HolidayCheck GROUP

INTERIM REPORT FOR THE FIRST HALF OF 2018 OF HOLIDAYCHECK GROUP AG

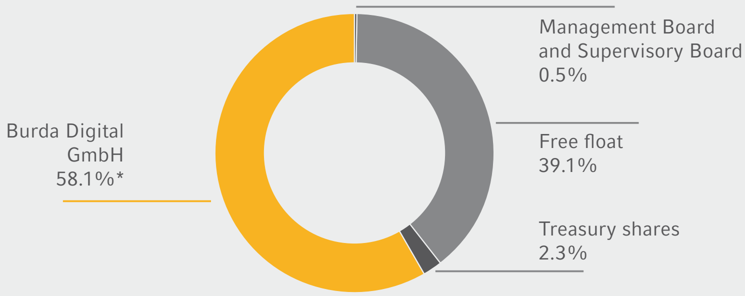
Key figures

REVENUE AND EARNINGS		First half 2018	First half 2017	Change	2Q 2018	2Q 2017	Change
Consolidated revenue	(EUR million)	72.8	61.2	19.0%	31.4	27.7	13.4%
Marketing expenses	(EUR million)	-34.8	-29.5	18.0%	-15.0	-14.6	2.7%
Personnel expenses	(EUR million)	-19.6	-19.4	1.0%	-9.9	-9.9	0.0%
EBITDA	(EUR million)	7.2	1.5	>100%	1.2	-2.7	-
Operating EBITDA	(EUR million)	7.8	2.5	>100%	1.6	-1.9	-
EBIT	(EUR million)	4.1	-1.5	-	-0.4	-4.3	-90.7%
Financial result	(EUR million)	-0.1	-0.1	0.0%	0.0	0.0	-
EBT	(EUR million)	4.0	-1.6	-	-0.4	-4.3	-90.7%
Consolidated net profit/loss from continuing operations	(EUR million)	3.0	-2.1	-	-0.4	-4.0	-90.0%
Consolidated net profit/loss from discontinued operations	(EUR million)	0.0	0.3	-	0.0	0.3	-
Consolidated net profit/loss	(EUR million)	3.0	-1.8	-	-0.4	-3.7	-89.2%
Earnings per share from continuing operations	in EUR	0.05	-0.04	-	-0.01	-0.07	-85.7%
Earnings per share	in EUR	0,05	-0,03	-	-0,01	-0,06	-83,3%

ASSETS AND CAPITAL STRUCTURE		30 June 2018	30 June 2017	Change
Total assets	(EUR million)	192.9	182.3	5.8%
Non-current assets	(EUR million)	133.9	134.5	-0.4%
Current assets	(EUR million)	59.1	47.8	23.6%
thereof cash	(EUR million)	25.5	26.2	-2.7%
Equity	(EUR million)	160.6	157.0	2.3%
Debt	(EUR million)	32.4	25.4	27.6%

KEY CAPITAL MARKET DATA		30 June 2018	30 June 2017	Change
Equity ratio	in percent	83.2%	86.1%	-3.4%
Debt ratio	in percent	16.8%	13.9%	20.9%

Shareholder structure as at 30 June 2018 (rounded)*



*As at 20 June 2018; no guarantee is assumed for completeness of the information provided

„Our aspiration is to build the best team in the travel industry. To do so, we need employees that think and act like owners – sustainably and with a long-term outlook.“

GEORG HESSE I CEO HOLIDAYCHECK GROUP AG

LETTER TO SHAREHOLDERS

Dear Shareholders and Holidaymakers,

We can look back on a successful first half-year in which demand for bookings was at a very satisfactory level. Although the volume of bookings in June was quite low due to the World Cup and the beautiful weather, we nevertheless managed to increase our revenue by 19 percent over the period. That had a very positive impact on our operating result and operating cash flow and at the same time led us to upgrade our revenue and earnings forecasts for the whole year.

Upgraded forecast for revenue and earnings

We now expect revenue to grow by between 10 and 14 percent with a corresponding increase of between EUR 7 million and EUR 10 million in the figure for operating EBITDA.

AIDA joins the HolidayCheck Group portfolio

We are delighted to report that in June we began taking bookings for AIDA Cruises, Germany's biggest cruise operator. As a result, we can now offer our holidaymakers an even wider choice.

Package Holiday Directive and General Data Protection Regulation

In common with other travel industry providers, we spent a great deal of time in the first half of 2018 making sure that the company was ready for the introduction of the General Data Protection Regulation and the Package Holiday Directive. Driven by our vision of becoming the most holidaymaker-friendly company in the world, we have been working hard to combine maximum transparency with user-friendly booking processes. We are proud of the results.

All agenda items approved by the general meeting of shareholders

On 20 June 2018, this year's annual general meeting of HolidayCheck Group AG in Munich, Germany, was attended by shareholders and proxies representing around 70 percent of the company's share capital with voting

GEORG HESSE,
Chief Executive Officer (CEO)

rights. All resolutions on the agenda were passed by a large majority, including a proposal to create Authorised Capital 2018.

Employees receive second tranche of shares under RSP

As well as presenting a holidaymaker-friendly image to our customers, we are keen to create a working environment in which the best team in the travel industry can flourish. Last year, to help make this happen, we set up a share-based payment scheme so that our employees also

benefit from the company's success. At the beginning of July, the second tranche of around 220,000 shares was issued to employees as part of our restricted stock plan (RSP). The shares must be held for at least two years. As a fixed component of our employees' overall salary package, the RSP largely replaces the old system of bonuses, which focused more on short-term performance.

Extension of Georg Hesse's Management Board service contract

The Supervisory Board of HolidayCheck Group AG has reappointed the CEO Georg Hesse and decided to extend his service contract.

Georg Hesse's contract has been extended by another four years in conjunction with his reappointment as CEO until 30 June 2023. He has been Chief Executive Officer of HolidayCheck Group AG since January 2016.

Wishing you all a sunny and relaxing summer holiday!

Yours sincerely,
The Management Board

INVESTOR RELATIONS REPORT FOR THE FIRST HALF OF 2018

Dear Shareholders,

On 20 June the shareholders and proxies who attended this year's annual general meeting of HolidayCheck Group AG in Munich, Germany, approved by large majority in favour of all resolutions on the agenda. With a pleasingly high attendance, around 70 percent of the company's share capital with voting rights was represented at the meeting.

A detailed breakdown of the voting results for each agenda item and a transcript of the presentation made to the shareholders at the general meeting can be found on our online presence at *www.holidaycheck-group.com* under the heading Investor Relations.

As part of our investor relations work in the second quarter, we attended Bankhaus Lampe's German Conference in Baden-Baden, as well as the DVFA Spring Conference and the Solventis Aktienforum both in Frankfurt am Main, Germany. Furthermore we presented the HolidayCheck Group to institutional investors at road shows in the USA.

At *www.holidaycheckgroup.com* you will find a wealth of information about the company. For example, our website contains current company reports and presentations covering important investor events and road shows.

If you want to keep up to date with all the interesting news from the HolidayCheck Group, you might like to visit our social media pages. Follow us on Facebook, Twitter and Xing. We would be happy to meet you there.

Yours sincerely,

Armin Blohmann

Annual General Meeting 2018

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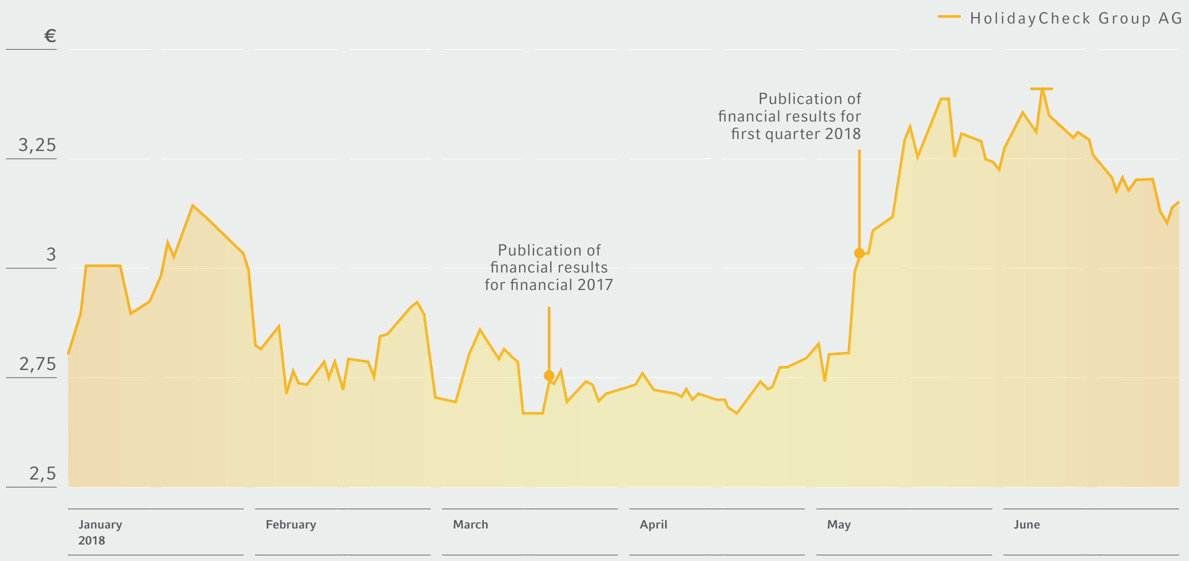
First half of 2018: HolidayCheck Group share price performance



Key HolidayCheck Group share data

Key HolidayCheck Group share data	
German securities code (WKN)	549532
ISIN	DE0005495329
Stock exchange symbol	HOC
Stock exchange segment	Prime Standard
Indices	CDAX, Technology All Share, Prime All Share
Designated Sponsor	Oddo Seydler Bank AG
Number of shares at 30 June 2018	58,313,628 no-par value bearer shares
Number of treasury shares at 30 June 2018	1,369,310
Market capitalisation at 29 June 2018	EUR 183.7 million

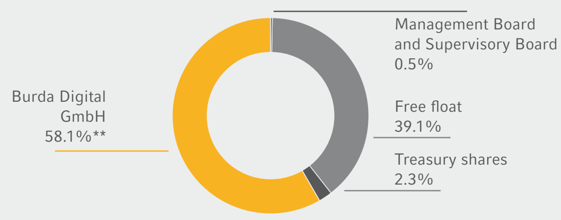
HolidayCheck Group share price performance	
Opening price 2018	EUR 2.81
First half 2018 low	EUR 2.65
First half 2018 high	EUR 3.50
Closing price first half 2018	EUR 3.15
First half 2018 share price performance	+12.1%

Recent HolidayCheck Group share price ratings by analysts*

	recommendation	price target
Bankhaus Lampe	hold	3.00
Berenberg	buy	4.80
Montega	long	–
Solventis	buy	5.00
Warburg Research	buy	4.20

* As at 26 July 2018; no guarantee is assumed for completeness of the information provided

Shareholder structure** (rounded figures)



* As at 30 June 2018
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GROUP MANAGEMENT REPORT OF HOLIDAYCHECK GROUP AG, MUNICH, GERMANY, FOR THE FIRST SIX MONTHS OF 2018

1. Group structure and business model

1.1 Organisational structure

HolidayCheck Group AG, a joint-stock company under German law (Aktiengesellschaft) with its registered office in Munich, Germany, is the parent company of the HolidayCheck Group, a digital business group for holidaymakers with operations in Central Europe. We have been an exchange-listed company for around eighteen years.

In the first half of 2018 our average total workforce was 466 full-time equivalents (FTEs) based at five locations in Germany, the Netherlands, Poland and Switzerland.

1.2 Description of business operations

The HolidayCheck Group includes operating companies that generate revenue from transaction-based online business models in the fields of travel and weather.

HolidayCheck AG (based in Bottighofen, Switzerland) and WebAssets B.V. (based in Amsterdam, Netherlands) operate a range of hotel rating and holiday booking portals that generate revenue in the form of a commission for package tours and hotel and car hire bookings and from website links that take visitors to other booking portals.

The core sales markets for these web portals are Austria, Belgium, Germany, the Netherlands, Poland and Switzerland.

Driveboo AG (Bottighofen, Switzerland) was spun off from HolidayCheck AG with retrospective effect from 1 January 2017 and now operates the car hire portal MietwagenCheck. Its revenue is generated in the form of commission for car hire bookings.

Driveboo AG's core sales markets are Austria, Germany and Switzerland.

WebAssets B.V. also operates advertising-based weather portals such as *WeerOnline.nl*. Its main source of revenue is online advertising, and its core sales markets are Belgium, Germany and the Netherlands.

The other components of the HolidayCheck Group are the non-operating company HolidayCheck Group AG (Munich, Germany) and the internal service providers HolidayCheck Polska Sp. zo. o. and HolidayCheck Solutions GmbH, none of which generates any significant amounts of external revenue.

1.3 Research and development activities

Development activities are conducted on a decentralised basis within the Group companies. To a large extent, HolidayCheck Group AG's subsidiaries draw on their own development resources. Where permitted under accounting rules, the work performed by Group employees in this field is capitalised as software developed in-house, while the remaining work is recognised as personnel expenses. Whenever subsidiaries make use of externally supplied development services, that work is also capitalised (again where permitted under accounting rules), while the remaining development costs are recognised under other expenses. In general, there are no specific research expenses.

Capitalised development costs for the first half of 2018 and the first half of 2017 are shown in the table below.

Own work capitalised

Own work capitalised in the first half of 2018	EUR 1,774 thousand
Own work capitalised in the first half of 2017	EUR 1,468 thousand

2. Economic report

2.1 Macro-economic and industry situation

2.1.1 Macro-economic situation

In a report issued on 2 July 2018, Deutsche Bank's Global Market Research unit projects the following picture of economic growth in the HolidayCheck Group's core sales markets over the financial year 2018.

After adjusting for inflation, Dutch gross domestic product (GDP) is forecast to increase by 2.5 percent and Belgian GDP by 1.9 percent. Germany is expected to put on 2.0 percent, Austria 3.0 percent and Switzerland 2.2 percent.

2.1.2 Industry situation

According to an assessment by the Management Board, the revenue generated from package holidays in the first half of 2018 in the core markets targeted by the Group's transaction-based travel portals showed upper-single-digit increase, partly due to a stabilisation of the geopolitical situation in popular holiday destinations. In the view of the Management Board, growth among online travel agencies is likely to have been a little above this figure.

These assessments are based on the company's own estimates.

2.2 Business development and performance

In the current financial year, HolidayCheck Group AG can look back on a successful six-month period in which revenue and earnings both exceeded the figures for the first half of 2017.

Based on the company's own assessment, providers operating in the online package holiday segment, including the HolidayCheck Group, benefitted particularly in the first half of 2018 from a continuation of the buoyant conditions in this market in Central Europe in the fourth quarter of 2017. Moreover, the Management Board believes that the investments made in personnel, IT and marketing over the course of 2017 have had a positive impact on revenue.

Consolidated revenue ended the year 19.0 percent higher at EUR 72.8 million compared with EUR 61.2 million in 2017. Operating EBITDA amounted to EUR 7.8 million in the first half of 2018 as against EUR 2.5 million in the same period of the previous year.

2.2.1 Business development

2018 ordinary meeting of shareholders

The 2018 annual general meeting of HolidayCheck Group AG was held at Haus der Bayerischen Wirtschaft in Munich, Germany, on 20 June.

The shareholders and proxies who attended the meeting represented around 70 percent of the company's share capital with voting rights and approved each of the agenda resolutions by a large majority.
A resolution to establish new Authorised Capital 2018 and amend the articles of association accordingly was approved by the shareholders who attended the meeting.

The shareholders' meeting also approved by a large majority the discharge of the Management and Supervisory Boards.

Additionally, the attending shareholders passed a resolution to carry forward the Group's net retained profit of EUR 13,147,723.85.

2.2.2 Performance

2.2.2.1 Income

2.2.2.1.1 Total operating income

At EUR 75.2 million, the total operating income of the HolidayCheck Group for the first half-year rose by 18.4 percent in 2018 compared with EUR 63.5 million in the same period of 2017. Total operating income for the second quarter of 2018 stood at EUR 32.6 million, up 13.6 percent on the corresponding figure of EUR 28.7 million in 2017.

Revenue for the first half-year was up by 19.0 percent from EUR 61.2 million in 2017 to EUR 72.8 million in 2018. At EUR 31.4 million, the second-quarter total was 13.4 percent higher compared with EUR 27.7 million in the same period of 2017. The main factor here was a recovery in the Central European holiday market. In the view of the Management Board, the HolidayCheck Group benefitted particularly from the resulting pick-up in business.

At EUR 0.6 million, **other income** in the first six months of 2018 was down 33.3 percent on the figure of EUR 0.9 million for the same period of 2017. By contrast, the 2018 second-quarter figure rose by 33.3 percent to EUR 0.4 million compared with EUR 0.3 million in 2017.

Other own work capitalised in the first half of 2018 stood at EUR 1.8 million, an increase of 20.0 percent compared with the figure of EUR 1.5 million in the same period of 2017. In the second quarter of 2018, other own work capitalised rose by 28.6 percent to EUR 0.9 million (second quarter 2017: EUR 0.7 million). This increase was mainly due to the implementation of new projects at the company's Dutch subsidiaries.

2.2.2.1.2 EBITDA

Marketing expenses in the first six months of the current year stood at EUR 34.8 million and thus went up by 18.0 percent on the 2017 first-half year figure of EUR 29.5 million. At EUR 15.0 million, however, marketing expenses in the second quarter were only 2.7 percent higher compared with the figure of EUR 14.6 million in the same period of 2017. One of the main factors here was the long-term advertising campaign launched by HolidayCheck AG at the end of the second quarter of 2017 under the slogan Book your thing. The resulting increase in marketing expenses was particularly significant in the first quarter of 2018. The Group's marketing expenses were also driven up in the first half of 2018 by increased voucher costs as a result of business growth at HolidayCheck AG.

Personnel expenses in the first six months slightly rose by 1.0 percent from EUR 19.4 million to EUR 19.6 million year on year. Second-quarter 2018 personnel expenses were at EUR 9.9 million and thus unchanged on the second quarter of 2017.

While personnel expenses from current benefits rose almost exactly in line with growth in the workforce, personnel expenses from long-term incentive plans ended the period lower, primarily due to a less pronounced revaluation effect on the LTIP 2011-2016.

At EUR 13.5 million, **other expenses** in the first half of 2018 were slightly up by 2.3 percent compared with EUR 13.2 million in the same period of 2017. In the second quarter 2018 other expenses decreased by 7.2 percent from EUR 6.9 million in the same period of 2017 to EUR 6.4 million. Increased Service Centre costs were almost entirely offset by reductions in consulting expenses and in payments to freelancers.

At EUR 7.2 million, **EBITDA (earnings before interest, tax, depreciation and amortisation)** for the first six months of 2018 was up 380.0 percent year on year (first half of 2017: EUR 1.5 million). Second-quarter EBITDA increased from minus EUR 2.7 million in 2017 to EUR 1.2 million in the current financial year.

2.2.2.1.3 Calculation of operating EBITDA from EBITDA

The following table provides additional information on exceptional items that have an impact on EBITDA and therefore on consolidated net profit/(loss) (in each case before discontinued operations). It shows the method of calculating operating EBITDA, which we use as a key performance indicator.

Calculation of operating EBITDA from EBITDA

	1 JAN 2018 to 30 JUN 2018 EUR million	1 JAN 2017 to 30 JUN 2017 EUR million	1 APR 2018 to 30 JUN 2018 EUR million	1 APR 2017 to 30 JUN 2017 EUR million
EBITDA	**+7.2**	**+1.5**	**+1.2**	**-2.7**
Plus: other expenses from revaluations of earn-out or put/call obligations	0.0	+0.1	0.0	+0.1
Plus: other expenses from personnel obligations linked to share-based payment plans and pension provisions	+0.6	+0.9	+0.4	+0.7
(recurring) Operating Group EBITDA	+7.8	+2.5	+1.6	-1.9
Plus: other expenses related to the switch from IAS 19 (bonus) to IFRS 2 (RSP) (intra-year only)		+0.3		+0.3
Operating Group EBITDA (non-recurring for year-on-year comparison 2017 versus 2016)		**+2.8**		**-1.6**

At EUR 7.8 million in the first half year of 2018, **operating EBITDA** (operating earnings before interest, tax, depreciation and amortisation) increased by 212.0 percent on the figure of EUR 2.5 million for the same period in 2017. The second-quarter figure for the current financial year was up to EUR 1.6 million compared with minus EUR 1.9 million in the equivalent prior-year quarter.

2.2.2.1.4 Other items in the consolidated statement of income

Depreciation, amortisation and impairment charges rose by 6.7 percent from EUR 3.0 million in the first six months of 2017 to EUR 3.2 million in the period under review. At EUR 1.6 million, the second-quarter figure was unchanged year on year.

EBIT (earnings before interest and tax) for the first half-year improved from minus EUR 1.5 million in 2017 to EUR 4.1 million in 2018. Second-quarter EBIT rose from minus EUR 4.3 million in 2017 to minus EUR 0.4 million in 2018.

At minus EUR 0.1 million, the **financial result** in the first half of 2018 was unchanged compared with the same period in 2017. The financial result in the second quarter of 2018 was also unchanged year on year at EUR 0.0 million.

EBT (earnings before taxes) improved to EUR 4.0 million in the first six months of 2018 (first half of 2017: minus EUR 1.6 million). EBT in the second quarter of 2018 was up to minus EUR 0.4 million (second quarter 2017: minus EUR 4.3 million).

The **tax result** for the first half of 2018 was minus EUR 1.0 million compared with minus EUR 0.5 million in the same period of 2017. This increase was mainly due to the deferral of actual taxes on account of the Group’s positive results. The corresponding figure for the second quarter was EUR 0.0 million in 2018 compared with EUR 0.3 million in the previous year.

Consolidated net profit/(loss) from continuing operations improved to EUR 3.0 million in the first half of 2018 (first half 2017: minus EUR 2.1 million). The corresponding figure for the second quarter of 2018 was up to minus EUR 0.4 million (second quarter 2017: minus EUR 4.0 million).

Consolidated net profit/(loss) from discontinued operations was EUR 0.0 million in the first six months of 2018 compared with EUR 0.3 million in the same period of 2017. The figure for the second quarter was EUR 0.0 million in 2018 and EUR 0.3 million in 2017. The consolidated net profit/(loss) figure for the Group’s discontinued operations in the second quarter of 2017 includes income from the reversal of provisions in respect of a former business segment.

Consolidated net profit/(loss) improved to EUR 3.0 million in the first half of 2018 compared with minus EUR 1.8 million in the same period of 2017. Second-quarter consolidated net profit/(loss) went up from minus EUR 3.7 million in the previous year to minus EUR 0.4 million in 2018.

Consolidated comprehensive income for the first six months increased from minus EUR 1.7 million in 2017 to EUR 2.9 million in the reporting period. The corresponding figure for the second quarter of 2018 was up to minus EUR 0.5 million (second quarter 2017: minus EUR 3.7 million).

Basic and diluted earnings per share from continuing operations stood at EUR 0.05 in the first half of 2018 as against minus EUR 0.04 in the same period of 2017. The second-quarter figure for 2018 was up to minus EUR 0.01 compared with minus EUR 0.07 in the same quarter of 2017.

Basic and diluted earnings per share from discontinued operations came to EUR 0.00 in the first half of 2018 compared with EUR 0.01 in the same period of 2017. The second-quarter figure was EUR 0.00 for 2018 and EUR 0.01 for 2017.

Basic and diluted earnings per share raised to EUR 0.05 in the first six months of 2018 compared with minus EUR 0.03 in the equivalent prior-year period. The second-quarter figure increased from minus EUR 0.06 in 2017 to minus EUR 0.01 in 2018.

2.2.2.2 Asset and financial position

Financial management objectives

The main financial management objective of the HolidayCheck Group is to safeguard liquidity at all times in order to ensure that the Group is able to perform its day-to-day business operations. Another objective is the optimisation of profitability to attain the maximum possible credit rating with a view to obtaining favourable refinancing terms.

Capital structure

	30 JUN 2018 EUR million	31 DEC 2017 EUR million	Change in percent
Total equity	160.6	157.0	2,3%
Total capital	192.9	182.3	+5,8%
Equity ratio	83.2	86.1	-3,4%

2.2.2.2.1 Capital structure

In order to maintain a healthy capital structure, the company has established an equity ratio (equity / total capital x 100 percent) of at least 70.0 percent, see table above.

2.2.2.2.2 Liquidity

Cash flows

Net cash used in operating activities in the first half of 2018 was a positive EUR 2.0 million compared with minus EUR 3.3 million in the same period of 2017. The main factor here was the improvement in operating EBITDA.

Net cash used in investing activities stood at minus EUR 2.6 million in the first half of 2018 (first six months of 2017: minus EUR 4.1 million).
This year-on-year decrease was mainly due to a reduction of EUR 1.1 million in cash outflows for investments in purchases of intangible and tangible assets.

Net cash used in financing activities totalled EUR 0.0 million in the first six months of 2018 and minus EUR 3.8 million in the first half of 2017. The figure reported for the first half of 2017 included share buy-back payments.

As at 30 June 2018, cash and cash equivalents stood at EUR 25.5 million compared with EUR 28.7 million at the end of the same period in 2017.

2.2.2.2.3 Asset position

On the assets side of the consolidated balance sheet, non-current assets as at 30 June 2018 were 0.4 percent lower at EUR 133.9 million compared with the year-end figure of EUR 134.5 million.

By contrast, at EUR 59.1 million, **current assets** as at 30 June 2018 were 23.6 percent higher compared with the figure of EUR 47.8 million as at 31 December 2017. This was mainly due to a seasonal, revenue-based increase in trade receivables, which rose by EUR 11.5 million to EUR 31.0 million.

On the liabilities side of the consolidated balance sheet, **equity** as at 30 June 2018 was EUR 160.6 million, 2.3 percent up on the year-end figure of EUR 157.0 million. The main factor here was an increase in consolidated retained earnings.

Despite the increase in equity, the equity ratio stood at 83.2 percent on 30 June 2018 and thus was below the year-end figure of 2017 (86.1 percent) due to the expansion of total assets.

At EUR 9.6 million, **non-current liabilities** as at 30 June 2018 were 10.3 percent higher compared with the 2017 year-end figure of EUR 8.7 million. This was mainly due to a prepayment for services to be provided in financial years 2018-2020. This prepayment is recognised under 'contract liabilities'.

As at 30 June 2018, **current liabilities** stood at EUR 22.8 million, up 36.5 percent compared with the 2017 year-end total of EUR 16.7 million. This rise is primarily attributable to the seasonal increase in trade payables.

The figure for **total liabilities** ended the period 27.2 percent higher at EUR 32.3 million compared with the 2017 year-end figure of EUR 25.4 million.

Total assets rose by just 5.8 percent from EUR 182.3 million at the end of 2017 to EUR 192.9 million as at 30 June 2018.

The relationship between items in the balance sheet shows a minor shift towards a higher debt ratio. Current liabilities are covered entirely by current assets, while non-current assets are covered entirely by equity.

3. Events after the balance sheet date

Extension of Georg Hesse's Management Board service contract

The Supervisory Board of HolidayCheck Group AG has reappointed the Chief Executive Officer Georg Hesse and decided to extend his service contract.

Georg Hesse's contract has been extended by another four years in conjunction with his reappointment as CEO until 30 June 2023. He has been Chief Executive Officer of HolidayCheck Group AG since January 2016.

The members of the Supervisory Board look forward to continuing their cooperation with Georg Hesse.

4. Report on expected developments, opportunities and risks

4.1 Report on expected developments

4.1.1 Macroeconomic development

In its report, Deutsche Bank's Global Market Research unit anticipates the following levels of economic growth in the HolidayCheck Group's core sales markets over the current year:

After adjusting for inflation, Dutch gross domestic product (GDP) is forecast to increase by 2.5 percent and Belgian GDP by 1.9 percent; Germany is expected to put on 2.0 percent, Austria 3.0 percent and Switzerland 2.2 percent in the current year.

All GDP percentages shown are based on the report of Deutsche Bank's Global Market Research, dated 2 July 2018.

4.1.2 Expected industry developments

For the current year, the Management Board of HolidayCheck Group AG anticipates revenue growth in the mid to upper single digits (expressed as a percentage) in the core markets served by the Group's holiday portals, especially in the package holiday sector.

One important factor here will be the forecast economic developments in the core sales markets served by those holiday portals (see section 4.1.1 of this Group management report) and the corresponding likelihood of a modest increase in consumer demand for holidays.

Another important but unpredictable factor that could have an impact on the development of the travel sector is any political unrest or terrorist attacks, especially in our key Mediterranean package holiday regions, in the German-speaking area (Germany, Austria and part of Switzerland) and in the Benelux countries (Belgium, the Netherlands and Luxembourg).

At the same time, the company anticipates strong and sustained competitive pressures, primarily as a result of continued high levels of spending by competitors on marketing and the entry of new competitors into the market. In the medium term, a possible trend towards consolidation could lead to some easing of the competitive situation and to a corresponding reduction in marketing expenditure.

The above assessments of expected industry developments are based on the Group's own estimates.

4.1.3 HolidayCheck Group

Our vision is to become the most holidaymaker-friendly company in the world. Our goal is to constantly expand our portfolio of holiday services. We plan to consistently invest in measures to speed up the further development of our existing products and services (with an emphasis on the core fields of package holidays, 'hotel only' bookings and cruises), the development of new products and services in adjoining areas, the steady expansion of our data intelligence systems and the further expansion of our customised travel advice service. In order to implement these measures, we anticipate a moderate increase in personnel at HolidayCheck Group AG's subsidiaries, mainly in the areas of product and IT development and travel advice. This will entail a modest increase in staff costs.

Our subsidiaries also intend to make further investments in marketing in the form of direct sales promotions and other measures designed to give a sustained boost to the profile of our various brands. In the first half of 2018, we vigorously pursued the brand marketing campaign successfully launched by HolidayCheck in June 2017. As such, over the next six months of 2018, we will be investing much more heavily in brand advertising (e.g. TV advertising) than in the financial year of 2017.

Although HolidayCheck AG is based in Bottighofen in Switzerland, it generates most of its sales revenue in the euro area. However, important costs such as salaries and rents are paid in Swiss francs, so any appreciation in the Swiss franc vis-à-vis the euro will have a negative impact on the Group's earnings. In order to hedge this currency risk, the company has established cash holdings in Swiss francs and employed currency forwards.

The Management Board's forecast for 2018 is premised on the continued implementation of the above investments in products and marketing in line with our plans. It also assumes a solid economic situation and further intense competition at the same level as in 2017. Finally, the forecast of the Management Board is based on a largely stable political situation in the countries that represent our most important Mediterranean holiday destinations.

The impact of any legal and regulatory changes was and is not factored into this forecast.

4.1.3.1 Revenue and operating EBITDA

Based on the above assumption and in light of the pleasing results achieved in the first half of 2018, the Management Board now anticipates a year-on-year increase of between 10 and 14 percent in revenue in financial 2018, with operating EBITDA between EUR 7.0 million and EUR 10.0 million.

In its original forecast for 2018, the Management Board had anticipated an increase of between 8 and 13 percent in revenue, with operating EBITDA between EUR 2.5 million and EUR 6.5 million.

If our expectations and assumptions do not materialise, the actual figures for revenue and operating EBITDA could be either higher or lower than forecast.

4.1.3.2 Equity structure

With regard to its capital structure, the HolidayCheck Group has set itself the following goal: an equity ratio (equity / total capital x 100 percent) of at least 70.0 percent should be reached in financial 2018. The figure as at 30 June 2018 was 83.2 percent.

4.1.4 Overall assessment of likely developments

For financial 2018 as a whole, we expect to implement investments in products and marketing in line with our plans. We also anticipate a solid economic situation and further intense competition at the same level as in 2017. Finally, the Management Board's forecast expects to see a largely stable political situation in the countries that represent our most important Mediterranean holiday destinations.

The potential effects of legal and regulatory issues have not been factored into these forecasts.

On account of the opportunities (see section 4.3 of this Group management report) and risks (see section 4.2.2 of this Group management report) presented below, or if our expectations and assumptions do not materialise, the actual development of HolidayCheck can be higher or lower than forecast.

4.2 Opportunities and risk report

Since the beginning of the current financial year there have been no significant changes within the HolidayCheck Group in terms of risks and opportunities that might affect its future performance.
A detailed review of material risks and opportunities can be found starting from page 77 of the annual report for 2017, which can be downloaded from the Internet at www.holidaycheckgroup.com under the heading Investor Relations/Reports. Printed copies are also available free of charge from the company on request.

5. Employees

The average headcount for the HolidayCheck Group in the first half of 2018 was 466 full-time equivalents (FTEs). The corresponding average figure for the first half of 2017 was 427 FTEs.

6. Notes and forward-looking statements

Definitions

All mentions of 'the HolidayCheck Group' in this management report relate to the group of companies of which HolidayCheck Group AG is the parent.

Forward-looking statements

This management report contains statements relating to future business and financial performance and future events or developments concerning the HolidayCheck Group that may constitute forward-looking statements.

These statements may be identified by words such as 'expects', 'looks forward to', 'anticipates', 'intends', 'plans', 'believes', 'seeks', 'estimates', 'will', 'project' or words of similar meaning. We may also make forward-looking statements in other reports, in presentations, in material delivered to shareholders and in media releases. In addition, our representatives may from time to time make oral forward-looking statements. Such statements are based on current expectations and certain assumptions of the HolidayCheck Group management team, and are, therefore, subject to various risks and uncertainties. Numerous factors, many of which are beyond the control of the HolidayCheck Group, nevertheless affect its operations, performance, business strategy and results and could cause the Group's actual results, performance or achievements to be materially different from those expressed or implied in such forward-looking statements or anticipated on the basis of historical trends. These factors include in particular, but are not limited to, the matters described in section 4.2.2 of this report under the heading 'Risks'. Further information about risks and uncertainties affecting the HolidayCheck Group can be found in this annual report and in our most recent earnings release, both of which are available on our website at www.holidaycheckgroup.com. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, the actual results, performance or achievements of the HolidayCheck Group may vary materially from those described in the corresponding forward-looking statements as being expected, anticipated, intended, planned, believed, sought, estimated or projected. The HolidayCheck Group neither intends, nor assumes any obligation, to update or revise these forward-looking statements in light of developments which differ from those anticipated.

Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals shown, and percentages may not precisely reflect the absolute figures.

7. Responsibility statement by the legal representatives in accordance with Section 37y, number 1 of the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG) in conjunction with Section 297, paragraph 2, sentence 4 and Section 315, paragraph 1, sentence 6 of the German Commercial Code

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements as at 30 June 2018 give a true and fair view of the assets and liabilities, financial position and profit or loss of the HolidayCheck Group, and the Group management report includes a fair review of the development and performance of the business and the position of the HolidayCheck Group, together with a description of the principal opportunities and risks associated with the expected development of the HolidayCheck Group.

Munich, Germany, 8 August 2018

Georg Hesse
Chairperson of the
Management Board (CEO)

Nathan Brent Glissmeyer
Member of the
Management Board (CPO)

Markus Scheuermann
Member of the
Management Board (CFO)

Disclaimer:
This is a translation of HolidayCheck Group AG's interim report. Only the German version of the report is legally binding. Every effort was made to ensure the accuracy of the translation, however, no warranty is made as to the accuracy of the translation and the company assumes no liability with respect thereto. The company cannot be held responsible for any misunderstandings or misinterpretation arising from this translation.

Consolidated balance sheet

AS AT 30 JUNE 2018

ASSETS	30 JUNE 2018 € ,000	30 JUNE 2017 € ,000	31 DEC 2017 € ,000
NON-CURRENT ASSETS			
Intangible assets			
Intangible assets acquired for valuable consideration	16,969	17,731	17,403
Internally generated intangible assets	12,608	11,910	12,517
Goodwill	100,182	100,182	100,182
	129,759	**129,823**	**130,102**
Property, plant and equipment (tangible assets)			
Land, land rights and buildings	17	17	25
Other equipment, operating and office equipment	2,658	3,226	2,934
	2,675	**3,243**	**2,959**
Receivables and other assets			
Other financial assets	640	518	485
Other non-financial assets	191	290	384
	831	**808**	**869**
Deferred taxes	**624**	**652**	**585**
TOTAL non-current assets	**133,889**	**134,527**	**134,515**
CURRENT ASSETS			
Receivables and other assets			
Trade receivables	30,999	25,970	19,464
Receivables from affiliated entities	233	239	174
Income tax receivables	70	601	150
Other financial assets	592	1,765	686
Other non-financial assets	1,647	1,193	1,204
	33,541	**29,768**	**21,678**
Cash and cash equivalents	**25,510**	**28,739**	**26,155**
TOTAL current assets	**59,051**	**58,507**	**47,833**
TOTAL ASSETS	**192,940**	**193,034**	**182,348**

EQUITIES AND LIABILITIES	30 JUNE 2018 € ,000	30 JUNE 2017 € ,000	31 DEC 2017 € ,000
EQUITY			
Subscribed capital (shares issued)	56,945	56,839	56,945
Capital reserves	84,899	84,808	84,899
Revenue reserves	2,041	865	1,373
Other reserves	-1,833	-1,801	-1,808
Consolidated retained earnings	18,541	19,763	15,575
TOTAL equity	**160,593**	**160,474**	**156,984**
LIABILITIES			
NON-CURRENT LIABILITIES			
Provisions for pensions	1,309	1,437	1,298
Contract liabilities	600	0	0
Other financial liabilities	2,253	1,869	1,910
Deferred taxes	5,391	5,346	5,458
TOTAL non-current liabilities	**9,553**	**8,652**	**8,666**
CURRENT LIABILITIES			
Other provisions	278	197	154
Liabilities to banks	38	0	40
Trade payables	17,444	17,421	11,682
Contract liabilities	563	0	0
Liabilities to affiliated entities	28	185	44
Income tax liabilities	1,059	402	45
Other financial liabilities	3,384	4,845	4,148
Other non-financial liabilities	0	857	585
TOTAL current liabilities	**22,794**	**23,908**	**16,698**
TOTAL liabilities	**32,347**	**32,560**	**25,364**
TOTAL EQUITY AND LIABILITIES	**192,940**	**193,034**	**182,348**

Consolidated statement of income

FOR THE PERIOD 1 JANUARY TO 30 JUNE 2018

	1 JAN to 30 JUN 2018 € ,000	1 JAN to 30 JUN 2017 € ,000	1 APR to 30 JUN 2018 € ,000	1 APR to 30 JUN 2017 € ,000
Revenue	72,819	61,180	31,372	27,748
Other income	587	854	376	265
Other own work capitalised	1,774	1,468	865	717
Total operating income	**75,180**	**63,502**	**32,613**	**28,730**
Marketing expenses	-34,811	-29,527	-15,045	-14,624
Personnel expenses	-19,595	-19,353	-9,930	-9,928
thereof current benefits	*-19,066*	*-18,348*	*-9,544*	*-9,122*
thereof long-term incentive plans and pensions	*-529*	*-1,006*	*-386*	*-806*
Other expenses	-13,535	-13,171	-6,415	-6,896
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**7,239**	**1,452**	**1,223**	**-2,718**
Depreciation, amortisation and impairment	-3,175	-2,953	-1,618	-1,579
Earnings before interest and taxes (EBIT)	**4,064**	**-1,501**	**-395**	**-4,297**
Financial income	1	2	0	1
Financial expenses	-90	-90	-45	-46
Financial result	**-89**	**-88**	**-45**	**-45**
Earnings before taxes (EBT)	**3,975**	**-1,589**	**-440**	**-4,342**
Actual taxes	-1,117	-358	-118	309
Deferred taxes	108	-148	112	5
Tax result	**-1,009**	**-506**	**-6**	**314**
Consolidated net profit/(loss) from continuing operations	**2,966**	**-2,095**	**-446**	**-4,028**
Consolidated net profit/(loss) from discontinued operations	**0**	**343**	**0**	**343**
Consolidated net profit/(loss)	**2,966**	**-1,752**	**-446**	**-3,685**
Consolidated net profit/(loss) attributable to				
equity holders of the parent company	2,966	-1,752	-446	-3,685
	2,966	**-1,752**	**-446**	**-3,685**
	in EUR	in EUR	in EUR	in EUR
Basic and diluted earnings per share from continuing operations	**0.05**	**-0.04**	**-0.01**	**-0.07**
Basic and diluted earnings per share from discontinued operations	**0.00**	**0.01**	**0.00**	**0.01**
Basic and diluted earnings per share	**0.05**	**-0.03**	**-0.01**	**-0.06**
Average number of shares outstanding	56,944,318	57,542,493	56,944,318	57,138,902

Consolidated statement of comprehensive income

FOR THE PERIOD 1 JANUARY TO 30 JUNE 2018

	1 JAN to 30 JUN 2018 € ,000	1 JAN to 30 JUN 2017 € ,000	1 APR to 30 JUN 2018 € ,000	1 APR to 30 JUN 2017 € ,000
Consolidated net profit/(loss)	**2,966**	**-1,752**	**-446**	**-3,686**
Items subject to possible reclassification to the statement of income in the future	**-25**	**21**	**-19**	**-1**
Currency translation differences	-25	21	-19	-1
Other comprehensive income	**-25**	**21**	**-19**	**-1**
Consolidated comprehensive income/(loss)	**2,941**	**-1,731**	**-465**	**-3,687**
Consolidated comprehensive income/(loss) attributable to				
equity holders of the parent	2,941	-1,731	-465	-3,687
	2,941	**-1,731**	**-465**	**-3,687**

Consolidated statement of cash flows

FOR THE PERIOD 1 JANUARY TO 30 JUNE 2018

	1 JAN to 30 JUN 2018 € ,000	1 Jan to 30 Jun 2017 € ,000
CASH FLOW FROM OPERATING ACTIVITIES		
Consolidated net profit/(loss)	2,966	-1,752
Amortisation, depreciation and impairment	3,175	2,953
Financial result	89	88
Taxes	1,009	506
Consolidated profit/(loss) after taxes from discontinued operations	0	-343
EBITDA	**7,239**	**1,452**
Other non-cash expenses/income [1]	-80	109
Increase/decrease in assets not attributable to investing or financing activities	-11,700	-10,849
Increase/decrease in liabilities not attributable to investing or financing activities	6,642	6,147
Interest expenses	-81	-120
Income tax payments/refunds	-22	-23
Net cash used in operating activities	**1,998**	**-3,284**
CASH FLOW FROM INVESTING ACTIVITIES		
Cash outflow for internally generated intangible assets	-2,220	-2,629
Cash outflow for investment in tangible and intangible assets	-359	-1,492
Cash inflow from disposal of tangible and intangible assets	12	1
Cash inflow from interest	1	0
Net cash used in investing activities	**-2,566**	**-4,120**
CASH FLOW FROM FINANCING ACTIVITIES		
Cash outflow for acquisition of treasury shares	0	-3,815
Net cash used in financing activities	**0**	**-3,815**
Net increase/decrease in cash	**-568**	**-11,219**
Cash and cash equivalents at the beginning of the financial year	**26,155**	**40,085**
Valuation-related changes in cash	-77	-127
Cash at the end of the period	**25,510**	**28,739**

Footnote

1) The item mainly comprises unrealised price gains, exchange rate-related currency holding devaluations and losses from asset disposals

Consolidated statement of changes in equity

FOR THE PERIOD 1 JANUARY TO 30 JUNE 2018

	Equity attributable to equity holders of the parent company			
	Issued shares			Capital reserves
	Subscribed capital € ,000	Treasury shares € ,000	TOTAL € ,000	€ ,000
1 JANUARY 2017	**58,314**	**-67**	**58,247**	**84,720**
Acquisition of own shares	0	-1,433	-1,433	-14
Transfer to revenue reserves	0	0	0	0
Reclassification of acquisition of own shares to revenue reserves	0	0	0	0
Effects of share-base payment plans	0	25	25	102
Consolidated comprehensive income	0	0	0	0
Net profit/(loss) after taxes according to consolidated statement of income	*0*	*0*	*0*	*0*
Other comprehensive income according to consolidated statement of comprehensive income	*0*	*0*	*0*	*0*
30 JUNE 2017	**58,314**	**-1,475**	**56,839**	**84,808**
1 JANUARY 2018	**58,314**	**-1,369**	**56,945**	**84,899**
Effects of share-base payment plans	0	0	0	0
Issue of bonus shares	*0*	*0*	*0*	*0*
RSP issue	*0*	*0*	*0*	*0*
Netting of share matching offer (restricted)	*0*	*0*	*0*	*0*
Netting of LTIP 2017 (55 % restricted)	*0*	*0*	*0*	*0*
Netting of bonus shares (restricted)	*0*	*0*	*0*	*0*
Consolidated comprehensive income	0	0	0	0
Net profit/(loss) after taxes according to consolidated statement of income	*0*	*0*	*0*	*0*
Other comprehensive income according to consolidated statement of comprehensive income	*0*	*0*	*0*	*0*
30 JUNE 2018	**58,314**	**-1,369**	**56,945**	**84,899**

	Equity attributable to equity holders of the parent company				
Revenue reserves	Other reserves				
€ ,000	for the revaluation of defined-benefit pension plans € ,000	for currency translation differences € ,000	TOTAL € ,000	Consolidated retained earnings € ,000	TOTAL EQUITY € ,000
0	**298**	**-2,120**	**-1,822**	**24,515**	**165,660**
0	0	0	0	-2,367	-3,814
3,000	0	0	0	-3,000	0
-2,367	0	0	0	2,367	0
232	0	0	0	0	359
0	0	21	21	-1,752	-1,731
0	*0*	*0*	*0*	*-1,752*	*-1,752*
0	*0*	*21*	*21*	*0*	*21*
865	**298**	**-2,099**	**-1,801**	**19,763**	**160,474**
1,373	**282**	**-2,090**	**-1,808**	**15,575**	**156,984**
668	0	0	0	0	668
0	*0*	*0*	*0*	*0*	*0*
0	*0*	*0*	*0*	*0*	*0*
26	*0*	*0*	*0*	*0*	*26*
123	*0*	*0*	*0*	*0*	*123*
519	*0*	*0*	*0*	*0*	*519*
0	0	-25	-25	2,966	2,941
0	*0*	*0*	*0*	*2,966*	*2,966*
0	*0*	*-25*	*-25*	*0*	*-25*
2,041	**282**	**-2,115**	**-1,833**	**18,541**	**160,593**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF HOLIDAYCHECK GROUP AG, MUNICH, GERMANY, FOR THE FIRST SIX MONTHS OF 2018

1. General disclosures

HolidayCheck Group AG, a joint-stock corporation under German law with its registered office in Munich, Germany (also referred to below as 'HCG' or 'the company'), is the parent company of the HolidayCheck Group, an Internet group with operations in Central Europe.

2. Preparation of the financial statements – accounting basis and standards

This interim consolidated report was drawn up in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Union. In line with the provisions of IAS 34 Interim Financial Reporting, the interim consolidated report condenses or omits certain information and disclosures that are usually contained in annual financial reports.

Accordingly, the financial statements contained in this interim report do not include all the information and disclosures that are required under IFRS rules for the consolidated financial statements at the end of the financial year.

The accounting and valuation methods adopted for these interim consolidated financial statements are essentially the same as those applied to the full consolidated financial statements at the end of the previous financial year. A comprehensive description of the accounting principles used can be found in the notes to the financial statements in our 2017 annual report. The report can also be downloaded at *www.holidaycheck-group.com*.

When preparing the interim consolidated financial statements, the Management Board has to make assumptions and estimates that affect the level and recognition of balance-sheet assets and liabilities, income and expenditure and contingent liabilities.

All such assumptions and estimates are based on premises that were valid on the reporting date and as a general rule were calculated using the same methods as those applied for the 2017 consolidated financial statements. The actual values may differ from these assumptions and estimates if developments subsequently vary from those anticipated on the balance sheet date.

Although some parts of our business are seasonal, this does not affect the comparability of the consolidated quarterly financial statements as a whole. Any major effects during the reporting period are noted in the summary of the interim report or in the subsequent explanations.

The interim consolidated financial statements have been drawn up in euros. Unless otherwise indicated, all amounts are shown in EUR thousand (EUR '000).

2.1 Effect of new or revised standards

The standards shown in the table below were revised or newly issued by the IASB and became mandatory for the financial year commencing on 1 January 2018, see table on the next page.

There have been no significant changes in the notes to the interim consolidated financial statements following the application of **IFRS 9** from 1 January 2018.

Impairment charges for receivables are measured using the simplified method provided for in IFRS 9. The default risk is partly insured, and anticipated losses are mainly determined by external ratings. This change in the method used to calculate impairment has had no impact on the Group's revenue reserves.

As at 30 June 2018, impairment on trade receivables totalled EUR 3,198 thousand.

There was no significant impairment loss on cash and cash equivalents (IFRS 9).

From 2018 onwards, in order to increase transparency, other miscellaneous assets and other miscellaneous

Revised IASB standards in the financial year 2018

	Applicable from [1]	Endorsed by EU
IFRS 9: Financial Instruments	1 January 2018	Yes
IFRS 15: Revenue from Contracts with Customers	1 January 2018	Yes
Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018	Yes
Amendments to IFRS 4: Application of IFRS 9 in conjunction with IFRS 4 Insurance Contracts	1 January 2018	Yes
IFRS 15: Clarifications to IFRS 15	1 January 2018	Yes
Amendments to IAS 40: Transfers of Investment Property	1 January 2018	Yes
IFRIC 22: Foreign Currency Transactions and Advance Consideration	1 January 2018	Yes
Annual Improvements to International Reporting Standards (2014-2016 cycle)	1 January 2018	Yes

1) Date first applicable in EU

liabilities will be presented separately in the balance sheet under other financial and other non-financial assets and liabilities. In accordance with IAS 1 and IFRS 8, the previous-year figures have been adjusted (see 2.3 below).

There have been no significant changes in the notes to the interim consolidated financial statements following the application of **IFRS 15** from 1 January 2018. Equally, the modified retrospective method has had no impact on the Group's revenue reserves.

However, contract liabilities have been recognised for the first time following the application of IFRS 15. If IFRS 15 had been applied in the past, current contract liabilities would have totalled EUR 177 thousand as at 30 June 2017 and EUR 146 thousand as at 31 December 2017. There were no non-current contract liabilities in the previous year. The increase in contract liabilities as at 30 June 2018 to EUR 600 thousand (non-current) and EUR 563 thousand (current) is attributable to brokerage services which are to be provided over the next three financial years and for which payment has already been received.

The other standards and interpretations listed above will have no impact or only a minor impact on the Group's income, financial situation and assets.

2.2 New or revised standards and interpretations – not applied

The Group has not yet applied the new financial reporting specifications shown in the table below as these standards are not yet mandatory or have not yet been formally endorsed by the European Union (see table on page 26).

HCG Group will apply **IFRS 16** for the first time for the financial year beginning on 1 January 2019. A decision has not yet been taken on the alternatives provided by the standard for the transition to IFRS 16 (i.e. full or partially retrospective implementation). As part of a Group-wide project, we are currently examining the potential impact of applying IFRS 16 to the consolidated financial statements. Further details can be found in section 2.2 of our 2017 annual report.

The current view of HolidayCheck Group AG is that the above standards and interpretations will have no impact or only a minor impact on the Group's income, financial situation and assets.

New or revised IASB or IFRIC standards and interpretations – not applied

	Applicable from [1]	Endorsed by EU
IFRS 16 Leases	1 January 2019	Yes
IFRS 17 Insurance Contracts	1 January 2021	No
Amendments to IAS 19: Plan Amendment, Curtailment or Settlement	1 January 2019	No
Amendments to IAS 28 relating to Investments in Associates and Joint Ventures	1 January 2019	No
Amendments to IFRS 9 Financial instruments: Prepayment Features with Negative Compensation	1 January 2019	Yes
IFRIC 23: Uncertainty over Income Tax Treatment	1 January 2019	No
Annual Improvements to International Reporting Standards (2015-2017 cycle)	1 January 2019	No

1) Date first applicable in EU

2.3 IAS 1/IAS 8 disclosures

Change to the structure of the consolidated balance sheet

In order to make the consolidated balance sheet more transparent, other miscellaneous assets and other miscellaneous liabilities have been shown separately under other financial and other non-financial assets and liabilities.

The previous-year figures as at 30 June and 31 December 2017 have been adjusted as follows (condensed form):

Change to the structure of the consolidated balance sheet

	30 June 2017			31 December 2017		
	Prior-year figure € ,000	Reclassi-fication € ,000	New classification € ,000	Prior-year figure € ,000	Reclassi-fication € ,000	New classification € ,000
ASSETS						
NON-CURRENT ASSETS						
Receivables and other assets						
Other miscellaneous assets	808	-808	0	869	-869	0
Other financial assets		518 [1]	518		485 [1]	485
Other non-financial assets		290 [2]	290		384 [2]	384
	808	**0**	**808**	**869**	**0**	**869**
CURRENT ASSTS						
Receivables and other assets						
Other miscellaneous assets	2,958	-2,958	0	1,890	-1,890	0
Other financial assets		1,765 [3]	1,765		686 [3]	686
Other non-financial assets		1,193 [2]	1,193		1,204 [2]	1,204
	2,958	**0**	**2,958**	**1,890**	**0**	**1,890**
EQUITY AND LIABILITIES						
NON-CURRENT LIABILITIES						
Other miscellaneous liabilities	1,869	-1,869	0	1,910	-1,910	0
Other financial liabilities		1,869 [4]	1,869		1,910 [4]	1,910
Other non-financial liabilities		0	0		0	0
	1,869	**0**	**1,869**	**1,910**	**0**	**1,910**
CURRENT LIABILITIES						
Other miscellaneous liabilities	5,702	-5,702	0	4,733	-4,733	0
Other financial liabilities		4,845 [5]	4,845		4,148 [5]	4,148
Other non-financial liabilities		857 [6]	857		585 [6]	585
	5,702	**0**	**5,702**	**4,733**	**0**	**4,733**

Legend:

Former balance sheet structure

New balance sheet structure

Footnotes:

1) The amount shown in the previous-year column mainly consists of non-current rent deposits.
2) The amount shown in the previous-year column mainly consists of prepaid expenses.
3) The amount shown in the previous-year column mainly consists of VAT receivables in Germany and other countries.
4) The entire amount shown for other non-current financial liabilities relates to provisions for the LTIP 2011-2016 and LTIP 2017-2020.
5) The figure for other current financial liabilities mainly consists of VAT liabilities, vacation provisions and bonus provisions.
6) The figure for other current non-financial liabilities mainly consists of deferred income and other transit items.

Changes to the structure of the consolidated statement of cash flows

After the successful strategic realignment of the Group and the associated changes made to the consolidated statement of income in 2016, the Management Board decided to amend the structure of the consolidated statement of cash flows accordingly from the second half year of 2017 onwards. The new structure is designed to provide a clearer and more informative picture of the Group's business activities.

Henceforth, as a result of this new management approach, the consolidated statement of cash flows will also include a reconciliation with EBITDA.

To facilitate a year-on-year comparison, the following adjustments have been made to the consolidated statement of income for the first half of 2017 (see table on pages 30-31).

3. Segment reporting

Business segment reporting is laid out in such a way as to conform to the method of in-house reporting to the principal decision-making body. The latter is responsible for decisions on the allocation of resources to business segments and for the evaluation of their profitability. The Management Board of HCG constitutes the principal decision-making body.

As from financial 2016, the Management Board has therefore managed the Group on the basis of key indicators for the entire business rather than on a segment basis. As such, the business is no longer divided into segments. Accordingly, this interim report does not contain a separate segment report.

4. Reporting entity

The interim consolidated financial statements in condensed form include all companies over which HolidayCheck Group AG exerts direct or indirect control.

The following table lists all the companies included in the interim consolidated financial statements of HolidayCheck Group AG:

Scope of consolidation as at 30 June 2018

COMPANY	PRINCIPAL PLACE OF BUSINESS	Shareholding in percent
HolidayCheck Group AG	Munich, Germany	-
HolidayCheck AG	Bottighofen, Switzerland	100.00
HolidayCheck Polska Sp. z o.o.[1)]	Warsaw, Poland	100.00
HolidayCheck Solutions GmbH	Munich, Germany	100.00
Driveboo AG	Bottighofen, Switzerland	100.00
Tomorrow Travel B.V.	Amsterdam, Netherlands	100.00
WebAssets B.V.	Amsterdam, Netherlands	100.00
Zoover Media B.V.[2)]	Amsterdam, Netherlands	100.00
Zoover International B.V.[2)]	Amsterdam, Netherlands	100.00
Zoover GmbH[2)]	Munich, Germany	100.00
Meteovista B.V.[2)]	Amsterdam, Netherlands	100.00
SARL Zoover France[2) 3)]	Paris, France	100.00
Zoover Travel B.V.[2)]	Amsterdam, Netherlands	100.00

1) Indirect shareholding via HolidayCheck AG
2) Indirect shareholding via WebAssets B.V.
3) Company in liquidation

5. Notes on the interim consolidated financial statements

Intangible assets

Intangible assets include capitalised goodwill and other own work capitalised for the development of mobile applications and website redesign. In respect of own work capitalised a total of EUR 1,774 thousand was recognised for the period up to 30 June 2018 (30 June 2017: EUR 1,468 thousand).

Equity

Shares issued

As at 30 June 2018, the cash equivalent of shares issued by the company amounted to EUR 58,313,628. This total is divided into 58,313,628 no-par value shares, each with an accounting par value of EUR 1. All shares in the company are fully paid up.

As at 30 June 2018, the number of treasury shares held by the company was unchanged on the year-end figure at 1,369,310. This corresponds to around 2.3 percent of the share capital.

Capital reserves

As at 30 June 2018, the capital reserves of HCG stood at EUR 84,899 thousand and thus were unchanged on the 2017 year-end figure.

The capital reserves are made up of payments into the reserve from capital increases. They may only be utilised as prescribed by German stock corporation law.

Revenue reserves

In the first half of 2018, as prescribed by IFRS 2, the amount of EUR 668 thousand was recognised as an increase in the revenue reserves. As at 30 June 2018, the revenue reserves of the HCG Group stood at EUR 2,041 thousand.

Authorised capital

On 20 June 2018, the general meeting of shareholders passed a resolution authorising the Management Board, subject to Supervisory Board approval, to undertake one or more increases in the company's share capital until 19 June 2023 of up to EUR 29,156,814 through issues of up to 29,156,814 new no-par value shares in exchange for cash and/or non-cash contributions (Authorised Capital 2018). The Management Board is authorised to exclude shareholders' statutory subscription rights.

Share-based payments

Share-based payments are awarded under the LTIP 2011-2016, LTIP 2017-2020 and RSP. These plans are described in our 2017 annual report.

The following table details the personnel expenses recognised in the consolidated financial statements for the first half of 2018 as a result of the company's share-based payment obligations:

Personnel expenses of share-based payments

	1 JAN to 30 JUN 2018 € '000	1 JAN to 30 JUN 2017 € '000
Of which from plans with settlement in cash (LTIP 2011-2016)	181	479
Of which from plans with settlement in equity instruments (LTIP 2017-2020)	284*	323*
Of which from plans with settlement in equity instruments (RSP)	545**	232**
TOTAL	**1,010**	**1,034**

* Including pro rata personnel expenses for the tranches from 2018 to 2020
**Including personnel expenses created by the share matching offer

The personnel expenses on plans with settlement in equity instruments initially increased the revenue reserves in accordance with IFRS 2. It is anticipated that shares will be allocated to employees (RSP) and to the Management Board (LTIP 2017-2020) in the third quarter of 2018. Their nominal value as part of the company's share capital (i.e. the number of shares allocated at an accounting par value of EUR 1.00 each) will then be recognised under shares issued. This effect on the total figure for shares issued was not included in the calculation of earnings per share for this interim statement.

New structure of cash flow statement

	Prior-year figure € ,000	Reclassification € ,000	New classification € ,000
CASH FLOW FROM OPERATING ACTIVITIES			
Consolidated net profit/(loss)	-1,752		-1,752
Financial result	88		88
Amortisation, depreciation and impairment	2,953		2,953
Taxes		506 [1)]	506
Disposal gains/losses from discontinued operations	-343	343 [2)]	
Consolidated net profit/(loss) after taxes from discontinued operations		-343 [2)]	-343
Personnel expenses resulting from incentive and stock option plans	942	-942 [3)]	
Change in deferred taxes	148	-148 [1)]	
EBITDA			**1,452**
Increase/decrease in assets not attributable to investing or financing activities	-10,775	-74 [1) 4)]	-10,849
Increase/decrease in liabilities not attributable to investing or financing activities	5,240	907 [1) 3) 4)]	6,147
Changes in receivables from/liabilities to affiliated entities	160	-160 [4)]	
Interest expenses	-120		-120
Other non-cash expenses/income	174	-65	109
Income tax payments/refunds		-23 [1)]	-23
Net cash used in operating activities	**-3,285**	**1**	**-3,284**
CASH FLOW FROM INVESTING ACTIVITIES			
Cash inflow from disposal of tangible and intangible assets	2	-1	1
Cash outflow for internally generated intangible assets		-2,629 [5)]	-2,629
Cash outflow for investment in tangible and intangible assets	-4,121	2,629 [5)]	-1,492
Net cash used in investing activities	**-4,119**	**-1**	**-4,120**
CASH FLOW FROM FINANCING ACTIVITIES			
Cash outflow for acquisition of treasury shares	-3,815		-3,815
Net cash used in financing activities	**-3,815**		**-3,815**
VALUATION-RELATED CHANGES IN CASH			
Change in value of cash due to closing rate changes	13	-13 [6)]	
Exchange rate-related revaluation or devaluation of currency holdings	-140	140 [6)]	
Valuation-related changes in cash	**-127**	**127**	
NET INCREASE/DECREASE IN CASH	**-11,346**	**127**	**-11,219**
Cash and cash equivalents at the beginning of the financial year		**40,085** [6)]	**40,085**
Valuation-related changes in cash		-127 [6)]	-127
Cash and cash equivalents at the beginning of the financial year	40,085	-40,085 [6)]	
Cash at the end of period	**28,739**		**28,739**

Legend:

Former structure of statement of cash flows

New structure of statement of cash flows

Footnotes:

1) Tax credit inflows and income tax payments were previously shown separately below the consolidated statement of cash flows, changes in deferred taxes were reconciled separately and changes in income tax receivables and liabilities were allocated to the items 'Increase/decrease in assets/liabilities not attributable to investing or financing activities'. The restructured statement includes reconciliations with the management indicator EBITDA, thus adjusting the tax result, and income tax payments/refunds (the last item under the heading 'Cash flow from operating activities') are shown after netting off.
2) In the restructured statement, consolidated net profit /(loss) from discontinued operations is completely recalculated to allow for translation to EBITDA. Previously, the statement only showed results from disposals of discontinued operations and the relevant increase/decrease in liabilities not attributable to investing or financing activities.
3) Personnel expenses for incentive and stock option plans were previously shown separately. In the restructured statement, they are shown under the increase/ decrease in liabilities not attributable to investing or financing activities.
4) Changes in receivables from/liabilities to affiliated entities were previously shown separately. In the restructured statement, they are shown under the increase/ decrease in assets/liabilities not attributable to investing or financing activities.
5) In the restructured statement, cash outflows for self-generated intangible assets are shown separately under the heading 'Cash flow from investing activities' rather than (as previously) under 'Cash outflow for investment in tangible and intangible assets'.
6) In the restructured statement, value-related changes in cash are no longer included in the calculation of the net increase/decrease in cash. Instead, they are inserted after this sub-total.

Liabilities to banks

	30 JUNE 2018 €'000		31 DECEMBER 2017 € '000	
	Current	Non-current	Current	Non-current
Other liabilities to banks	38	0	40	0

Liabilities to banks
The table gives a breakdown of the liabilities to banks (see table above).

The syndicated loan agreement is due to expire in 2019 and until then provides a flexible arrangement allowing HCG to borrow up to EUR 50,000 thousand. As at the reporting date, HolidayCheck Group AG had drawn EUR 0 thousand from the total sum available.

Financial expenses
The financial expenses of EUR 90 thousand (first half 2017: EUR 90 thousand) relate to interest expenses. These also include financing-related interest expenses of EUR 90 thousand (first half 2017: EUR 90 thousand).

Additional disclosures to financial instruments
As a guide to the reliability of the input factors used to calculate their fair value, financial instruments are allocated to one of the three levels prescribed by the reporting principles:

- Level 1: the fair value of level 1 financial instruments is determined at the end of the reporting period using quoted (unadjusted) market prices that match the current bid price.
- Level 2: the fair value of level 2 financial instruments is determined using valuation methods for which the input factors are based on observable market data.
- Level 3: in the case of level 3 financial instruments, at least one of the main input factors is not based on observable market data.

The following tables show the financial instruments and/or liabilities measured on a recurring basis and recognised at fair value as at 30 June 2018 and 31 December 2017:

Financial instruments and/or liabilities measured on a recurring basis and recognised at fair value as at 30 June 2018

	LEVEL 1 € '000	LEVEL 2 € '000	LEVEL 3 € '000	TOTAL € '000
Financial assets				
Positive fair value from derivative financial instruments	69	0	0	**69**

Financial instruments and/or liabilities measured on a recurring basis and recognised at fair value as at 31 December 2017

	LEVEL 1 € '000	LEVEL 2 € '000	LEVEL 3 € '000	TOTAL € '000
Financial liabilities				
Negative fair value from derivative financial instruments	117	0	0	**117**

Changes in the figures due to switches between fair value levels are calculated at the end of the reporting period. There were no such changes in the period under review.

The methods used to value financial instruments are unchanged compared with 31 December 2017.

Due to the application of IFRS 9 from 1 January 2018, financial assets are recognised either at amortised cost or fair value in line with the contractual payment flows and type of business model.

Classification of the different categories of financial instruments

	Measurement category to IAS 39	Measurement category to IFRS 9	Carrying amount according to IAS 39 31 DEC 2017 € ,000	Carrying amount according to IAS 9 1 JAN 2018 € ,000
ASSETS				
Cash and cash equivalents	LaR	AC	26,155	26,155
Trade receivables	LaR	AC	19,464	19,464
Receivables from affiliated entities	LaR	AC	174	174
Other financial assets	LaR	AC	1,171	1,171
Other non-financial assets	n.a.	n.a.	1,588	1,588
LIABILITIES				
Liabilities to banks	FLAC	AC	40	40
Trade payables	FLAC	AC	11,682	11,682
Liabilities to affiliated entities	FLAC	AC	44	44
Other financial liabilities				
Derivatives without hedging relationship	FLHfT	FVTPL	117	117
Other financial liabilities (IFRS 3 2008)	none	none	0	0
Other financial liabilities	FLAC	AC	4,056	4,056
Other financial liabilities outside scope of IFRS 7 (IFRS 2)	n.a.	n.a.	1,885	1,885
Other non-financial liabilities	n.a.	n.a.	585	585
of which aggregated by measurement category as per IAS 39				
Loans and Receivables	LaR	AC	46,964	0
Financial Liabilities Measured at Amortised Cost	FLAC	AC	15,823	62,786
Financial Liabilities Held for Trading (IAS 39) / Fair Value through Profit or Loss (IFRS 9)	FLHfT	FVTPL	117	117
Available for Sale (IAS 39) / Fair Value through Other Comprehensive Income (IFRS 9)	AfS	FVTOCI	0	0

6. Related parties

Transactions with related entities primarily involved services as defined by IAS 24.21c. All such transactions were concluded on arm's length basis.

In total, transactions with related parties in the first six months of the financial year involved trade receivables valued at EUR 29 thousand and trade payables valued at EUR 389 thousand.

As at 30 June 2018 receivables and payables from current transactions with related parties amounted to EUR 233 thousand and EUR 28 thousand respectively.

7. Events after the balance sheet date

Extension of Georg Hesse's Management Board service contract

The Supervisory Board of HolidayCheck Group AG has reappointed the Chief Executive Officer Georg Hesse and decided to extend his service contract.

Georg Hesse's contract has been extended by another four years in conjunction with his reappointment as CEO until 30 June 2023. He has been Chief Executive Officer of HolidayCheck Group AG since January 2016.

Munich, Germany, 8 August 2018

Georg Hesse
Chairperson of the
Management Board (CEO)

Nathan Brent Glissmeyer
Member of the
Management Board (CPO)

Markus Scheuermann
Member of the
Management Board (CFO)

FINANCIAL CALENDAR 2018*

23 August 2018
Montega-Kapitalmarktkonferenz HIT
in Hamburg, Germany

24 September 2018
Berenberg & Goldman Sachs 7th German
Corporate Conference in Unterschleißheim
near Munich, Germany

8 November 2018
Publication of the quarterly statement
for the first nine months 2018

November 2018
Analysts' meeting at the German Equity Forum
2018 in Frankfurt am Main, Germany

*provisional dates

LEGAL NOTICE

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