
Liabilities to banks	128,376	Other financial liabilities	0	128,376	At amortized cost
Trade payables	28,424	Other financial liabilities	0	28,424	At amortized cost
Liabilities from finance leases	842	Other financial liabilities	0	842	At amortized cost
Other financial liabilities	11,970	Other financial liabilities	0	11,970	At amortized cost
Total	**169,612**		**0**	**169,612**	

No significant impact resulted from the adoption of the provisions in IFRS 9 for the valuation of financial instruments, with the exception of the effect described below.

To reflect the impairment of receivables with a remaining term of one year or less, the Group applies the simplified impairment model permitted according to IFRS 9. According to this approach, a risk provision is recognized in an amount equivalent to the expected losses during the remaining term of the affected positions irrespective of their credit rating. Since the risk of default is assumed to be much lower for non-current receivables, the risk provision is recognized in an amount equivalent to the anticipated losses over a 12-month period.

The first-time application of the modified impairment model as of January 1, 2018 resulted in a changeover effect of kEUR 282, which, minus deferred taxes of kEUR 85, was recognized directly in equity reducing the consolidated profit carried forward.

IFRS 15: Revenue from contracts with customers

When recognizing revenue from the Group's operating activities – primarily derived from the provision of catering services and the collection of franchise fees – the fair value of the services provided is generally consistent with the consideration received at the time the service is provided as a result of which the first-time application of the standard has no impact on this position.

So-called setup services constitute an exception in this regard since Vapiano provides these services when franchisees open a restaurant. They cannot be separately defined since they are inseparably linked to the rights of use granted in the franchise agreements. Proceeds from these setup services are therefore to be treated like franchise fees and recognized for given periods over the term of the agreement. As revenue realization from these services has so far been time-related, the first-time application of the standard resulted in a changeover effect of kEUR 1,912, which, minus deferred taxes of kEUR 363, was recognized directly in equity reducing the consolidated profit carried forward. The changeover effect was determined applying the modified retrospective method as if the provisions modified by IFRS 15 had already been applied in the past.

Beyond that, there were no other standards or revisions that had to be applied for the first time. In assessing the impact of accounting standards issued by the IASB that are not yet mandatory but that likely will have a significant impact on the Vapiano Group, no material changes emerge. For further details, please see the explanations in the consolidated financial statements of Vapiano SE as of December 31, 2017.

The consolidated financial statements were prepared in euro, the Group currency. Unless specified otherwise, the figures shown are in kEUR. 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 company acquisition in Austria in autumn 2017 and the two company acquisitions "Australia" and "Darmstadt" in Q2 2018, the consolidated statements for the first half of 2018 are only partially comparable to the previous year's period. With regard to the effects resulting from the company acquisitions in the 2017 financial year, please refer to the disclosures in the consolidated notes as at December 31, 2017.

Changes in the valuation of underlying parameters primarily refer to the exchange rates used.

Euro exchange rates for principle currencies are as follows:

		Closing date rate		Average rate	
(EUR) Currency	Country	6/30/2018	12/31/2017	H1/2018	H1/2017
USD	USA	1.17	1.20	1.21	1.12
GBP	UK	0.89	0.89	0.88	0.88
CNY	China	7.72	7.80	7.71	7.65
AUD	Australia	1.58	1.53	1.57	-
DKK	Denmark	7.45	7.44	7.45	-
SEK	Sweden	10.45	9.84	10.15	9.75

1.3 SCOPE OF CONSOLIDATION

On June 30, 2018, in addition to Vapiano SE 104 (December 31, 2017: 90) international and national subsidiaries that Vapiano SE controls directly or indirectly were included in the scope of consolidation.

In addition, two (December 31, 2017: four) associated companies were recognized using the equity method. This number decreased, since the companies acquired in the “Australia” and „Darmstadt“ transactions had previously been included in the consolidated financial statements as associated companies.

Please refer to the Notes to the Consolidated Financial Statements as at December 31, 2017 for more information regarding the companies included in the scope of consolidation.

Significant changes in the companies included in the consolidated financial statements in the first six months of 2018 result from the “Australia” and “Darmstadt” company acquisitions. Any other changes to the scope of consolidation result from newly established companies.

1.4 COMPANY ACQUISITIONS

The provisional schedule of assets and liabilities acquired as part of the company acquisitions „Australia“ and „Darmstadt“ is as follows:

(kEUR)	Acquisition Australia - provisional -	Acquisition Darmstadt - provisional -
Date of acquisition	5/4/2018	6/26/2018
Equity interest after the transaction (= share of voting rights)	75%	51%
Consideration transferred	1,502	0
plus fair value of non-controlling interests	1,502	944
plus fair value of the equity interest previously held	3,004	983
less net assets at fair value	5,023	1,715
Goodwill	985	212
Identifiable assets and liabilities acquired		
Property, plant and equipment	7,527	1,824
Intangible assets	5,558	2,958
Inventories	95	136
Receivables	10	1
Other assets and other financial assets	2,695	459
Cash and cash equivalents	419	137
Deferred tax assets	31	378
Liabilities to banks	4,101	0
Trade payables	2,796	414
Other liabilities and other financial liabilities	2,342	2,614
Provisions	545	206
Deferred tax liabilities	1,528	944
Total identifiable net assets acquired	5,023	1,715
Consideration paid in cash	1,502	0
less: acquired cash and cash equivalents	-419	-137
Net cash in or outflow from the acquisition	1,083	-137

Acquisition – Australia

With a contractual share purchase agreement dated April 5, 2018 and the real transfer on May 4, 2018 (date of acquisition), Vapiano indirectly acquired 25% of the shares of the Australian company Vapiano Australia LP, Sydney, Australia, and 25% of the shares in Vapiano GP Pty. Ltd., Sydney, Australia, which manages the Vapiano Australia LP, via Group Company Vapiano Franchising SE & Co. KG (previously: Vapiano Franchising GmbH & Co. KG). As Vapiano SE already indirectly owned 50.00% of the shares in Vapiano Australia LP at the time of purchase, this acquisition thus raised its stake to 75%. The share in Vapiano GP Pty. indirectly held by Vapiano SE increased from previously 49.995% to 74.995%.

Vapiano Australia LP directly owns 100.00% of the shares in three restaurantoperating companies, which operate 7 restaurants in major Australian cities. The transaction represents a gradual business combination. The revaluation of the previously held equity interest in accordance with IFRS 3.42 resulted in a write-up of kEUR 1,136 to be recognized in the consolidated statement of comprehensive income for financial year 2018. The main reason for the acquisition is to expand business activities in Australia and to secure additional strategic expansion options.

Vapiano SE gained control as the Group parent, through its ability as of the date of acquisition to materially govern the main activities that influence the returns from the restaurants operated by the acquired companies. Vapiano SE acquired this ability through its majority in voting shares in the general meeting of the managing Vapiano GP Pty. Ltd, and through its right to appoint the majority of the members of the decision-making management board of this company.

The goodwill resulting from the acquisition is derived from the access gained to favorable restaurant locations in large cities in Australia and from the further potential for expansion in the Australian market. The entire goodwill is non-deductible for tax purposes.

The fair value of the consideration transferred at the date of acquisition amounted to kEUR 1,502 and was paid in cash. The fair value was measured in accordance with Level 2 of the valuation hierarchy as defined in IFRS 13, derived from the directly observable input factor of the arm's length purchase price agreed for the acquisition, which is not based on a quoted price on active markets.

The fair value of the non-controlling interests recognized at the date of acquisition amounted to kEUR 1,502. The valuation was carried out in accordance with Level 2 of the valuation hierarchy as defined in IFRS 13, derived from the directly observable input factor of the arm's length purchase price agreed for the acquisition, which is not based on a quoted price on active markets.

Since allocation of the purchase price relating to this acquisition had not been finalized by the time these interim consolidated financial statements as of June 30, 2018 were prepared, there may still be changes in the assignment of the purchase price to the individual assets and liabilities. Recognition of the company acquisitions will be adjusted retroactively if new information is obtained within twelve months of the date of acquisition about facts and circumstances that existed at the date of acquisition and that necessitate adjustments to the above amounts.

Since the acquisition date, revenue of kEUR 2,652 from the acquired companies has been recognized in the consolidated statement of comprehensive income, with a resulting loss of kEUR 141. If Vapiano Australia LP and its subsidiaries had been acquired as of January 1, 2018, the consolidated revenue would have amounted to kEUR 180,267 and the consolidated loss for the period to kEUR -18,051.

Company acquisition Darmstadt

The articles of association of VAP Darmstadt GmbH, Cologne, which had previously been included in the consolidated financial statements as an associated company, were amended by notarization dated June 26, 2018 to the effect that Vapiano SE is entitled, on the basis of the amended provisions of the articles of association, to control the significant activities that significantly influence the returns from the controlled company. VAP Darmstadt GmbH operates two Vapiano restaurants in the city of Darmstadt.

As a result of the change in the articles of association, Vapiano SE controls VAP Darmstadt GmbH. The transaction was a merger without transfer of a consideration. The revaluation of the previously held equity component in accordance with IFRS 3.42 resulted in a write-up of kEUR 271 recognized in the consolidated statement of comprehensive income for the first half of the 2018 financial year.

The main reason for the change of the articles of association is the improved integration of the restaurants operated by VAP Darmstadt GmbH into the Group's processes.

The ability to influence the main revenue-generating activities of VAP Darmstadt GmbH is based on Vapiano SE's absolute majority in voting rights and the obligation of the company's management board to follow instructions. All decisions on business transactions of relevance in influencing the revenue of VAP Darmstadt GmbH can be adopted with a simple majority of the votes cast. This particularly affects decisions regarding the companies' budgets and key investment and financing decisions.

The goodwill resulting from the company merger is derived from the access gained to favorable restaurant locations in the center of Darmstadt. The entire goodwill is non-deductible for tax purposes.

As part of the acquisition, current trade receivables with a fair value of kEUR 1 were acquired, which is also the gross amount of the receivables. We estimate that none of the contractually agreed future cash flows are likely to be nonrecoverable.

The fair value of the non-controlling interests recognized at the date of acquisition amounts to kEUR 944, and the fair value of the equity interest held by the Group before the merger amounts to kEUR 983. The valuation is considered to be a Level-3 valuation within the meaning of IFRS 13, based on input factors that are not directly observable for the object of valuation using a company valuation approach according to the discounted cash flow method.

Since the allocation of the purchase price relating to this acquisition has not yet been finalized, the assignment of the purchase price to the individual assets and liabilities may still change. Recognition of the company acquisitions will be adjusted retroactively if new information is obtained within twelve months of the date of acquisition about facts and circumstances that existed at the date of acquisition and that necessitate adjustments to the above amounts.

The revenue from the acquired company since the acquisition date recognized in the consolidated statement of comprehensive income, and the profit recognized from it, are of subordinate importance. If VAP Darmstadt GmbH had already been acquired as of January 1, 2018, the consolidated revenue would have been kEUR 177,675, and the consolidated loss would have been kEUR -18,324.

1.5 RECONCILIATION OF COMPARISON FIGURES

The comparison figures presented in these consolidated financial statements as of June 30, 2018 in the consolidated statement of comprehensive income were adjusted compared to the consolidated financial statements published at the respective previous year's reporting date. In this respect, reference is made to the explanations in note 1.2 "Correction and adjustment of comparison figures" in the notes to the consolidated financial statements for the financial year 2017.

The adjustments in the consolidated statement of comprehensive income for the first half-year 2017 or the second quarter 2017 are as follows:

(kEUR)	1/1/2017 - 6/30/2017 (orignally)	Adjustments	1/1/2017 - 6/30/2017 (adjusted)
Result for the period			
Sales	**153,582**	**0**	**153,582**
Other operating income	4,552	0	4,552
Capitalized own work	312	0	312
Cost of materials	-39,020	0	-39,020
Personnel costs	-65,626	0	-65,626
Amortization and depreciation of intangible assets and property, plant and equipment	-16,799	-916	-17,715
Other operating costs	-47,255	0	-47,255
Operating result	**-10,254**	**-916**	**-11,170**
Finance income	325	0	325
Finance costs	-2,828	-593	-3,421
Finance result	*-2,503*	*-593*	*-3,096*
Share of net profit/loss of associates accounted for using the equity method	-145	0	-145
Earnings before taxes	**-12,902**	**-1,509**	**-14,411**
Income tax income/expenses	-609	302	-307
Result for the period	**-13,511**	**-1,207**	**-14,718**
Other comprehensive income			
Items which may be reclassified to profit or loss in future			
Currency translation differences as a result of foreign operations	174	0	174
Total comprehensive income	**-13,337**	**0**	**-14,544**
Net income attributable to:			
Shareholders of the parent company	-13,651	-902	-14,553
Non-controlling interests	140	-306	-166
Total	**-13,511**	**0**	**-14,718**
Total comprehensive income attributable to:			
Shareholders of the parent company	-13,380	-902	-14,282
Non-controlling interests	43	-306	-263
Total	**-13,337**	**0**	**-14,544**
Earnings per share from continuing operations			
Basic (euros per share)	-0.67	0	-0.71
Diluted (euros per share)	-0.67	0	-0.71

(kEUR)	4/1/2017 - 6/30/2017 (originally)	Adjustments	4/1/2017 - 6/30/2017 (adjusted)
Result for the period			
Sales	**78,185**	**0**	**78,185**
Other operating income	3,510	0	3,510
Capitalized own work	135	0	135
Cost of materials	-20,471	0	-20,471
Personnel costs	-34,503	0	-34,503
Amortization and depreciation of intangible assets and property, plant and equipment	-8,403	-458	-8,861
Other operating costs	-23,885	0	-23,885
Operating result	**-5,432**	**-458**	**-5,890**
Finance income	225	0	225
Finance costs	-1,764	-193	-1,957
Finance result	*-1,539*	*-193*	*-1,732*
Share of net profit/loss of associates accounted for using the equity method	-135	0	-135
Earnings before taxes	**-7,106**	**-651**	**-7,757**
Income tax income/expenses	-84	151	67
Result for the period	**-7,190**	**-500**	**-7,690**
Other comprehensive income			
Items which may be reclassified to profit or loss in future			
Currency translation differences as a result of foreign operations	101	0	101
Total comprehensive income	**-7,089**	**0**	**-7,589**
Net income attributable to:			
Shareholders of the parent company	-7,117	-471	-7,588
Non-controlling interests	-73	-29	-102
Total	**-7,190**	**0**	**-7,690**
Total comprehensive income attributable to:			
Shareholders of the parent company	-6,889	-471	-7,360
Non-controlling interests	-200	-29	-229
Total	**-7,089**	**0**	**-7,589**
Earnings per share from continuing operations			
Basic (euros per share)	-0.35	0	-0.37
Diluted (euros per share)	-0.35	0	-0.37

The impact of the adjustments to the comparative figures of the consolidated statement of cash flows for the first half-year 2017 is as follows:

(kEUR)	1/1/2017 - 6/30/2017 (originally)	Adjustments	1/1/2017 - 6/30/2017 (adjusted)
Cash flow from operating activities			
Result for the period (before taxes)	-12,902	-1,509	-14,411
Adjustments			
Depreciation, amortization and write-downs of intangible assets and property, plant and equipment	16,799	916	17,715
Non-cash income and expenses	210	0	210
Net finance costs	2,503	593	3,096
Share of profit/loss of equity-accounted investees, net of tax	145	0	145
Net loss from the sale of property, plant and equipment	1,077	0	1,077
	7,832	0	7,832
Changes in:			
Inventories	-20	0	-20
Trade receivables and other receivables	-456	0	-456
Trade payables and other liabilities	412	-593	-181
Other provisions and provisions for employee benefits	-367	0	-367
Cash inflow from operating activities	7,401	0	6,808
Interest received	0	0	0
Interest paid	-2,289	0	-2,289
Income taxes paid	-1,899	0	-1,899
Net cash flow from operating activities	3,213	0	2,620
Cash flow from investing activities			
Inflows from the sale of intangible assets and property, plant and equipment	0	0	0
Acquisition of intangible assets and property, plant and equipment	-32,601	0	-32,601
Acquisition of a subsidiary, net of cash acquired	-2,595	0	-2,595
Acquisition of other financial assets	-749	0	-749
Cash flow from investing activities	**-35,945**	**0**	**-35,945**
Cash flow from financing activities			
Proceeds from shareholders	0	0	0
Issuance of new shares	0	0	0
Capital increase from IPO	85,000	0	85,000
IPO-related transaction costs	-1,621	0	-1,621
Loan received from shareholders	10,000	0	10,000
Proceeds from other financial liabilities	155,463	0	155,463
Transaction costs relating to syndicated loan	-1,794	0	-1,794
Outflows relating to other financial liabilities	-130,853	0	-130,853
Acquisition of non-controlling interests	0	0	0
Distribution of profits (subsidiaries to minorities)	-593	593	0
Cash flow from financing activities	**115,602**	**0**	**116,195**
Cash and cash equivalents			
Net increase in cash and cash equivalents	82,870	0	82,870
Cash and cash equivalents at January 1	11,691	0	11,691
Effect of movement in exchange rate and changes in the scope of consolidation on cash and cash equivalents held	-21	0	-21
Cash and cash equivalents at December 31	**94,540**	**0**	**94,540**

2. Notes to the Consolidated Statement of Comprehensive Income

2.1 SALES

The sales for the first six months of the financial year or the second quarter, respectively, compared to the same period of the previous year can be broken down as follows:

(kEUR)	Q2/2018	Q2/2017	H1/2018	H1/2017
Sales from restaurant operations	85,347	74,630	167,898	145,765
Other sales	3,456	3,555	7,224	7,817
Total	**88,803**	**78,185**	**175,122**	**153,582**

(kEUR)	Q2/2018	Q2/2017	H1/2018	H1/2017
Domestic	44,120	33,438	81,620	72,618
Abroad	44,683	44,747	93,502	80,964
Total	**88,803**	**78,185**	**175,122**	**153,582**

In the course of the further implementation of the expansion and growth strategy in the first half of 2018, the sales of the Vapiano Group rose by 14.0% compared to the same period of the previous year. The increase in sales is mainly attributable to sales contributions from new restaurants opened in the second half of 2017 and first half of 2018.

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

2.2 OTHER OPERATING INCOME

Other operating income increased compared to the same period in the previous year mainly as a result of higher income from reimbursement claims against insurance companies and lessors of restaurant locations and income from the re-valuation of previously held shares in the companies acquired as part of the “Australia” and “Darmstadt” transactions.

2.3 COST OF MATERIALS

Cost of materials consists mainly of purchase costs for foodstuffs and beverages as well as procurement and sales costs (e.g. for transport and packaging material). The ratio of cost of materials to consolidated sales, at 25.4%, is on par with the same period of the previous year (first half of 2017: 25.4%).

2.4 PERSONNEL EXPENSES

The increase in personnel expenses can mainly be attributed to the increased number of employees. This increase was caused by the acquisitions transacted in the second half of 2017 and first half of 2018 as well as the recruitment of new employees as part of restaurant openings.

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

Depreciation and amortization increased primarily due to depreciation on investments made in the Group's restaurants in the second half of 2017 and first half of 2018.

In addition, the amortization of intangible assets recognized as part of the company acquisitions in the second half of 2017 and first half of 2018 contributed kEUR 265 to the increase.

2.6 OTHER OPERATING EXPENSES

The increase in other operating expenses was mainly due to the increase in restaurant operating expenses as part of the implementation of the Group's continued expansion strategy. These include to a large extent rental and leasing expenses, expenses for incidental costs on leases, for heating, electricity and water and other expenses for operating material and services incurred in the operation of a restaurant. In addition, the expenses for sales commissions as part of the delivery service have risen due to the expansion of the delivery business. Furthermore, the higher number of recently opened restaurants and of restaurants to be opened in the near future has led to an increase of the opening costs incurred during the preparation of a restaurant operation.

This was offset by the elimination of the higher legal and consulting costs incurred in connection with the IPO in the previous year and by lower exchange rate and currency losses and a reduction of losses from asset disposals.

2.7 FINANCIAL RESULT

The financial result decreased by TEUR 605 compared to the same period of the previous year, mainly due to increased interest expenses. These reflect the increase in debt financing due to the ongoing expansion activities of the Group.

2.8 EARNINGS PER SHARE

The following information was used to calculate earnings per share:

Ordinary shares	**2018**	**2017**
Issued as of January 1	24,029,833	533,827
Issued in exchange for cash		1,283
Capital increase from company funds		19,799,070
Issued as part of the IPO		3,695,653
Issued on June 30 – fully paid-in*	**24,029,833**	**24,029,833**

*Approved – par value EUR 1

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

In EUR or EUR per share	6/30/2018	6/30/2017
Consolidated net income of the year attributable to parent company entities in EUR (basic/diluted)	-16,129,150	-14,552,305
Number of shares issued (in units)	24,029,833	24,029,833
Weighted average number of ordinary shares issued	24,029,833	20,415,731
Basic/diluted earnings per share (EUR per share)	**-0.67**	**-0.71**

3. Notes to the Consolidated Statement of Financial Position

3.1 INTANGIBLE ASSETS

Intangible assets mainly include goodwill (kEUR 40,094; December 31, 2017: kEUR 39,287) and franchise rights reacquired as part of company acquisitions (kEUR 54,905; December 31, 2017: kEUR 51,595). Both positions increased in the first half of 2018 due to the company acquisitions transacted (see also Note 1.3 "Scope of consolidation"). In addition, intangible assets include license rights for using the Vapiano concept, software, and intangible assets generated in-house.

3.2 PROPERTY, PLANT AND EQUIPMENT

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

The income from investments recognized in the first half of 2018 are due to restaurant openings already completed or to be completed in the near future, the remodeling of existing restaurants and the establishment of take away areas as part of the implementation of the Group strategy. Since the investments exceeded the recognized depreciation, the position increased accordingly compared to December 31, 2017. In addition, the position recorded an increase due to inflows as part of the company acquisitions transacted in the first half of 2018 (see Note 1.3 "Scope of consolidation").

3.3 FINANCIAL ASSETS RECOGNIZED USING THE EQUITY METHOD

Financial assets recognized using the equity method decreased significantly because companies that were previously recognized as associates in Australia and Darmstadt were fully consolidated in the consolidated financial statements as of June 30, 2018. In addition, the item was reduced by the result of kEUR -182 from accounting using the equity method.

3.4 OTHER FINANCIAL ASSETS

Other non-current financial assets increased primarily due to the down payments made for the acquisition of two restaurants operated by non-Group franchisees in the first half of 2018. In addition, the item mainly includes the lease deposits paid for restaurant locations, which have also increased due to the conclusion of new lease agreements.

Other current financial assets mainly consist of sales tax rebate claims, receivables from supplier bonuses, receivables from associated companies and receivables from compensation claims with insurance companies and landlords at restaurant locations. The decrease in the item is explained by a remuneration claim against a shareholder of Vapiano SE resulting from the IPO that was still reported at the previous year's reporting date and by the elimination of receivables from the Australia and Darmstadt companies that were fully consolidated as of June 30, 2018.

3.5 OTHER ASSETS

Non-current other assets mainly consist of the deferral of a long-term insurance fee across its respective term.

Other current assets increased primarily due to the lease prepayments carried out in the first half of 2018 and other current down payments and receivables.

3.6 DEFERRED TAX ASSETS

The amount of deferred tax assets did not significantly change compared to December 31, 2017 since the inflows from the company acquisitions were largely compensated by valuation allowances on deferred tax assets on loss carryforwards.

3.7 CASH AND CASH EQUIVALENTS

The change of the cash and cash equivalents position is presented in the consolidated statement of cash flows for the first half of 2018.

3.8 EQUITY

The development of Vapiano SE's equity is presented in the consolidated statement of changes in equity.

The translation reserve, which is allocated to the item other reserves, comprises all translation differences from the translation of financial statements of foreign business entities, which were not prepared in the Group currency.

Retained earnings contain the result for the period, effects from the first-time application of new IFRS and the consolidated results achieved in the past to the extent that they were not distributed.

3.9 PROVISIONS

Provisions mainly comprise dismantling obligations. These positions are created for each leased property if Vapiano is contractually obligated to dismantle the installed restaurant equipment at the end of the lease term. Provisions attributable to leases with a remaining maturity of less than one year are recognized as current provisions.

3.10 FINANCIAL LIABILITIES

The increase in financial liabilities compared to December 31, 2017 was caused by an increased utilization of financial resources for the financing of investments in the restaurant business.

3.11 OTHER FINANCIAL LIABILITIES

The increase in other non-current financial liabilities was primarily caused, in the context of the company acquisitions in the first half of 2018, by the exercise liabilities attached to the put options held by the respective non-controlling interests.

The increase in other current financial liabilities was mainly caused by an increase in sales tax liabilities. Furthermore, the item contains a loan in the amount of EUR 7.5 million granted by the main shareholders of the Group and various liabilities to non-controlling interests of the Group.

3.12 OTHER LIABILITIES

Other non-current financial liabilities mainly consist of deferrals of received building cost subsidies, deferrals of rental expenses allocated to rent-free periods and deferred one-time fees for setup services charged to non-Group franchisees in accordance with IFRS 15. As of June 30, 2018, this included non-current contractual liabilities of kEUR 1,902.

Other current liabilities mainly comprise liabilities from wage and salary expenses, which have significantly increased, compared to December 31, 2017 due to higher employee numbers. Furthermore, this item primarily contain the current portions of deferred building cost subsidies and deferred revenue from the Group customer-loyalty program. In addition, this item as of June 30, 2018 includes current contractual liabilities of kEUR 135 from accruals in accordance with IFRS 15.

3.13 DEFERRED TAX LIABILITIES

The increase in deferred tax liabilities compared to December 31, 2017 was due to the inflows from the company acquisitions in the first half of 2018 exceeding the decrease from additional reversals of deferred tax liabilities in connection with valuation differences.

3.14 TRADE PAYABLES

The increase in trade payables was primarily caused by the increased number of restaurants operated by the Group.

4. Other disclosures

4.1 SEGMENT REPORTING

The determination and representation of segment reporting as of June 30, 2018 only changed to a minor extent compared to the notes to the consolidated financial statements as at December 31, 2017, due to the allocation of new businesses to the appropriate segments.

The following table shows the sales and EBITDA of the individual reportable segments of the Vapiano Group:

H1/2018 (kEUR)	Germany	Rest of Europe	Rest of World	Other	Consolidation	Total
External sales	74,524	88,640	10,787	1,171	0	175,122
Sales with other business segments	4,759	5,245	1,145	5,677	-16,826	0
Segment sales	**79,283**	**93,884**	**11,932**	**6,848**	**-16,826**	**175,122**
Segment EBITDA	**8,344**	**10,734**	**-493**	**-10,232**	**17**	**8,369**
Amortization and depreciation of intangible assets and property, plant and equipment						-21,440
Financial result						-3,701
Share of net profit/loss of associates accounted for using the equity method						-182
Income tax income/expenses						-978
Result for the period						**-17,932**

H1/2017 (kEUR)	Germany	Rest of Europe	Rest of World	Other	Consolidation	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
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						-17,715
Financial result						-3,096
Share of net profit/loss of associates accounted for using the equity method						-145
Income tax income/expenses						-307
Result for the period						**-14,718**

Q2/2018 (kEUR)	Germany	Rest of Europe	Rest of World	Other	Consolidation	Total
External sales	36,980	44,473	6,984	367	0	88,803
Sales with other business segments	2,343	2,563	644	3,032	-8,581	0
Segment sales	**30,323**	**47,036**	**7,627**	**3,398**	**-8,581**	**88,803**
Segment EBITDA	**3,036**	**4,717**	**-1,142**	**-5,195**	**29**	**1,445**
Amortization and depreciation of intangible assets and property, plant and equipment						-11,189
Financial result						-2,595
Share of net profit/loss of associates accounted for using the equity method						-174
Income tax income/expenses						-1,341
Result for the period						**-13,853**

Q2/2017 (kEUR)	Germany	Rest of Europe	Rest of World	Other	Consolidation	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
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						-8,861
Financial result						-1,732
Share of net profit/loss of associates accounted for using the equity method						-135
Income tax income/expenses						67
Result for the period						**-7,690**

Geographic information
The sales generated by the business segments of the Group from transactions with external customers by geographical location of the operations can be derived from the table above. Information about the segments' assets by geographical location of the assets is summarized in the following table:

	Non-current assets (by regions)*	
(kEUR)	6/30/2018	12/31/2017
Germany	100,375	96,602
France	74,739	69,163
Sweden	29,678	31,827
Austria	21,108	20,441
Other	80,937	59,619
Total	**306,837**	**277,651**

* Non-current assets do not include other financial assets, financial assets recognized using the equity method and deferred tax assets.

Sales by product areas
For an analysis of the Group's sales by individual product according to IFRS 8.32, please refer to the Note 2.1 "Sales".

Information on main customers
No single customer contributed 10% or more to consolidated sales in the first half year of 2018 or 2017.

4.2 RELATED-PARTY DISCLOSURES

The composition of the related parties of the Group, shown under 4.4 „Related party disclosures" in the notes to the consolidated financial statements for financial year 2017, has not changed in the first half of financial year 2018 with the exception of the following changes:

- Cornelius Everke is a member of the Management Board of Vapiano SE as of May 1, 2018.
- Dr. Rigbert Fischer left the Supervisory Board of Vapiano SE effective June 30, 2018.

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

Transactions with related parties

In the first half of financial year 2018, Group entities engaged in transactions with the following related parties that are not part of the consolidated Group:

	Deliveries and services from franchise and marketing services as well as passed on charges			
(kEUR)	Q2/2018	Q2/2017	H1/2018	H1/2017
VAP Leipzig GmbH & Co. KG	42	528	69	568
Exchange Bio GmbH	0	638	0	638
Associates of Vapiano SE	231	289	649	729
Total	274	1,455	718	1,935

	Deliveries and services received from lease agreements			
(kEUR)	Q2/2018	Q2/2017	H1/2018	H1/2017
VAP Leipzig GmbH & Co. KG	52	60	104	120
Total	52	60	104	120

The following balances were outstanding at the respective reporting date:

	Receivables		Liabilities	
(kEUR)	6/30/2018	12/31/2017	6/30/2018	12/31/2017
VAP Leipzig GmbH & Co. KG	14	1,322	3,180	3,090
Exchange Bio GmbH	0	272	0	0
Mayfair Beteiligungsfonds II GmbH & Co. KG	0	0	4,690	4,558
Associates of Vapiano SE	1,420	6,149	6	86
Total	1,435	7,743	7,876	7,734

EUR 7.5 million of the Group‘s outstanding liabilities as of June 30, 2018 pertain to subordinate loans granted in financial year 2017 by major shareholders of the Group.

Transactions with associates

Transactions with associates are mainly based on normal franchise relationships and the associated franchise and marketing fees. Transactions with associated companies are also based on receivables owed to Vapiano Group from loans it has granted.

No expense has been recognized in the first half of 2018 and the previous year for unrecoverable or doubtful receivables in respect of amounts owed by related parties.

Transactions with members of management in key positions

The main elements of the remuneration structure for members of the management in key positions did not change significantly in the first half of the 2018 financial year compared with the regulations in force on December 31, 2017. In this regard, we refer to the disclosures in notes 3.10 and 4.4 to the consolidated financial statements for fiscal year 2017.

4.3 CHANGES IN CONTINGENT RECEIVABLES AND LIABILITIES, OTHER FINANCIAL OBLIGATIONS AND CONTINGENCIES

In relation with the expansion of the business, the Group has concluded additional lease agreements for restaurant spaces or has exercised extension options. In a few cases, restaurants were closed. Overall, this resulted in an increase of other financial liabilities.

As of June 30, 2018, future minimum lease payments under non-cancelable leases were as follows:

(kEUR)	6/30/2018	12/31/2017
Less than one year	45,367	34,076
More than one year and less than five years	156,593	133,310
More than five years	162,764	140,398
Total	**364,724**	**307,784**

There were no changes regarding additional contingent receivables or contingent liabilities compared to December 31, 2017 – please refer to the notes to the consolidated financial statements 2017.

4.4 REPORTING ON FINANCIAL INSTRUMENTS

As of June 30, the carrying amounts and the fair values were as follows:

June 30, 2018	Carrying amount by valuation category			Fair value			
(kEUR)	At fair value through profit and loss	At amortized cost	Total	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value							
Trade receivables	0	7,773	**7,773**	0	0	0	**0**
Other financial assets	0	13,306	**13,306**	0	0	0	**0**
Cash and cash equivalents	0	17,240	**17,240**	0	0	0	**0**
Total	0	38,319	**38,319**	0	0	0	**0**
Financial liabilities measured at fair value							
Interest rate swaps	109	0	**109**	0	109	0	**109**
Other financial liabilities	6,844	0	**6,844**	0	2,446	4,398	**6,844**
Total	6,953	0	**6,953**	0	2,555	4,398	**6,953**
Financial liabilities not measured at fair value							
Liabilities to banks	0	164,956	**164,956**	0	161,666	0	161,666
Trade payables	0	29,641	**29,641**	0	0	0	0
Liabilities from finance leases	0	498	**498**	0	497	0	497
Other financial liabilities	0	14,702	**14,702**	0	14,702	0	14,702
Total	0	209,797	**209,797**	0	176,865	0	176,865

December 31, 2017 (kEUR)	Carrying amount by valuation category: At fair value through profit and loss	At amortized cost	Total	Fair value: Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value							
Trade receivables	0	8,808	**8,808**	0	0	0	0
Other financial assets	0	14,404	**14,404**	0	0	0	0
Cash and cash equivalents	0	14,871	**14,871**	0	0	0	0
Total	0	38,083	**38,083**	0	0	0	0
Financial liabilities measured at fair value							
Interest rate swaps	194	0	**194**	0	194	0	**194**
Other financial liabilities	4,067	0	**4,067**	0	200	3,867	**4,067**
Total	4,261	0	**4,261**	0	394	3,867	**4,261**
Financial liabilities not measured at fair value							
Liabilities to banks	0	128,376	**128,376**	0	128,706	0	128,706
Trade payables	0	28,424	**28,424**	0	0	0	0
Liabilities from finance leases	0	842	**842**	0	862	0	862
Other financial liabilities	0	11,970	**11,970**	0	11,995	0	11,995
Total	0	169,612	**169,612**	0	141,563	0	141,563

The financial liabilities measured according to Level 3 of the measurement hierarchy in accordance with IFRS 13 developed as follows in the first half of 2018:

(kEUR)	Other financial liabilities
As of January 1, 2017	-5,563
Derecognition of financial liabilities	1,738
Change in fair value recognized in the financial result	-42
As of December 31, 2017	**-3,867**

(kEUR)	**Other financial liabilities**
As of January 1, 2018	-3,867
Reclassification from Level 2 to Level 3	-200
Change in fair value recognized in the financial result	-331
As of June 30, 2018	**-4,398**

Valuation techniques and significant unobservable inputs

The following valuation techniques and unobservable input factors were used to determine the fair values of Level 2 and Level 3:

Level 2 financial instruments at fair value through profit or loss
The fair values of interest rate swaps are determined by discounting the expected future cash flows over the remaining term of the contracts using current market interest rates. Further valuation models, e.g. the Black-Scholes model, are used to determine the market value of interest rate caps. As far as possible, the relevant market data observed on the balance sheet date are used as input parameters. Variable interest rates are calculated on the basis of forward interest rates.

The determination of the market values of the forward exchange transactions open on the balance sheet date is based on valuation models taking into account forward exchange rates on the balance sheet date.

The valuation of derivative financial instruments measured at fair value is based on the valuation by the respective banks and is classified in Level 2. The respective counterparty risk is not taken into account in the valuation as the amounts involved are not material.

The fair value of non-current liabilities to banks is measured on the basis of the yield curve without taking counterparty risk into account. The allocation is therefore made to level 2 of the valuation hierarchy.

No fair values are stated for financial instruments such as trade receivables and payables, cash and cash equivalents and other financial receivables and liabilities, as the carrying amounts correspond to an appropriate approximation of fair value due to the predominantly short remaining term to maturity.

Level 3 financial instruments at fair value through profit or loss
As of June 30, 2018, liabilities arising from severance payment obligations arising from the future acquisition of non-controlling interests were measured at Level 3.

The fair value is based on the EBITDA relevant at the future payment date, which is multiplied by a valuation factor and discounted to the current value. As a result, changes in EBITDA planning have a proportional effect on the measurement of the liability.

In the first six months of 2018, a severance payment liability of a put option relating to non-controlling interests was reclassified from Level 2 to Level 3 because no input factors within the meaning of Level 2 of the measurement hierarchy of IFRS 13 were observable at the measurement date.

4.5 EVENTS AFTER THE BALANCE SHEET DATE

On September 4, 2018, the Management Board of Vapiano SE announced in an ad hoc announcement that the sales and earnings forecast for fiscal year 2018 had to be adjusted due to the business development in Sweden and the effects of the unusual heat wave of summer 2018.

Effective August 13, 2018, Vanessa Claire Hall was appointed to the Supervisory Board of Vapiano SE.

Cologne, September 11, 2018

Jochen Halfmann Chief Executive Officer	Lutz Scharpe Chief Financial Officer	Cornelius Everke Chief Operating Officer

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.

Cologne, September 11, 2018

Jochen Halfmann Chief Executive Officer	Lutz Scharpe Chief Financial Officer	Cornelius Everke Chief Operating Officer

Financial Calendar 2018

Date	Event
12 September 2018	Half-Year Report (as of June 30, 2018)
28 November 2018	Quarterly Financial Report (as of September 30, 2018)

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