VAPIANO®

PASTA | PIZZA | BAR

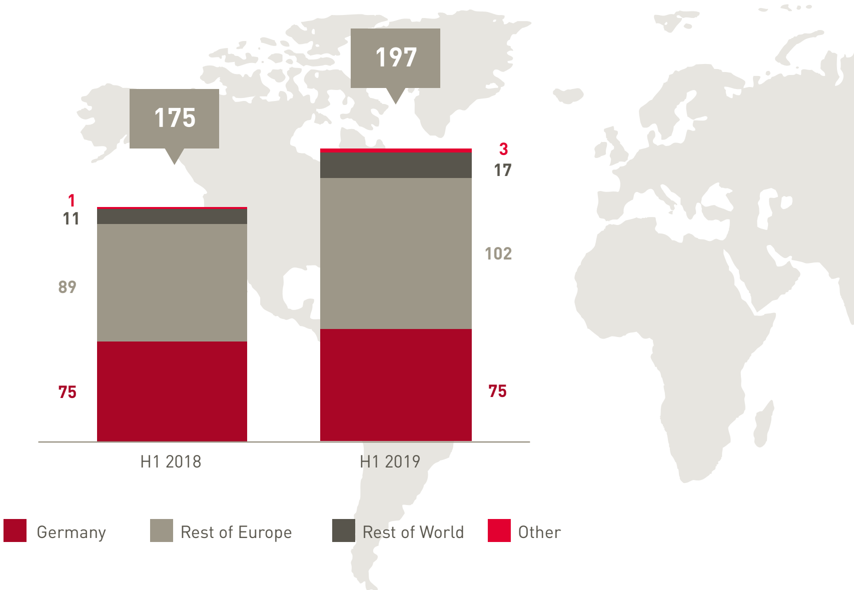
Interim Report 01-06 / 2019

KEY FINANCIALS

In EUR million	H1/2019	H1/2019 (before IFRS 16)	H1/2018	Change (before IFRS 16)
System sales (corporate, joint venture und franchise restaurants)	281.7	281.7	262.1	7.5%
Net sales (corporate and joint venture restaurants)	196.6	196.6	175.1	12.3%
Like-for-like sales	-3.2%	-3.2%	-0.8%	-
Average receipt per guest (in EUR)	12.5	12.5	11.7	6.6%
Adjusted EBITDA	28.5	7.6	14.0	-45.9%
Adjusted EBITDA margin	14.5%	3.9%	8.0%	-
Reported EBITDA	22.8	1.9	8.4	-77.4%
Reported EBITDA margin	11.6%	1.0%	4.8%	-
Adjusted net earnings	-18.0	-13.7	-8.1	-69.1 %
Adjusted earnings per share (in EUR)	-1.01	-0,81	-0.34	>-100%
Reported net earnings	-34.3	-29.1	-17.9	-62.5%
Reported earnings per share (in EUR)	-1.20	-1.00	-0.67	-49.4%
Cash flow from operating activities before taxes and interest	24.2	3.2	7.4	-56.8%
Investments in tangible and intangible assets	21.7	21.7	32.7	-33.6%
Investments for acquisitions (less acquired cash and cash equivalents)	0.0	0.0	0.9	-100.0%
Cash flow from investing activities	-21.7	-21.7	-33.9	36.0%
Cash flow from financing activities	4.2	19.0	33.2	-42.8%

In EUR million	6/30/2019	6/30/2019 (before IFRS 16)	12/31/2018	Changes (before IFRS 16)
Total assets	603.4	343.5	353.5	-2.8%
Equity	11.9	17.1	46.9	-63.5%
Equity ratio in %	2.0%	5.0%	13.3%	-
Net debt	470.0	199.8	173.7	15.0%
Net debt/adjusted EBITDA (in years)	23.2	9.9	6.6	49.5%
Number of restaurants	235	235	231	1.7%

Net Sales by segment in EUR million



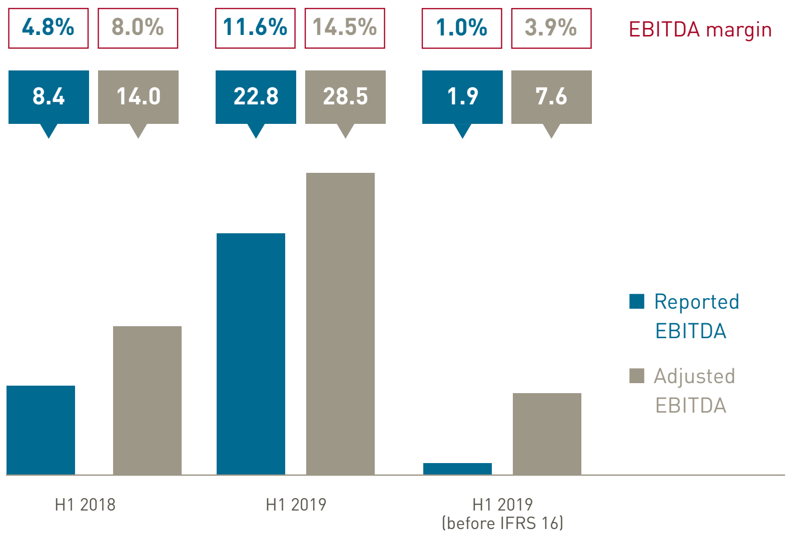
+12.3%

Net sales

-3.2%

Like-for-Like sales

Reported and adjusted EBITDA in EUR million



-77.4%

Reported EBITDA (before IFRS 16)

-45.9%

Adjusted EBITDA (before IFRS 16)

CONTENT

STATEMENT BY THE CHAIR OF THE MANAGEMENT BOARD

Vanessa Hall
CEO

Dear Shareholders, Guests and Vapianisti,

On the publication of our interim financial report 2019, I would like to take the opportunity to introduce myself personally in my new role as chairwoman of the Management Board. I have been a member of the Supervisory Board of Vapiano SE since August 2018 and became its Chair in February 2019. Over these really quite challenging twelve months, I have been closely involved in the company's work – both during the process of strategic reorientation and also the successful refinancing process. I bring over 25 years of leadership experience across hospitality and finance.

My priority focus remains execution of our future plan, paving the way for the upcoming changes needed at Vapiano and to making sure the company gets back on a successful track with speed. Our half year results unfortunately highlight the excessive charges and time incurred on restructuring the company and the task in hand to rebuild guest loyalty and grow our sales, particularly within the core markets.

Vapiano is still a highly desirable and relevant brand particularly to the fast casual market opportunity. Our focus to grow strategy remains unchanged for the next twelve months, working hard to regain a leading market position in Europe and strong global franchise.

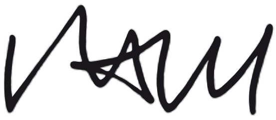
In the short term, I need to ensure the organisation recovers from the pressure of growing pains and disruption through rebuilding positive culture and belief. Emphasis will be placed on the care of our guest, ensuring consistently good experiences whilst looking after our Vapianisti team. Operational leadership and capability will be strengthened. Attention will be increased in training, speed of service, standards and menu development. A back to basic approach to driving sales performance and profit conversion.

In parallel, on going brand evolution is required and we will be developing an "innovation focus" to trail new brand development across design, service, kitchen simplification and smaller formats.

Long term profitability is fundamental focusing on our European core markets and the implementation of our refranchising strategy, we expect a positive free cash flow from 2020 onwards and break even by 2021.

I would be delighted if you would accompany us on this journey and would like to thank you on behalf of the Management Board for your continued trust, patience and efforts during this very challenging time for Vapiano.

Kind regards



Vanessa Hall

MEMBERS OF THE MANAGEMENT BOARD

Vanessa Hall, CEO & Chairwoman of the Management Board

Born in 1967 and Chairwoman of the Management Board of Vapiano SE since September 5, 2019.

Vanessa Hall holds a degree in Business Administration and is a Qualified Certified Accountant. She started her career in 1988 at BDO Stoy Hayward within the Corporate Finance Department. In 1992 she joined Bass Brewers PLC as a Senior Management Accountant. Until 1999 she was Director of Finance at Bass Leisure Entertainment and Britvic Soft Drinks, before joining Mitchells & Butlers PLC in 2000 as Director General Manager and Brand Operations Director, respectively, where she grew and developed various brands including All Bar One, Browns Restaurants and Bars, and new concepts across the hospitality sector. Mrs. Hall joined YO! Sushi in September 2013 as Chief Operating Officer and was appointed Chief Executive Officer in May 2014. Since 2016, she has held advisory roles and is a director of Jack & Alice gastro concept, founded jointly with her husband.

Vanessa Hall was member of the Supervisory Board of Vapiano SE from August 2018 to August 2019 (chairwoman since 1 February 2019) and is now appointed to the Management Board until at least April 30, 2020.

Lutz Scharpe, CFO

Born in 1969 and 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 2023.

Johann Stohner, CTO

Born in 1966 and a member of the Management Board since 1 July 2019.

As Chief Transformation Officer (CTO), he will support the company in the implementation of optimization measures on the basis of a restructuring concept and within the framework of the new strategic accentuation. Johann Stohner holds a master‘s degree in economics (Diplom-Volkswirt) and studied at the Ludwig-Maximilians-University Munich and at the University of Regensburg. He started his career in 1996 at Pricewaterhouse-Coopers and was leading restructuring teams at the Munich and London offices focusing on German and cross-border restructuring cases. In 2002 he joined a German turnaround management boutique firm and became Managing Partner in 2006. Since 2013 Johann Stohner is a Managing Director with Alvarez & Marsal in Munich and head of the firm's Restructuring practice in Germany. He has more than 20 years of international experience as an expert in the transformation of globally operating enterprises as well as medium-sized companies in a consulting or executive capacity.

His appointment as member of the Management Board is intended to last until the successful completion of the transformation.

INTERIM GROUP MANAGEMENT REPORT 01-06/2019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1. Group fundamentals

BUSINESS MODEL

Vapiano is a restaurant chain in the fast casual dining segment of system catering and, in a stylish atmosphere, offers Italian cuisine made from fresh ingredients. The dishes are always prepared freshly "à la minute". Each restaurant has a bar serving speciality coffees, wines, spirits and soft drinks. Over the course of the day, a typical Vapiano restaurant changes from a restaurant with a bustling lunch trade into a relaxed café lounge in the afternoon, then a restaurant serving dinner in attractive surroundings and finally into an evening bar.

As at the date of this report, 235 restaurants in 33 countries were operated under the Vapiano brand. In the first half of 2019, 7,852 employees generated consolidated sales of kEUR 196,598.

With the exception of the following, the Group's key financial and non-financial performance indicators remain unchanged compared to those depicted in chapter 1.2 "Control system" of the combined management report for the financial year 2018:

The EBITDA corrected for one-off and special effects ("adjusted EBITDA") is calculated both pre and post applicaton of IFRS 16.

2. Analysis of business performance and Group position

2.1. MACROECONOMIC SITUATION

Vapiano's core market is the eurozone. GDP in the eurozone grew by 1.0% year-on-year, with Germany generating below-average growth of 0.4%. In addition, in the second-quarter, the GDP in Germany fell by 0.1% compared to the first quarter of 2019.

On the French market, GDP growth developed relatively constantly at 0.3% compared to previous quarters. However, anticipated growth of 1.3% for 2019 as a whole falls short of the previous year's value of 1.7%. Similarly, following the strong growth of previous years, GDP growth on the Austrian market is expected to decline slightly to 1.5% for 2019 (source: European Economic Forecast, summer 2019 (interim), European Commission). Other countries that also experienced a negative trend from the first to the second quarter were Sweden and the United Kingdom (source: Eurostat "euro-indicators press release", 14 August 2019).

2.2. SECTOR DEVELOPMENT

In the first four months of 2019, the food-focused catering sector increased its price-adjusted sales in Germany by 0.6%. The sector continues to benefit from Germany's increasing attractiveness as a travel destination. The biggest challenges are seen to be the recruitment of specialist staff as well as operating costs (source: Dehoga Konkjunkturumfrage, Berlin, June 2019).

2.3. BUSINESS PERFORMANCE

Vapiano's growth slowed considerably in the first half of 2019. The opening of five corporate or joint venture restaurants and two franchisee restaurants stood in contrast to the closure of a total of three restaurant locations (two corporate or joint venture locations and one operated by a franchisee). In addition, one restaurant lease was terminated prematurely on the payment of a one-off sum before the intended restaurant was fitted out.

Consolidating business and focusing on the sustainability of further development were centre stage under the revised strategy. Vapiano twice postponed the publication of the annual report 2018 following unexpectedly lengthy refinancing negotiations.

Compared to the same period in the previous year, consolidated sales for the first half of 2019 rose by 12.3% to kEUR 196,598. On a like-for-like basis, however, sales declined by 3.2%, which is mainly due to a fall in the number of guests. The increase in the Rest of World segment (+0.5%) could not compensate for the Germany segment (-3.4%) and the Rest of Europe segment (-3.6%).

2.4. RESULTS OF OPERATIONS

The results of operations of the Group before and after IFRS 16 developed as follows during the first half of 2019:

In kEUR	H1/2019	H1/2019 (before IFRS 16)	H1/2018
Sales	**196,598**	**196,598**	**175,122**
Other operating income	4,753	5,192	8,077
Cost of materials	-47,036	-47,036	-44,444
Personnel expenses	-89,581	-89,581	-76,431
Amortisation and depreciation	-48,984	-28,783	-21,440
Other operating expenses	-41,431	-62,796	-54,438
Other income and expenses	-496	-496	483
Operating result	**-26,177**	**-26,902**	**-13,071**
Net financial income / expenses and result from using the equity method	-10,422	-4,322	-3,883
Income tax income / expenses	2,339	2,135	-978
Result of the period	**-34,260**	**-29,089**	**-17,932**

The increase in sales of 12.3% compared to the same period in the previous year is mainly due to the corporate acquisitions performed in financial year 2018 and the new restaurants opened in the second half of 2018 and the first half of 2019.

In the Germany segment, sales increased from kEUR 74,524 in H1/2018 to kEUR 75,366 in H1/2019 (+1.1%). This is primarily due to increases in sales from new restaurants opened in 2018. The closure of a restaurant and the PR damage following the two postponements of the publication of the management report had a counteracting effect. The disappointing development in Germany is contrasted by the substantial sales growth of 15.2% in the Rest of Europe segment – from kEUR 88,640 to kEUR 102,141 – which was influenced by restaurant openings in France and Austria. Sales in the Rest of World segment grew by 53.4%, from kEUR 10,787 in H1/2018 to kEUR 16,550 in H1/2019. This is largely a result of the full consolidation of sales in Australia, which has been underway since 4 May 2018.

Other operating income in H1/2019 stood at kEUR 4,753 (H1/2018: kEUR 8,077) and mainly comprises income from charge transfers, income from insurance settlements and the reversal of provisions.

Although the cost of materials rose from kEUR 44,444 in H1/2018 to kEUR 47,036 in H1/2019 in line with the increase in sales, the cost-of-materials ratio fell from 25.4% in the same period of the previous year to 23.9% in H1/2019. This reflects Vapiano's efforts to improve the gross margin.

Personnel expenses rose from kEUR 76,431 to kEUR 89,581 in H1/2019.The personnel expenses ratio increased from 43.6% to 45.6%. This is mainly due to the personnel costs of the newly opened restaurants being incurred almost in full. However, the restaurants will only achieve their full sales potential in subsequent periods. Additionally, the collective wage agreement of 1 January 2017 in the core market of Germany that provides for an agreed tariff increase (depending on the tariff group) of between 2.1% and 2.5% as of 1 January 2019 contributed to this development. This cost increase was mitigated, but not fully offset, both by efficiency gains and staff reductions at the administrative level.

The increase of depreciation from kEUR 21,440 in H1/2018 to kEUR 48,984 in H1/2019 includes the amount of kEUR 20,201 which is due to the implementation of the requirements of IFRS 16. Adjusted for the depreciation and amortisation due to the introduction of IFRS 16, the increase over the corresponding previous year period amounted to kEUR 7,343, which was mainly due to impairment losses of kEUR 8,416 on three German restaurant locations which were recorded in the first half of 2019. Towards the end of the ramp-up phase following the opening, it became apparent that these locations were likely to be permanently impaired. This was offset by the discontinuation of scheduled depreciation of property, plant and equipment at the restaurant locations that were fully impaired in the second half of 2018.

The fall in other operating expenses is due to the change in how rental and leasing payments for restaurant locations are reported under IFRS 16: these are now recorded as interest and redemption payments. In the first half of 2019, these stood at kEUR 21,365.

The rental and operating costs of the restaurants newly opened in the second half of fiscal year 2018 had a counteracting effect. Expenses from the Group units acquired in 2018 in Australia and Darmstadt also contributed to the increase. The operating result in H1/2019 stands at kEUR -26,177 (H1/2018: kEUR -13,071). The effects of applying the requirements of IFRS 16 for the first time (above all depreciation and rental expenses) caused a fall of kEUR 725 in the operating result.

In the first half of 2019, the financial result was negatively affected by interest expenses of kEUR 6,100, which were recorded pursuant to IFRS 16 for the first time.

Adjusted for this effect, the financial result was down kEUR 439, which is mainly a result of increased interest expenses following a rise in the Group's interest expenses.

In H1/2019, the adjusted EBITDA (prior to the deduction of the EBITDA amount from the USA subgroup held for sale) fell year-on-year from kEUR 14,008 to kEUR 7,628 (before IFRS 16). The adjusted EBITDA (after IFRS 16) amounts to kEUR 28,455.

in EUR million	H1/2019	H1/2019 (before IFRS 16)	H1/2018
Operating result	-26.2	-26.9	-13.1
Depreciation	49.0	28.8	21.4
Reported EBITDA	**22.8**	**1.9**	**8.4**
Foreign exchange gains / losses	-0.3	-0.3	-0.4
Losses from disposal of assets	0.0	0.0	0.2
Rent guarantee expenditures	0.1	0.1	0.1
One time effects	1.3	1.3	4.2
Costs in connection with the acquisition or sale of assets	0.0	0.0	-1.3
Costs in connection with refinancing (not: interest)	1.8	1.8	0.0
Pre-opening restaurant costs	2.3	2.3	2.8
Restaurant closure costs	0.6	0.6	0.0
Total adjustments	5.8	5.8	5.6
Adjusted EBITDA	**28.5**	**7.6**	**14.0**
Adjusted EBITDA margin	14.50%	3.88%	7.98%
Adjusted for the EBITDA of the USA sub-group (held for sale)	*1.5*	*1.5*	*0.7*
Adjusted EBITDA without the USA sub-group	*30.0*	*9.1*	*14.7*

The adjusted EBITDA margin fell due to the outlined effects of declining like-for-like sales, the sales performance in the Germany segment and the increased personnel-cost ratio.

Overall, the total consolidated earnings stood at kEUR -34,982 in H1/2019, i.e. kEUR 15,725 down on the corresponding result for the previous year (H1/2018: kEUR -19,257).

Additionally, Vapiano calculates an adjusted net profit or loss for the period for the information purposes. This is established by eliminating the following effects:

- The result for the period adjusted for the effects described in the transition to the adjusted EBITDA
- Write-downs on reacquired franchise rights and associated deferred tax income
- Effects from the revaluation of settlement liabilities to non-controlling shareholders measured at fair value and recorded in the financial

The adjusted result for the period at the end of the half-year is kEUR -17,994 (H1/2018: kEUR -8,091).

2.5. NET ASSETS AND CAPITAL STRUCTURE

Net assets and capital structure of the Group before and after IFRS 16 developed as follows compared to the prior year‘s reporting date:

In kEUR	6/30/2019	6/30/2019 (vor IFRS 16)	12/31/2018
Non-current assets	515,429	268,986	276,538
thereof intangible assets	*94,119*	*94,119*	*101,270*
thereof property, plant and equipment	*407,703*	*161,464*	*163,933*
Current assets	88,007	74,549	76,972
thereof assets classified as held for sale	*28,204*	*14,746*	*14,559*
Total assets	**603,436**	**343,535**	**353,510**
Equity	11,900	17,075	46,942
Non-current liabilities	434,559	219,879	147,144
thereof non-current financial liabilities	*402,629*	*173,296*	*111,135*
Current liabilities	156,977	106,581	159,424
thereof current financial liabilities	*65,402*	*24,603*	*81,296*
thereof liabilities directly associated with assets classified as held for sale	*16,703*	*3,935*	*4,023*
Total equity and liabilities	**603,436**	**343,535**	**353,510**
Net debt	**469,965**	**199,833**	**173,703**

As at 30 June 2019, total assets stood at kEUR 603,436 (31 December 2018: kEUR 353,510). This increase results largely from the requirements of IFRS 16. These have a significant effect both on the Group's assets and the liabilities.

The most significant value changes to key balance sheet items are described below.

Non-current and current assets
Intangible assets declined essentially as a result of the scheduled write-downs recorded in the first half of 2019. These mainly comprise goodwill (kEUR 38,549 compared to kEUR 38,971 on 31 December 2018) as well as franchise rights reacquired through corporate acquisitions (H1/2019: kEUR 38,590, 31 December 2018: kEUR 43,657).

As at 30 June 2019, the property, plant and equipment includes rights of use of kEUR 246,330 reported in accordance with IFRS 16.

The item also largely includes the fixtures and fittings of the restaurants operated by the Group including ancillary acquisition costs from expenditure expected in the future in conjunction with the potential deconstruction of the restaurants.

Adjusted for the rights of use reported pursuant to IFRS 16, a fall of kEUR 2,469 as compared to the previous year's balance sheet date was recorded, as scheduled and unscheduled write-downs was lower than the investments made.

Other financial assets (non-current) and other assets (non-current) developed from kEUR 2,814 on 31 December 2018 to kEUR 3,711 on 30 June 2019. These mainly include rent deposits paid for restaurant locations as well as deferred income for a long-term prepaid insurance charge.

Deferred tax assets rose to kEUR 6,868 (31 December 2018: kEUR 5,379). This increase is due to the rise in deferrable temporary differences.

The current assets rose overall from kEUR 76,972 on 31 December 2018 to kEUR 88,007 on 30 June 2019.

The current other financial assets mainly include VAT refund claims, receivables from supplier bonuses and claims from compensation claims against insurance companies and lessors of restaurant locations. The current other assets contain advanced payments of rent and other current prepayments and receivables.

Given that it is still the intention to sell the US sub-group, the associated attributable assets continue to be reported as held for sale. The increase to kEUR 28,204 on 30 June 2019 (31 December 2018: kEUR 14,559) is mainly a result of the valuation of the rights of use from the US restaurant leases under IFRS 16.

Accordingly, the liabilities associated directly with the assets held for sale also increase because associated leasing liabilities were recognised under IFRS 16.

Equity
In the first half-year equity fell from kEUR 46,942 to kEUR 11,900. This was largely due to the negative result for the period of kEUR 34,260.

The consolidated equity ratio fell from 13.3% to 5.0% on 31 December 2018 (before accounting for the effects of IFRS 16) or 2.0% if effects from IFRS 16 are included.

Current and non-current liabilities
The total consolidated liabilities rose from kEUR 306,568 to kEUR 591,536.

This increase includes kEUR 229,333 from applying the requirements of IFRS 16, which raises non-current financial liabilities from kEUR 111,135 (31 December 2018) to kEUR 402,629 on 30 June 2019. The remaining increase can be explained by new financing agreements entered into with the syndicate banks and Vapiano SE's major shareholders in the first half of 2019. Following the refinancing, parts of the syndicate loan that were reported as current on 31 December 2018 following the non-compliance with financial covenants and the resulting special right of termination on the part of the creditor banks were again shown as non-current.

In June 2019, transaction costs of kEUR 3,280 incurred in connection with the refinancing were offset against financial liabilities with no effect on income. These will be released to income over the term of the existing syndicated loan until May 2022.

Net debt on 30 June 2019 totals kEUR 469,965 (31 December 2018: kEUR 173,703). Ignoring leasing liabilities reported in accordance with IFRS 16, net debt would stand at kEUR 199,833, an increase of 15.0% compared with 31 December 2018. This is due to the drawdown of agreed credit lines. The net debt was calculated taking account of the consolidated balance sheet items other financial assets (current), cash and cash equivalents, current and non-current financial liabilities and current and non-current other financial liabilities.

The reduction of both the current and the non-current provisions is predominantly due to the requirements of IFRS 16 being applied. As part of the initial application, provisions for impending losses from lease agreements of kEUR 5,343 were set off against the book value of the rights of use reported for these agreements. Without this effect, neither the non-current nor the current provisions, which mainly contain provisions for deconstruction obligations, would have changed significantly.

The other financial liabilities (non-current) rose from kEUR 1,732 on 31 December 2018 to kEUR 13,601 on 30 June 2019, which is mainly attributable to the additional subordinated shareholder loans of kEUR 12,900 provided under the new subordinated shareholder loan agreements by the major shareholders of Vapiano SE.

The reduction of the non-current other liabilities of kEUR 12,770 on 31 December 2018 to kEUR 1,552 also is primarily a result of the requirements of IFRS 16 being applied. As at 30 June 2019, leasing incentives such as construction cost subsidies and rent-free periods totalling kEUR 12,612 (of which kEUR 11,626 are non-current) were set off against the rights of usage recognised under IFRS 16. As at the previous year's reporting date, additional other liabilities of this type were recognised as liabilities.

The deferred tax liabilities fell from kEUR 11,444 to kEUR 9,396 compared to 31 December 2018, which is mainly due to the reversal of temporary differences from intangible assets recognised in the context of purchase-price allocations.

The current other liabilities rose mainly as a result of higher deferred amounts from payroll accounting and for leave and overtime.

2.6. FINANCIAL POSITION

In H1/2019, the net cash flow from operating activities (after tax and interest payments) stood at kEUR 11,333 (H1/2018: kEUR 3,071).

Applying the requirements of IFRS 16 for the first time produced an effect of kEUR 14,826, without which the net cash flow from operating activities in the first half of 2019 would have stood at kEUR -3,493.

The cash flow from investing activities, which are primarily for the opening of new restaurants and the renovation of existing restaurants, produced a cash outflow of kEUR -21,717 (H1/2018: kEUR -33,871). The year-on-year fall in this value is due to the fall in investments following the change to the Group's strategy.

Cash flow from financing activities in H1/2019 is reported as kEUR 4,178 (H1/2018: kEUR 33,169). In the first half-year of 2019, kEUR -14,826 of that sum is influenced by effects of the first application of IFRS 16 (which also affected cash flow from operating activities to the same amount). Overall the Group's financing activities largely fell in line with the slowdown in growth.

Vapiano's financing is secured thanks to the syndicated loan for up to kEUR 200,000 entered into on May 2017 for five years. After the financial covenants agreed with the banks could not be met in the financial year 2018, the agreement was renegotiated and revised in June 2019. The term is unchanged, and Vapiano complied with the adjusted framework conditions during the reporting period. The interest rate is comprised of EURIBOR and a variable interest rate margin agreed in the credit agreement that is dependent on the Group's debt level.

2.7. EMPLOYEES

On 30 June 2019, the Group employed a total of 7,852 employees (31 December 2018: 7,225).

Vapiano employs 3,072 people in Germany, 3,704 in the Rest of Europe segment and 814 in the Rest of the World segment. Additionally, Vapiano employs 262 people in various administrative areas.

3. Opportunities and risks of future development

In H1/2019, there were no fundamental changes for the Vapiano Group compared to the opportunities and risks described in the management report 2018. All locations will undergo a critical inspection in the course of the strategic reorientation. Efforts will be taken to renegotiate leases in individual cases. While landlords are definitely open to discussions, it cannot be ruled out that the contracts cannot be renegotiated to the desired extent or terminated, and any costs in excess of the anticipated level would have to be borne by Vapiano. There are still no risks apparent which could not be countered by suitable counter-measures or which could threaten the continued existence of the Group and Vapiano SE.

4. Outlook

Financial year 2019 is regarded as a transitional year for the strategy adaptation. Growth is slowing, investments are being critically reviewed, and the sustainability of economic development is the primary concern.

A total of 10 to 15 further new restaurant openings are intended for the financial year. Additionally, Vapiano is currently intensively reviewing opportunities to sell unprofitable locations to external franchisees or to close them.

Similarly, the reduction of the complexity of the business model, the simplification of the menu and the optimisation and stringent standardisation of the processes in the restaurants will continue to play an important role over the rest of the financial year.

Based on the earnings performance in the first half-year, the Management Board anticipates the following results for the whole of 2019:

Consolidated sales in 2019 are expected to be in the range of EUR 390 million to EUR 420 million and like-for-like sales development is expected to continue to decline, slightly below the level of 2018 financial year. The EBITDA (“reported EBITDA incl. IFRS 16“) resulting from the consolidated statement of comprehensive income is expected to amount to EUR 51 million to EUR 58 million for the full year 2019. Adjusted EBITDA (excl. IFRS 16) is expected to be between EUR 20 million and EUR 25 million.

The Management Board continues to assume that the consolidated result will improve over the long term, but in 2019 it will still be clearly negative.

5. Supplementary report

The key results following the balance sheet date are set out in section 10 "Events after the balance sheet date" of the notes to the interim consolidated financial statements.

Cologne, 11 September 2019

Vanessa Hall Chief Executive Officer	Lutz Scharpe Chief Financial Officer	Johann Stohner Chief Transformation Officer

CONSOLIDATED FINANCIAL STATEMENTS 01-06/2019

Consolidated statement of comprehensive income

(kEUR)	Q2/2019	Q2/2018	H1/2019	H1/2018
Result for the period				
Sales	**98,733**	**88,803**	**196,598**	**175,122**
Change in inventories	53	0	27	0
Other operating income	2,169	4,541	4,753	8,077
Capitalised own work	0	372	0	483
Cost of materials	-23,598	-22,891	-47,036	-44,444
Personnel expenses	-44,565	-39,931	-89,581	-76,431
Amortisation and write-downs of intangible assets and depreciation and write-downs of property, plant and equipment	-29,942	-11,189	-48,984	-21,440
Impairment losses on financial assets	-513	0	-523	0
Other operating expenses	-20,896	-29,448	-41,431	-54,438
Operating result	**-18,559**	**-9,743**	**-26,177**	**-13,071**
Finance income	2,031	100	2,040	190
Finance costs	-6,966	-2,695	-12,370	-3,891
Net financial income/expenses	*-4,935*	*-2,595*	*-10,330*	*-3,701*
Result from accounting using the equity method	25	-174	-92	-182
Profit/Loss before taxes	**-23,469**	**-12,512**	**-36,599**	**-16,954**
Income tax income/expenses	503	-1,341	2,339	-978
Result for the period	**-22,966**	**-13,853**	**-34,260**	**-17,932**
Other comprehensive income				
Items which may be reclassified to profit or loss in future				
Currency translation differences as a result of foreign operations	*50*	*-817*	*-722*	*-1,325*
Total comprehensive income	**-22,916**	**-14,670**	**-34,982**	**-19,257**
Result for the period attributable to:				
Shareholders of the parent company	-21,125	-12,858	-31,266	-16,129
Non-controlling interests	-1,826	-995	-2,994	-1,803
Total	**-22,966**	**-13,853**	**-34,260**	**-17,932**
Total comprehensive income attributable to:				
Shareholders of the parent company	-20,990	-13,546	-31,819	-16,919
Non-controlling interests	-1,911	-1,124	-3,163	-2,338
Total	**-22,916**	**-14,670**	**-34,982**	**-19,257**

			2019	2018
Earnings per share from continuing operations				
Basic (euros per share)	-0,81	-0,54	-1,20	-0,67
Diluted (euros per share)	-0,81	-0,54	-1,20	-0,67

Consolidated statement of financial position

(kEUR)	6/30/2019	12/31/2018
Assets		
Assets		
Intangible assets	94,119	101,270
Property, plant and equipment	407,703	163,933
Trade receivables	806	839
Investments accounted for using the equity method	2,222	2,303
Other financial assets (non-current)	3,036	2,263
Other assets (non-current)	675	551
Deferred tax assets	6,868	5,379
Non-current assets	**515,429**	**276,538**
Inventories	7,521	7,228
Trade receivables	5,037	4,996
Other financial assets (current)	11,132	11,426
Other assets (current)	13,658	9,390
Income tax assets	2,163	1,811
Cash and cash equivalents	20,292	27,562
	59,803	62,413
Assets classified as held for sale	28,204	14,559
Current assets	**88,007**	**76,972**
Total	**603,436**	**353,510**
Equity & Liabilities		
Equity		
Share capital	26,063	26,063
Capital reserve	106,907	106,907
Currency translation reserves	-1,607	-1,054
Retained earnings	-128,036	-96,710
Equity attributable to the shareholders of the parent company	**3,327**	**35,206**
Non-controlling interests	8,573	11,736
Equity	**11,900**	**46,942**
Liabilities		
Provisions	7,381	10,063
Non-current financial liabilities	402,629	111,135
Other financial liabilities (non-current)	13,601	1,732
Other liabilities (non-current)	1,552	12,770
Deferred tax liabilities	9,396	11,444
Non-current liabilities	**434,559**	**147,144**
Provisions	1,039	3,350
Current financial liabilities	65,402	81,396
Trade payables	28,512	29,400
Other financial liabilities (current)	19,757	18,428
Other liabilities (current)	23,943	21,747
Income tax liabilities	1,621	1,080
	140,274	**155,401**
Liabilities directly associated with assets classified as held for sale	**16,703**	**4,023**
Current liabilities	**156,977**	**159,424**
Liabilities	**591,536**	**306,568**
Total	**603,436**	**353,510**

Consolidated statement of cash flows

(kEUR)	H1/2019	H1/2018
Cash flow from operating activities		
Result for the period (before taxes)	-36,599	-16,954
Adjustments for:		
Amortisation and write-downs of intangible assets and depreciation and write-downs of property, plant and equipment	48,984	21,440
Impairment losses on financial assets	523	0
Non-cash income and expenses	-1,701	-1,519
Net finance costs	10,330	3,701
Share of profit or loss of companies accounted for using the equity method, net of tax	92	182
Net loss from the sale of property, plant and equipment	0	185
	21,629	7,035
Changes in:		
Inventories	-319	-4
Trade receivables and other receivables	-3,772	1,129
Trade payables and other liabilities	6,630	-1,540
Other provisions and provisions for employee benefits	-14	765
Cash inflow from operating activities	**24,154**	**7,385**
Interest received	11	0
Interest paid	-11,864	-2,842
Income taxes paid	-968	-1,472
Net cash flow from operating activities	**11,333**	**3,071**
Cash flow from investing activities		
Inflows from the sale of intangible assets and property, plant and equipment	0	0
Acquisition of intangible assets and property, plant and equipment	-21,705	-32,715
Acquisition of subsidiary, net of cash acquired	0	-946
Acquisition of other financial assets	- 12	-210
Cash flow from investing activities	**-21,717**	**-33,871**
Cash flow from financing activities		
Proceeds from capital increase	0	0
Transaction costs	0	0
Loan received from shareholders of Vapiano SE	12,900	0
Proceeds from other financial liabilities	13,779	37,598
Transaction costs relating to syndicated loan	-3,176	0
Outflows relating to other financial liabilities	-20,225	-4,429
Non-cash deposit on accounts with restraints on disposal	900	0
Acquisition of non-controlling interests	0	0
Distribution of profits	0	0
Cash flow from financing activities	**4,178**	**33,169**
Cash and cash equivalents		
Net increase in cash and cash equivalents	-6,206	2,369
Cash and cash equivalents at the beginning of the period	26,381	14,871
Effect of movement in exchange rate and changes in the scope of consolidation on cash held	-164	0
Cash and cash equivalents at 30 June	**20,011**	**17,240**

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 1/1/2019	**26,063**	**106,907**	**-1,054**	**-96,710**	**35,206**	**11,736**	**46,942**
Total comprehensive income							
Result for the period	0	0	0	-31,266	-31,266	-2,994	-34,260
Other comprehensive income	0	0	-553	0	-553	-169	-722
Total comprehensive income	0	0	-553	-31,266	-31,819	-3,163	-34,982
Release of reserve for share-based payment	0	0	0	-60	-60	0	-60
Group equity as of 6/30/2019	**26,063**	**106,907**	**-1,607**	**-128,036**	**3,327**	**8,573**	**11,900**

(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**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 01-06/2019

1. REPORTING COMPANY

Vapiano SE is a company that has its registered office in Cologne, Germany. The Company's business address is Zollhafen 2-4 in 50678 Cologne [Germany]. The Company is entered in the commercial register (Handelsregister) of the Local Court (Amtsgericht) of Cologne under HRB 95084.

The shares of Vapiano SE are traded on the regulated market of the Frankfurt Stock Exchange (Prime Standard) under the Securities Identification Number A0WMNK or ISIN DE000A0WMNK9.

The Vapiano SE Management Board prepared the condensed consolidated financial statements for the period from 1 January 2019 to 30 June 2019 (hereinafter referred to as "the consolidated financial statements") on 11 September 2019.

2. PRINCIPLES AND METHODS

General information

The present interim consolidated financial statements as at 30 June 2019 have been prepared in accordance with the provisions of IAS 34 in condensed format pursuant to the provisions of the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board, London and the interpretations of the IFRS Interpretations Committee, as adopted by the European Union and as applicable on the balance sheet date.

The information required under IAS 34 in respect of the change of individual items of the interim consolidated balance sheet, the interim consolidated statement of comprehensive income and interim consolidated statement of cash flows is provided in the interim group management report.

For mathematical reasons, rounding differences to the mathematically exact values may arise in the tables.

These interim consolidated financial statements and interim group management report have neither been audited nor reviewed by auditors.

Financing situation of the Group

On 13 June 2019, Vapiano SE entered into an agreement on the Group's further financing with the six financing syndicate banks and its three major shareholders.

As part of this agreement, Vapiano SE's three major shareholders agree to provide additional loans, incorporating qualified subordinations, totalling EUR 17.7 million with a final redemption date of 23 November 2022. Of this, a sum of EUR 12.9 million was drawn down by Vapiano SE in June 2019.

The syndicate banks providing the funding gave an undertaking that funds from the revolving credit facility that forms part of the syndicated loan upon which disposal and access restrictions were imposed following the non-compliance with financial covenants would be made available again.

Taking this agreement into account, these consolidated financial statements as at 30 June 2019 were therefore drawn up assuming a going concern.

Limited comparability of comparative figures provided

There was no adjustment of the previous year's comparative figures when applying IFRS 16 for the first-time, and, for this reason, they can only be compared with the figures of the reporting period to a limited extent. In this context, please refer to the statements relating to the first use of IFRS 16.

Furthermore, Group disclosures for the first half of 2019 can only be compared to a limited extent with the corresponding period of the previous year, also due to the company acquisitions "Australia" and "Darmstadt" concluded on 4 May and 14 December 2018, respectively. Please refer to our explanations in the notes to the consolidated financial statements as at 31 December 2018 with regard to the effects of the company acquisitions made in the 2018 financial year.

Accounting and Valuation Principles

The disclosures in the notes to the 2018 consolidated financial statements apply with regard to significant accounting and valuation principles, with the exception of the changes shown below.

As of 1 January 2019, the following standards which have been approved by the IASB or IFRIC or amended and transposed into European law have been applied to the preparation of the interim consolidated financial statements for the first time.

IFRS 16

Significant effects resulted from the first-time application of the provisions of IFRS 16, which became mandatory on 1 January 2019. As a result of the application of IFRS 16, financial obligations from rental and leasing agreements previously accounted for as operating leasing agreements have been discounted since 1 January 2019 at the incremental borrowing rate and recognised as a leasing liability. On the assets side, corresponding rights of use from the agreements concerned are recognised and amortised over the remaining term of the respective agreement using the straight-line method. The rights of use recorded under IFRS 16 are reported in the Group balance sheet as part of the property, plant and equipment as opposed to separately.

Vapiano does not fully apply the new leasing standard retrospectively but uses the simplified provision ("modified retrospective method") permitted for lessees during the transition. Consequently, as of 1 January 2019, the rights of use were recognised at a sum equivalent to the leasing liability. In addition, as at 31 December 2018, amounts accrued from lease incentives in the form of rent-free periods or construction cost subsidies granted by the lessor have been deducted from the carrying amount of the rights of use concerned. The same applies to the provisions for impending losses recognised on the previous year's reporting date from tenancy agreements of permanently loss-making restaurant locations.

In the cash flow statement, the repayment portion of the lease payments from previous operating leases now reduces the cash flow from financing activities and no longer the cash flow from operating activities. Only the interest payments remain in the cash flow from operating activities. This is increasing overall.

The table below shows the effects on the opening balance as at 1 January 2019:

Reconciliation of consolidated statement of financial position - IFRS 16

(kEUR)

ASSETS	12/31/2018	Effects from IFRS 16	1/1/2019
Assets			
Non-current assets	276,538	264,103	540,641
of which property, plant and equipment	163,933	264,103	428,036
Current assets	76,972	13,376	90,348
Assets classified as held for sale	14,559	13,736	27,935
Total assets	**353,510**	**277,479**	**630,989**

LIABILITIES	12/31/2018	Effects from IFRS 16	1/1/2019
Equity	46,942	0	46,942
Non-current liabilities	147,144	226,484	373,628
of which long-term provisions	10,063	-3,027	7,036
of which non-current financial liabilities	111,135	241,476	352,611
of which non-current other liabilities	12,770	-11,965	805
Current liabilities	159,424	50,995	210,419
of which current provisions	3,350	-2,315	1,035
of which current financial liabilities	81,396	41,080	122,476
of which other current liabilities	21,747	-1,146	20,601
Liabilities directly associated with assets classified as held for sale	4,023	13,376	17,399
Total equity and liabilities	**353,510**	**277,479**	**630,989**

The obligations from operating leases set out in the consolidated notes as at 31 December 2018 are derived from the leasing liabilities recognised as at 1 January 2019:

kEUR	
Obligations from operating leases as at 31 December 2018	377,481
Discounted at the lessor's incremental borrowing rate at the date that IFRS 16 was first applied	-81,821
Plus: liabilities from finance leasing accounted for as at 31 December 2018	272
Leasing liabilities accounted for as at 1 January 2019	**295,932**
of which current leasing liabilities	54,456
of which non-current leasing liabilities	241,476

Additionally, due to the application of IFRS 16, the amended accounting rules had the following effects on the consolidated statement of comprehensive income in the first half of 2019.

kEUR	H1/2019 (before IFRS 16)	Effects of IFRS 16	H1/2019
Sales	**196,598**	**0**	**196,598**
Changes in inventory	27	0	27
Other operating income	5,192	-439	4,753
Cost of materials	-47,036	0	-47,036
Personnel expenses	-89,581	0	-89,581
Amortisation and depreciation of intangible assets and property, plant and equipment	-28,783	-20,201	-48,984
Impairment losses on financial assets	-523	0	-523
Other operating expenses	-62,796	21,365	-41,431
Operating result	**-26,902**	**725**	**-26,177**
Financial income	2,040	0	2,040
Finance costs	-6,270	-6,100	-12,370
Financial result	-4,230	-6,100	-10,330
Result from accounting using the equity method	-92	0	-92
Profit/loss before tax	**-31,224**	**-5,375**	**-36,599**
Tax expenses/income	2,135	204	2,339
Net profit or loss for the period	**-29,089**	**-5,171**	**-34,260**

The consolidated statement of cash flows for the first half of 2019 exhibited an increase in the net cashflow from operating activities (after interest and taxes paid) and a countervailing reduction in cash flow from financing activities of kEUR 14,826 due to the first application of IFRS 16.

Further amended provisions or provisions to be applied for the first time
As of 1 January 2019, the Group has been using IAS 28 (Long-term Investments in Associates and Joint Ventures) in the amended version and the newly introduced provisions of IFRIC 23 (Accounting for Uncertainties relating to Income Taxes). The first-time application of these provisions did not have any significant effect on the Group's net assets, financial position and results of operations.

Foreign currency conversion
Changes in the parameters on which the valuation is based relate primarily to the exchange rates used.

The exchange rates for major currencies against the euro were as follows:

		Closing rate		Average rate	
in EUR Currency	Country	**6/30/2019**	12/31/2018	**H1/2019**	H1/2018
USD	USA	1.14	1.15	1.13	1.21
GBP	United Kingdom	0.90	0.89	0.87	0.88
CNY	China	7.82	7.88	7.67	7.71
AUD	Australia	1.62	1.62	1.60	1.57
DKK	Denmark	7.46	7.47	7.47	7.45
SEK	Sweden	10.56	10.25	10.52	10.15

3. SCOPE OF CONSOLIDATION

In addition to Vapiano SE, on 30 June 2019, 105 (31 December 2018: 105) domestic and foreign subsidiaries controlled directly or indirectly by Vapiano SE were included.

Please refer to the Notes to the consolidated financial statements as at 31 December 2018 for more information on the companies included in the scope of consolidation.

4. COMPANY ACQUISITIONS

There were no changes as a result of the Australia company acquisition during completion of the purchase-price allocation provisionally accounted for on the previous year's balance sheet date. For detailed information in this connection, please see Chapter 1.8 "Acquisitions and other changes in the scope of consolidation" in the Notes to the consolidated financial statements for the 2018 financial year.

5. INFORMATION ABOUT THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Sales
Sales in the first half of the year broke down year-on-year as follows:

in kEUR	Q2/2019	Q2/2018	H1/2019	H1/2018
Sales from restaurant operations	95,948	85,347	190,478	167,898
Other sales	2,785	3,456	6,120	7,224
Total	**98,733**	**88,803**	**196,598**	**175,122**

in kEUR	Q2/2019	Q2/2018	H1/2019	H1/2018
Germany	38,195	44,120	77,907	81,620
Other countries	60,538	44,683	118,691	93,502
Total	**98,733**	**88,803**	**196,598**	**175,122**

Sales growth as compared to the same period in the previous year is mainly due to the corporate acquisitions undertaken in 2018 as well as restaurant openings.

Amortisation and depreciation of intangible assets and property, plant and equipment
Unscheduled write-downs of kEUR 8,416 on three German restaurant locations were recorded in the first half of 2019. Towards the end of the ramp-up phase following the opening, it became apparent that these locations were likely to be permanently impaired.

Financial result
In the first half of 2019, the total revaluation of compensation liabilities measured at fair value from termination rights and put-options accruing to non-controlling interests amounted to kEUR 1,909.

Earnings per share

The following information was used to calculate earnings per share:

Ordinary shares	H1/2019	H1/2018
Issued as at 1 January	26,063,251	24,029,833
Issued as at 30 June – fully paid*	**26,063,251**	**24,029,833**

*Approved – nominal value 1 EUR

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

In EUR or EUR per share	H1/2019	H1/2018
Consolidated profit/loss for the period attributable to shareholders of the parent company in EUR (basic / diluted)	-31,266,873	-16,129,150
Number of shares issued (in units)	26,063,251	24,029,833
Weighted average number of ordinary shares issued	26,063,251	24,029,833
Basic / diluted earnings per share (EUR per share)	**-1.20**	**-0.67**

6. INFORMATION ABOUT THE CONSOLIDATED BALANCE SHEET

Intangible assets and property, plant and equipment

Intangible assets broke down as follows as compared to the same period in the previous year:

kEUR	6/30/2019	12/31/2018
Reacquired franchise rights	38,590	43,657
Goodwill	38,549	38,971
Other intangible assets	16,980	18,642
Total	**94,119**	**101,270**

Property, plant and equipment broke down as follows as compared to the same period in the previous year:

kEUR	6/30/2019	12/31/2018
Leasehold improvements	63,417	68,707
Rights of use (IFRS 16)	246,330	0
technical equipment and machinery	17,589	18,034
other facilities, factory and office equipment	74,219	72,204
Assets under construction	6,148	4,988
Total	**407,703**	**163,933**

Assets classified as held for sale and associated liabilities
As on the prior year's reporting date, the assets and debts of the US subgroup held for sale are reported as a disposal group as per IFRS 5.

As reported by Vapiano SE in its ad-hoc announcement of 16 August 2019, the exclusivity of the sales agreement for the sale of the US business has been waived due to the purchase price not being paid. The Management Board of Vapiano SE is nonetheless pursuing the execution in rem of the share sale agreement entered into with the purchaser on 3 January 2019. At the same time, the search for potential alternative purchasers has commenced, meaning that the Management Board continues to assume an overwhelming likelihood that the sale of the US business can be completed promptly.

Group equity
Changes in equity of Vapiano SE are set out in the consolidated statement of changes in equity.

All the differences from the translation of financial statements of foreign business operations not prepared in the Group currency are included in the foreign currency translation reserve which is allocated to the item "Other reserves".

Retained earnings contain the net result for the period and the consolidated earnings generated in the past if they have not been distributed.

Financial liabilities
Financial liabilities are structured as follows as compared to the same period in the previous year:

kEUR	6/30/2019	12/31/2018
Liabilities to banks	197,752	192,260
Leasing liabilities	270,279	271
Total	**468,031**	**192,531**

7. SEGMENT REPORTING

Since 1 January 2019, the Group has been managed on the basis of the segment EBITDA without accounting for the effects of the application of IFRS 16. The determination and presentation of segment reporting as at 30 June 2019 by comparison with the notes to the consolidated financial statements as at 31 December 2018 has changed in that the stated segment EBITDA has been adjusted for the effects of the application of IFRS 16 and a corresponding item has been included as part of the transition to the Group's result for the period.

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

H1/2019 in kEUR	Germany	Rest of Europe	Rest of the World	Other	Consolidation	Total
External sales	75,366	102,141	16,550	2,541	0	**196,598**
Sales with other operating segments	5,072	7,179	1,654	5,518	-19,423	**0**
Segment sales	80,438	109,320	18,204	8,059	-19,423	**196,598**
Segment EBITDA	7,737	6,514	687	-13,057	0	**1,881**
EBITDA effects from IFRS 16						**20,926**
Amortisation and depreciation of intangible assets and property, plant and equipment (including write-downs of rights of use on the asset side under IFRS 16)						**-48,984**
Financial result						**-10,330**
Result from accounting using the equity method						**-92**
Income tax income/expenses						**2,339**
Result for the period						**-34,260**

H1/2018 in kEUR	Germany	Rest of Europe	Rest of the World	Other	Consolidation	Total
External sales	74,524	88,640	10,787	1,171	0	**175,122**
Sales with other operating 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**
Amortisation and depreciation of intangible assets and property, plant and equipment						**-21,440**
Financial result						**-3,701**
Result from accounting using the equity method						**-182**
Income tax income/expenses						**-978**
Result for the period						**-17,932**

Q2/2019 in kEUR	Germany	Rest of Europe	Rest of the World	Other	Consolidation	Total
External sales	36,709	52,214	8,390	1,420	0	**98,733**
Sales with other operating segments	2,471	3,603	1,002	2,735	-9,811	**0**
Segment sales	39,180	55,817	9,392	4,155	-9,811	**98,733**
Segment EBITDA	3,719	3,738	215	-6,789	0	**883**
EBITDA effects from IFRS 16						**10,500**
Amortisation and depreciation of intangible assets and property, plant and equipment (including write-downs of rights of use on the asset side under IFRS 16)						**-29,942**
Financial result						**-4,935**
Result from accounting using the equity method						**25**
Income tax income/expenses						**503**
Result for the period						**-22,966**

Q2/2018 in kEUR	Germany	Rest of Europe	Rest of the World	Other	Consolidation	Total
External sales	36,980	44,473	6,984	367	0	88,803
Sales with other operating 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
Amortisation and depreciation of intangible assets and property, plant and equipment						-11,189
Financial result						-2,595
Result from accounting using the equity method						-174
Income tax income/expenses						-1,341
Result for the period						-13,853

Geographical information

The table above shows the sales from the Group's business areas from transactions with external customers based on the geographical location of the business operation.

The information regarding segment assets is made up as follows, based on the geographical location of the assets:

	Non-current assets (by regions)*	
in kEUR	6/30/2019	12/31/2018
Germany (Germany)	162,236	84,305
France (Rest of Europe)	145,306	82,706
Sweden (Rest of Europe)	40,387	27,775
Austria (Rest of Europe)	45,107	26,417
Other countries (Rest of World & Other)	110,268	45,391
Total	**503,304**	**266,594**

* The non-current assets do not include any other financial assets, financial assets and deferred tax assets accounted for using the equity method.

The balances specified for the reporting date 30 June 2019 include usage rights from rental and lease agreements in the following amount:

	Usage rights
kEUR	6/30/2019
Germany (Germany)	86,956
France (Rest of Europe)	60,139
Sweden (Rest of Europe)	15,374
Austria (Rest of Europe)	16,368
Other countries (Rest of World & Other)	67,493
Total	**246,330**

Sales by functional area

The allocation of the Group's sales into classes of comparable products or services is included in the allocation to restaurant sales and other sales in section 5 "Information about the consolidated statement of comprehensive income".

Information on main customers

No single customer contributed 10% or more to Group sales in the first half of 2019 or the financial year 2018.

8. RELATED PARTIES AND INDIVIDUALS

In the first half of the 2019 financial year, there was no change in the composition of related parties from what was shown under Note 4.4 "Related Parties" in the Notes to the consolidated financial statements for the 2018 financial year.

Transactions with related parties are conducted on terms that customarily apply among third parties (arm's length).

Transactions with related parties

In the first half of the 2019 financial year, Group companies concluded the following transactions with related parties that do not belong to the group of consolidated companies:

	Deliveries and services from franchise and marketing services as well as passed on charges			
in kEUR	Q2/2019	Q2/2018	H1/2019	H1/2018
VAP Leipzig GmbH & Co. KG	29	42	63	69
Associates of Vapiano SE	5	231	22	649
Total	**34**	**273**	**85**	**718**

	Deliveries and services received from lease agreements and consulting services			
in kEUR	Q2/2019	Q2/2018	H1/2019	H1/2018
VAP Leipzig GmbH & Co. KG	56	52	113	104
Gator GmbH	92	52	184	104
Maryland GmbH	35	0	69	0
Total	**183**	**104**	**366**	**208**

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

	Receivables		Liabilities	
in EUR	6/30/2019	12/31/2018	6/30/2019	12/31/2018
VAP Leipzig GmbH & Co. KG	5	14	6,371	3,270
Exchange Bio GmbH	0	0	2,480	0
Mayfair Beteiligungsfonds II GmbH und Co. KG	0	0	12,492	4,825
Maryland GmbH	0	0	82	0
Associates of Vapiano SE	466	272	1	1
Total	**471**	**286**	**21,426**	**8,096**

EUR 21.3 million of the Group‘s outstanding liabilities as at 30 June 2019 pertain to subordinated loans granted by the Group’s main shareholders.

Transactions with associated companies

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

No expense was recognised for bad or doubtful debts in the first half of 2019 nor in the previous year in respect of amounts owed by related parties.

Transactions with members of key management personnel

The contractual relationships with members of key management personnel declared in Note 4.4 of the Notes to the consolidated financial statements for the 2018 financial year remain unchanged but are not of material significance for the Group.

9. REPORTING ON FINANCIAL INSTRUMENTS

The carrying amounts and fair values as at 30 June 2019 are as follows:

6/30/2019 kEUR	Carrying amount by valuation category: At fair value through profit and loss	Amortised cost	Valuation as per IFRS 16	Total	Fair value: Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value								
Trade receivables	0	5,843	0	5,843	0	0	0	0
Other financial assets	0	14,168	0	14,168	0	0	0	0
Cash and cash equivalents	0	20,292	0	20,292	0	0	0	0
Total	0	40,303	0	40,303	0	0	0	0
Financial liabilities measured at fair value								
Other financial liabilities	3,784	0	0	3,784	0	0	3,784	3,784
Total	3,784	0	0	3,784	0	0	3,784	3,784
Financial liabilities not measured at fair value								
Liabilities to banks	0	197,751	0	197,751	0	197,282	0	197,282
Trade payables	0	28,512	0	28,512	0	0	0	0
Leasing liabilities	0	0	270,279	270,279	0	270,279	0	270,279
Other financial liabilities	0	29,574	0	29,574	0	29,575	0	29,575
Total	0	255,837	270,279	526,116	0	497,136	0	497,136

12/31/2018 kEUR	Carrying amount by valuation category				Fair value			
	At fair value through profit and loss	Amortised cost	Valuation pursuant to IAS 17	Total	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value								
Trade receivables	0	5,835	0	**5,835**	0	0	0	**0**
Other financial assets	0	13,689	0	**13,689**	0	0	0	**0**
Cash and cash equivalents	0	27,562	0	**27,562**	0	0	0	**0**
Total	**0**	**47,086**	**0**	**47,086**	**0**	**0**	**0**	**0**
Financial liabilities measured at fair value								
Interest rate swaps	65	0	0	**65**	0	65	0	**65**
Other financial liabilities	5,693	0	0	**5,693**	0	0	5,693	**5,693**
Total	**5,758**	**0**	**0**	**5,758**	**0**	**65**	**5,693**	**5,758**
Financial liabilities not measured at fair value								
Liabilities to banks	0	192,260	0	**192,260**	0	191,855	0	**191,855**
Trade payables	0	29,400	0	**29,400**	0	0	0	**0**
Liabilities from finance leases	0	-	271	**271**	0	273	0	**273**
Other financial liabilities	0	14,402	0	**14,402**	0	14,404	0	**14,404**
Summe	**0**	**236,062**	**271**	**236,333**	**0**	**206,532**	**0**	**206,532**

There were no reclassifications within the hierarchy levels in the first six months of 2019.

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 2019:

kEUR	Other financial liabilities
As at 1/1/2019	**5,693**
Change in fair value recognised in net financial income / expense	-1,909
As at 6/30/2019	**3,784**

Valuation techniques and significant unobservable inputs

The following valuation techniques and unobservable inputs were used to determine the Level 2 and Level 3 fair values.

Level 2 financial instruments measured at fair value through profit or loss
The fair values of the 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. Black-Scholes model, are used for the market value determination of interest rate caps. The relevant market data observed on the balance sheet date are used as far as possible as input parameters.

Valuation models were used as a basis to determine the market values of currency forwards open on the balance sheet date 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 classified as Level 2. The respective counterparty risk is not taken into account in the valuation as normally insignificant amounts are involved.

The fair value of non-current liabilities to banks is measured on the basis of the yield curve without taking the counterparty risk into account. It is therefore allocated to Level 2 of the measurement hierarchy.

No fair values are given for financial instruments e.g. receivables and trade payables, cash and cash equivalents and other financial receivables and payables as the carrying amounts are an appropriate approximation of the fair value due to the predominantly short residual term to maturity.

Level 3 financial instruments measured at fair value
On 30 June 2019, liabilities from compensation liabilities relating to the future acquisition of non-controlling interests were measured based on Level 3.

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

10. EVENTS AFTER THE BALANCE SHEET DATE

On 1 July 2019, Johann Stohner took up his position as Chief Transformation Officer in the Management Board of Vapiano SE. The Supervisory Board had appointed Mr. Stohner as new board member until the successful conclusion of the transformation.

On 16 August 2019, Vapiano published an ad-hoc announcement reporting an agreement with Plutos Sama to terminate the exclusivity of the sales agreement regarding the US business. Since Plutos Sama has not yet been able to secure the conditions for closing the transaction due to a delay in the realization of the financing, Vapiano is now entitled to examine alternative options to sell the US business and will initiate a structured sales process for this purpose.

Vapiano announced in an ad-hoc announcement on 18 August 2019 Cornelius Everke's intention to resign from his position as Chairman of the Management Board effective 31 August 2019. On 5 September 2019, the position was taken over by Vanessa Hall, former chairwoman of the Supervisory Board.

Ms Vanessa Hall was elected as a Member of the Supervisory Board at the Shareholders' Meeting of 21 August 2019. This will be in abeyance for the duration of her appointment to the Management Board of Vapiano SE. Additionally, Mr. Ado Michael Nolte was appointed to the Supervisory Board.

The contract of the Chief Financial Officer, Lutz Scharpe, was extended until 2023.

Cologne, 11 September 2019

Vanessa Hall
Chief Executive Officer

Lutz Scharpe
Chief Financial Officer

Johann Stohner
Chief Transformation Officer

Responsibility statement

We hereby affirm that, to the best of our knowledge, the interim consolidated financial statements have been prepared in accordance with the applicable accounting principles for interim reporting and provide a true and fair view of the Group's assets, liabilities, financial position and financial performance and that the interim group management report presents the course of business, including the business results and the Group's situation in such a manner that it provides a true and fair view and describes the main opportunities and risks for the Group's foreseeable performance.

Cologne, 11 September 2019

Vanessa Hall
Chief Executive Officer

Lutz Scharpe
Chief Financial Officer

Johann Stohner
Chief Transformation Officer

Financial Calendar 2019

Date	Event
11 September 2019	Half-Year Report (as of June 30, 2019)
20 November 2019	Publication Q3 results (as of September 30, 2019)

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