INTERIM REPORT FOR
THE FIRST HALF OF 2017
OF HOLIDAYCHECK GROUP AG

Key figures

MAJOR ITEMS FROM OUR STATEMENT OF INCOME		First Half 2017	First Half 2016	Change in percent	2Q 2017	2Q 2016	Change in percent
Revenue	in EUR million	61.2	55.0	11.2%	27.7	24.9	11.5%
Marketing expenses	in EUR million	-29.5	-30.0	-1.5%	-14.6	-12.9	13.7%
Thereof brand marketing expenses (TV, OoH, etc.)	*in EUR million*	*-2.1*	*-3.1*	*-35.1%*	*-1.8*	*-0.3*	*> 100%*
Personnel expenses	in EUR million	-19.4	-15.0	29.2%	-9.9	-7.2	37.5%
Thereof long-term-incentive plans, pensions, RSP front loading	*in EUR million*	*-1.3*	*0.4*	-	*-1.1*	*0.1*	-
EBITDA	in EUR million	1.5	1.0	49.2%	-2.7	0.3	-
Operating EBITDA	in EUR million	2.8	0.2	> 100%	-1.6	-0.2	> 100%
EBIT	in EUR million	-1.5	-1.8	-15.9%	-4.3	-1.1	> 100%
Financial result	in EUR million	-0.1	0.1	-	0.0	0.1	-
EBT	in EUR million	-1.6	-1.7	-7.3%	-4.3	-1.0	> 100%
Consolidated net profit/loss from continuing operations	in EUR million	-2.1	-1.7	22.5%	-4.0	-1.0	> 100%
Consolidated net profit/loss from discontinued operations	in EUR million	0.3	0.1	> 100%	0.3	-0.3	-
Consolidated net profit/loss	in EUR million	-1.8	-1.6	10.4%	-3.7	-1.3	> 100%
Earnings per share from continuing operations	in EUR	-0.04	-0.03	33.3%	-0.07	-0.02	> 100%
Earnings per share	in EUR	-0.03	-0.03	0.0%	-0.06	-0.03	> 100%

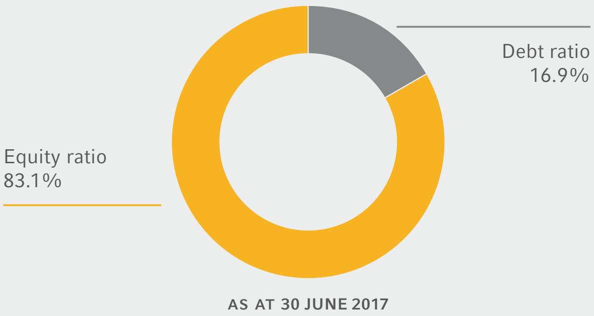
CASH FLOWS		First Half 2017	First Half 2016	Change in percent
Cash flow from operating activities	in EUR million	-3.3	-8.0	-59.0%
Cash flow from investing activities	in EUR million	-4.1	-3.6	14.4%
Cash flow from financing activities	in EUR million	-3.8	-19.7	-80.7%

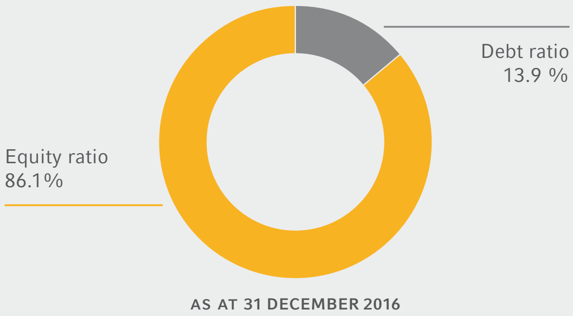
ASSETS AND CAPITAL STRUCTURE		30 Jun 2017	31 Dec 2016	Change in percent
Total assets	in EUR million	193.0	192.5	0.3%
Non-current assets	in EUR million	134.5	133.5	0.7%
Current assets	in EUR million	58.5	58.9	-0.7%
thereof cash	in EUR million	28.7	40.1	-28.3%
Equity	in EUR million	160.5	165.7	-3.1%
Debt	in EUR million	32.6	26.8	21.4%

	First Half 2017	First Half 2016	Change in percent
EMPLOYEES (FROM CONTINUING OPERATIONS)			
Average number of employees (FTEs)	426	380	12.1%

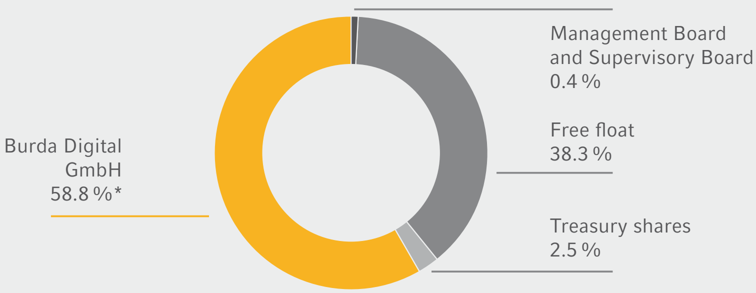
		30 Jun 2017	31 Dec 2016	Change in percent
KEY CAPITAL MARKET DATA				
Equity ratio	in percent	83.1%	86.1%	-3.4%
Debt ratio	in percent	16.9%	13.9%	21.1%

Development of Equity ratio and Debt ratio





Shareholder structure as at 30 June 2017 (rounded)



* As at 4 June 2014; no guarantee of completeness

Letter to shareholders

Dear Shareholders,
Dear Holidaymakers,

Book your thing is the slogan for our new advertising campaign, which we launched in June. You will find it on TV, on the web and on billboards. True to our vision of becoming the world's most holidaymaker-friendly company, the campaign focuses more than ever on our customers' individual wishes. That starts with the booking process, where our customisable search options allow users to specify exactly what they are looking for – yoga, hiking or wellness offers, for example. We are very satisfied with the results of our brand campaign so far and plan to keep it running in the second half of the year.

BOOKINGS UP IN PACKAGE HOLIDAY REGIONS

The HolidayCheck Group's second-quarter results were in line with our expectations. Revenue was up by 11 percent. Compared with the previous year, there were fewer negative news reports from our holiday regions. This is one of the reasons for the growth experienced by nearly all package holiday destinations – a pleasing development for holidaymakers, for the tourism industry as a whole and of course for HolidayCheck Group AG.

SHARES FOR OUR EMPLOYEES

Reflecting our vision of becoming the world's most holidaymaker-friendly company, we are focused on creating a working environment in which the best team in the entire travel industry can emerge. To make this happen, we want to ensure that our employees have a stake in the company's success by offering them shares rather than short-term bonuses as an incentive to stay with us over the long term. We believe this is the best way to encourage entrepreneurial thinking and action. The associated buy-back programme covering 1.5 million shares was completed in early June. The average price paid for the shares was EUR 2.65. We issued the first tranche of around 100,000 shares to employees at the beginning of July under a restricted stock plan. We look forward to seeing many of our employees in their role as shareholders at next year's annual general meeting.

NEW MEMBER OF SUPERVISORY BOARD AND NEW CFO

Two new faces have recently joined the company at board level. In January, financial expert Holger Eckstein took over the Supervisory Board position formerly held by legal expert Dr Andreas Rittstieg. The change was approved by the annual general meeting in May. Markus Scheuermann took up his new role as Chief Financial Officer (CFO) on the Management Board two months ago as successor to Dr Dirk Schmelzer.

INVESTING IN USER EXPERIENCE

By and large, the process of booking a holiday on the internet is becoming ever simpler and more profes-

Management Board of the HolidayCheck Group AG (from left to right): GEORG HESSE, Chairperson of the Management Board (CEO); NATE GLISSMEYER, Chief Product Officer (CPO) and Senior Vice President Engineering; MARKUS SCHEUERMANN, Chief Financial Officer (CFO)

sional. Even so, the majority of package holidays and cruises are still booked in high-street travel agencies. We believe there is plenty of scope here for Holiday-Check to expand, and we aim to achieve this goal primarily by offering our users an even better online experience and even more targeted advice. A crucial factor here is data intelligence, i.e. making smart use of the data available to us. For this reason, we intend to make further investments in our technology and our service centre over the second half of 2017. We are currently developing a new product with a dedicated and specialised team so that we can also offer cruise holidays bookings on our site.

The measures we have implemented in the first half of the year, focusing on holidaymakers and employees, have taken us another step closer to achieving our vision. Over the next six months we aim to push ahead with a series of other initiatives, above all concentrating on improvements to our customers' website experience. All these measures form a solid basis for a sustained uptick in revenue and earnings growth.

With our best wishes for a relaxing summer holiday,

The Management Board

Investor relations report for the second quarter of 2017

Dear Shareholders,

At the end of May 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 79 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.holidaycheckgroup.com* under the heading Investor Relations.

As part of our investor relations work in the second quarter, we attended the Solventis Aktienforum in Frankfurt and the Goldman Sachs Small & Mid Cap Symposium 2017 in London.

At the beginning of June, we reached the limit of 1.5 million HolidayCheck Group shares allowed under the buyback programme launched by the Management Board in November 2016. As a result, the programme was closed earlier than anticipated. The shares were bought for a weighted average price of EUR 2.65 per share.

As at 30 June 2017, after an initial distribution of a total of 25,000 shares to employees of the company and employees of its affiliated entities in June 2017, we held a total of 1,475,000 treasury shares, equivalent to 2.52 percent of the company's share capital.

In July 2017, we distributed a further tranche of a total of 102,490 shares to employees of the company and employees of its affiliated entities. These shares had been offered under a restricted stock programme (RSP).

For regular and fascinating insights into the world of HolidayCheck Group, you can visit our social media channels on Facebook, Twitter, or XING. We are always delighted to welcome new followers.

Yours sincerely,
Armin Blohmann

At the annual general meeting in 2017

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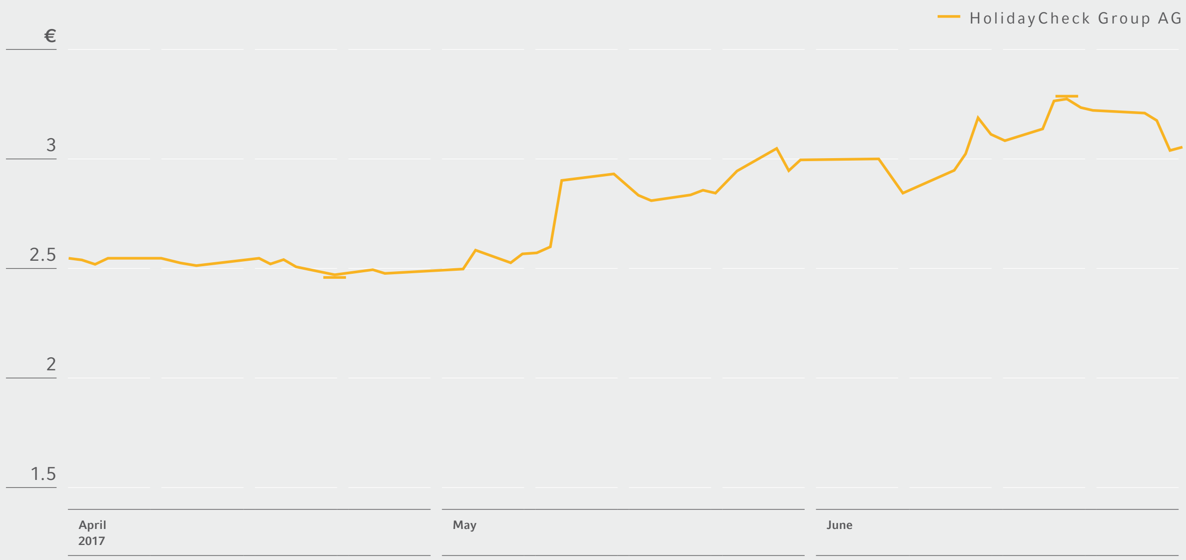
Second quarter 2017: HolidayCheck Group share price performance



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
Number of shares at 30 June 2017	58,313,628 no-par value bearer shares
Number of treasury shares at 30 June 2017	1,475,000
Market capitalisation at 30 June 2017	EUR 179.0 million

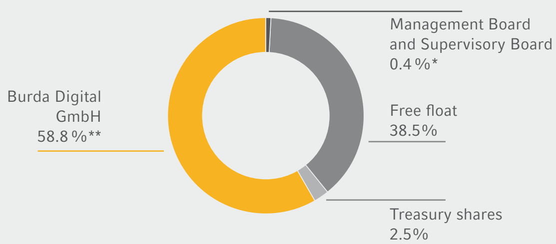
HolidayCheck Group share price performance on the Xetra trading platform	
Starting price second quarter 2017	EUR 2.56
Second quarter 2017 low	EUR 2.47
Second quarter 2017 high	EUR 3.34
Closing price second quarter 2017	EUR 3.07
Second quarter 2017 share price performance	+19.9 %

Recent HolidayCheck Group share price ratings by analysts*

	recommen-dation	price target
Bankhaus Lampe	hold	EUR 2.50
HSBC Global Research	hold	EUR 2.40
Solventis	buy	EUR 5.00
Warburg Research	hold	EUR 3.50

* as at 12 July 2017; no guarantee is assumed for completeness of the information provided

Shareholder structure (rounded)



* as at 30 June 2017; ** as at 4 June 2014; no guarantee is assumed for completeness of the information provided.

Group management report of HolidayCheck Group AG, Munich, Germany, for the first six months of 2017

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, an internet group with operations in Central Europe. The Group's business activities are centred on the holiday sector. We have been an exchange-listed company for around seventeen years. In the first half of 2017 our average total workforce was 426 full-time equivalents (FTEs) based at five locations in Germany, the Netherlands, Poland and Switzerland.

1.2 Description of business operations

The HolidayCheck Group mainly consists of 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 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 comparison 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. z o. o. and HolidayCheck Solutions GmbH, none of which generates any significant amounts of external revenue.

In the first half of 2017, the HolidayCheck Group achieved total consolidated revenue of EUR 61.2 million compared with EUR 55.0 million in the first half of 2016, a year-on-year increase of 11.2 percent.

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 costs. 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.

As at 30 June 2017, 135 HolidayCheck Group employees were assigned to development roles (30 June 2016: 111 employees).

Capitalised development costs for the first half of 2017 and the first half of 2016 are shown in the table below.

Own work capitalised

Own work capitalised in the first half of 2017	EUR 1,468 thousand
Own work capitalised in the first half of 2016	EUR 1,979 thousand

2. Economic report

2.1 Macro-economic and industry situation

2.1.1 Macro-economic situation

In a report issued on 27 June 2017, Deutsche Bank's Global Market Research unit projects the following picture of economic growth in the HolidayCheck Group's core sales markets over the current financial year.

After adjusting for inflation, Dutch gross domestic product (GDP) is forecast to increase by 2.1 percent (GDP 2016: 2.2 percent) and Belgian GDP by 1.6 percent (GDP 2016: 1.2 percent). Germany is expected to put on 1.6 percent (GDP 2016: 1.9 percent), Austria 1.8 percent (GDP 2016: 1.6 percent) and Switzerland 1.5 percent (GDP 2016: 1.3 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 2017 in the core markets targeted by the Group's transaction-based travel portals was roughly 5-10 percent up on the same period in 2016. Online portals benefited above average from this positive trend.

At the same time, compared with the first half of 2016, competitive pressures in the Group's core sales markets remained consistently high.

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

2.2 Business development and performance

All in all, the Group's results in the first half of 2017 were pleasing. With competition as intense as ever, the total revenue generated by the travel industry in Central Europe showed a percentage increase in the mid-single figures based on the company's own assessment. It is likely that growth will prove to be much higher still among the industry's online players. Overall, the development of revenue and operating EBITDA was in line with the Management Board's expectations. Total consolidated revenue for the first half-year rose by 11.2 percent from EUR 55.0 million in 2016 to EUR 61.2 million in 2017. Operating EBITDA for the first six months of 2017 was EUR 2.8 million compared with EUR 0.2 million in the same period of the previous year.

2.2.1 Business developments

Nathan Brent Glissmeyer appointed Chief Product Officer and Senior Vice President Engineering

The Supervisory Board of HolidayCheck Group AG (Munich, Germany) appointed Nathan Brent Glissmeyer to the company's Management Board in the role of Chief Product Officer (CPO) and Senior Vice President Engineering with effect from 1 January 2017. He took over from Chief Operating Officer Timo Salzsieder, who stepped down on 28 February 2017 to pursue a new career challenge.

Markus Scheuermann appointed Chief Financial Officer

The Supervisory Board of HolidayCheck Group AG (Munich, Germany) appointed Markus Scheuermann to the company's Management Board in the role of Chief Financial Officer (CFO) with effect from 29 May 2017. He took over from Dr Dirk Schmelzer, who stepped down on 31 March 2017 to pursue a new career challenge.

Christoph Ludmann appointed new CEO at Group subsidiary HolidayCheck AG

The Board of Directors of HolidayCheck AG (Bottighofen, Switzerland) appointed Christoph Ludmann to the position of Chief Executive Officer (CEO) at the company with effect from 1 July 2017. He took over from Anja Keckeisen, who stepped down at her own request on 30 June 2017.

2017 annual general meeting – Holger Eckstein elected to Supervisory Board

The 2017 annual general meeting (AGM) of HolidayCheck Group AG was held on 30 May in Munich, Germany. The shareholders and proxies who attended the meeting represented around 79 percent of the company's share capital with voting rights and approved each of the AGenda resolutions by a large majority.

The shareholders at the meeting appointed Holger Eckstein to the company's Supervisory Board in a by-election. He had already been appointed to the Supervisory Board by Munich District Court (Amtsgericht) in January, as proposed by the Boards, for the period up to the end of the general meeting of shareholders. This followed the resignation of Dr Andreas Rittstieg from the Supervisory Board with effect from

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the end of the previous year. As Chief Financial Officer of Hubert Burda Media Holding, Holger Eckstein is an experienced financial expert.

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

Additionally, the shareholders present passed a resolution to transfer EUR 3,000,000 of the total EUR 19,392,785.91 net retained profit of HolidayCheck Group AG for the financial year 2016 to the revenue reserves, and to carry EUR 16,392,785.91 forward to the next accounting period.

Formation of Driveboo AG

On 14 March 2017, HolidayCheck AG and Driveboo AG concluded a demerger agreement to spin off HolidayCheck AG's car hire business.

Under the terms of the agreement, Driveboo AG took over the car hire business with retrospective effect from 1 January 2017. The spin-off acquired legal force when it was entered in the commercial register on 12 June 2017.

The demerger has no significant impact on the consolidated financial statements of HolidayCheck Group AG.

Share buy-back programme successfully completed

Following approval by the Supervisory Board, the Management Board of HolidayCheck Group AG decided on 8 November 2016 to make use of the share buy-back authorisation granted by the annual general meeting on 16 June 2015 in accordance with section 71 paragraph 1 number 8 of the German Stock Corporation Act (Aktiengesetz, AktG). On 18 November 2016, the company began the process of repurchasing its own shares on the capital market. On 6 June 2017, we reached the limit of 1.5 million HolidayCheck Group AG shares allowed under the buy-back programme, and the programme was therefore closed earlier than anticipated. The shares were bought for a weighted average price of EUR 2.65 per share.

As at 30 June 2017, after an initial distribution of 25,000 shares to employees of the company and employees of its affiliated entities in June, the company held a total of 1,475,000 treasury shares, equivalent to 2.53 percent of the company's share capital.

In July 2017, a further tranche of 102,490 shares was distributed to employees of the company and employees of its affiliated entities under a restricted stock plan (RSP). One of the objectives of this plan is to give employees a stake in the long-term success of the company in the form of share-based remuneration, therefore providing an incentive for sustained performance. The restricted stock plan replaces the previous bonus plan for the employees concerned.

2.2.2 Performance

2.2.2.1 Income

2.2.2.1.1 Total operating income

At EUR 63.5 million, the **total operating income** of the HolidayCheck Group for the first half-year rose by 8.2 percent in 2017 compared with the figure of EUR 58.7 million in the same period of 2016. Total operating income for the second quarter of 2017 stood at EUR 28.7 million, up 6.1 percent on the corresponding figure of EUR 27.1 million in 2016.

Revenue for the first half-year was up by 11.2 percent from EUR 55.0 million in 2016 to EUR 61.2 million in 2017. At EUR 27.7 million, the second-quarter total was 11.5 percent higher compared with EUR 24.9 million in the same period of 2016.

As anticipated, the revenue generated by WebAssets B.V. from its brands Zoover and WeerOnline/MeteoVista in the first half of 2017 was largely unchanged compared with the same period of the previous year. By contrast, HolidayCheck AG recorded a 14 percent increase in revenue for the half-year period and a 16 percent year-on-year increase in the second quarter.

At EUR 0.9 million, **other income** in the first six months of 2017 was down on the figure of EUR 1.7 million for the same period of 2016. The 2017 second-quarter figure decreased to EUR 0.3 million compared with EUR 1.0 million in 2016. The higher figures for 2016 were largely due to non-recurring income of EUR 0.4 million from the reversal of liabilities. The fact that reversals of personnel provisions are now presented under personnel costs reduced the 2017 figures by a further EUR 0.5 million.

Other own work capitalised in the first half of 2017 stood at EUR 1.5 million compared with the figure of EUR 2.0 million in the same period of 2016. In the second quarter of 2017, other own work capitalised fell to EUR 0.7 million (second quarter 2016: EUR 1.2 million). This decline was mainly due to an increase in the proportion of development activities that cannot be capitalised.

2.2.2.1.2 EBITDA

Marketing expenses ended the first six months of the current year 1.5 percent lower year on year, at EUR 29.5 million compared with the equivalent 2016 figure of EUR 30.0 million. This was mainly due to a decision not to go ahead with a TV advertising campaign in the first quarter of 2017. At EUR 14.6 million, however, marketing expenses in the second quarter were 13.7 percent higher compared with the figure of EUR 12.9 million in the same period of 2016. The main factor here was the production and launch of a new, long-term advertising campaign under the slogan Book your thing. The campaign went live in mid-June 2017 and generated marketing expenses of EUR 1.5 million in the second quarter of the year.

Personnel expenses in the first half-year 2017 rose by 29.2 percent from EUR 15.0 million in 2016 to EUR 19.4 million in the period under review. At EUR 9.9 million, the second-quarter total was up 37.5 percent on the figure of EUR 7.2 million for the same quarter of 2016.

This was partly due to a planned increase in the workforce, especially in the area of IT development and in our service centre. Another important factor, affecting both the second quarter and the first half of 2017, was the revaluation of long-term incentive plans following a significant increase in the company's share price. Together with ongoing additions to long-term incentive plans and various other factors, this pushed up personnel expenses in the first half and second quarter of 2017 by EUR 1.4 million and EUR 0.9 million respectively.

At EUR 13.2 million, **other expenses** in the first half of 2017 were up by a small margin of 3.1 percent compared with EUR 12.8 million in the same period of 2016. In the second quarter, other expenses rose by 3.3 percent from EUR 6.7 million in 2016 to EUR 6.9 million in 2017. This modest rise was mainly due to an increase in the figure for distribution and marketing expenses.

At EUR 1.5 million, **EBITDA (earnings before interest, tax, depreciation and amortisation)** for the first half of 2017 was up 49.2 percent year on year (first half 2016: EUR 1.0 million). Second-quarter EBITDA declined from EUR 0.3 million in 2016 to minus EUR 2.7 million in the current financial year, mainly as a result of planned increases in marketing and personnel expenses and the other exceptional factors outlined above under personnel expenses.

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.

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At EUR 2.8 million in the first half of 2017, **operating EBITDA (operating earnings before interest, tax, depreciation and amortisation)** showed a substantial increase (>100 percent) on the figure of EUR 0.2 million for the same period in 2016. The second-quarter figure for the current financial year stood at minus EUR 1.6 million compared with minus EUR 0.2 million in 2016.

Calculation of operating EBITDA from EBITDA

	1 Jan 2017 to 30 Jun 2017 (EUR million)	1 Jan 2016 to 30 Jun 2016 (EUR million)	1 Apr 2017 to 30 Jun 2017 (EUR million)	1 Apr 2016 to 30 Jun 2016 (EUR million)
EBITDA	**+1.5**	**+1.0**	**-2.7**	**+0.3**
Plus: other expenses from revaluations of earn-out or put/call obligations	+0.1		+0.1	
Minus: other income Plus: other expenses from personnel obligations linked to remuneration programmes and pension provisions	+1.2	-0.4	+1.0	-0.1
Minus: income from the reversal of liabilities		-0.4		-0.4
Operating Group EBITDA	**+2.8**	**+0.2**	**-1.6**	**-0.2**

2.2.2.1.4 Other items in the consolidated statement of income

Depreciation, amortisation and impairment charges rose by 7.0 percent from EUR 2.8 million in the first half of 2016 to EUR 3.0 million in the period under review and by 9.3 percent from EUR 1.4 million in the second quarter of 2016 to EUR 1.6 million in the second quarter of the current financial year. This was mainly due to the ongoing capitalisation of software developed in-house, which is then depreciated over five years.

EBIT (earnings before interest and tax) for the first half of 2017 stood at minus EUR 1.5 million compared with minus EUR 1.8 million in the same period of 2016. Second-quarter EBIT was minus EUR 4.3 million (second quarter 2016: minus EUR 1.1 million).

The **financial result** of the HolidayCheck Group in the first half of 2017 stood at minus EUR 0.1 million compared with EUR 0.1 million in the same period of 2016. The financial result in the second quarter of 2017 stood at EUR 0.0 million compared with EUR 0.1 million in the same quarter of 2016.

EBT (earnings before taxes) stood at minus EUR 1.6 million in the first half of 2017 (first half 2016: minus EUR 1.7 million). EBT in the second quarter of 2017 was minus EUR 4.3 million (second quarter 2016: minus EUR 1.0 million).

The **tax result** for the first half of 2017 was minus EUR 0.5 million compared with EUR 0.0 million in the same period of 2016. The corresponding figure for the second quarter was EUR 0.3 million in 2017 compared with EUR 0.0 million in the previous year.

Consolidated net profit/(loss) from continuing operations was minus EUR 2.1 million in the first half of 2017 (first half 2016: minus EUR 1.7 million). The corresponding figure for the second quarter of 2017 was minus EUR 4.0 million (second quarter 2016: minus EUR 1.0. million).

Consolidated net profit/(loss) from discontinued operations was EUR 0.3 million in the first half of 2017 compared with EUR 0.1 million in the same period of 2016. The corresponding figure for the second quarter of 2017 was EUR 0.3 million compared with minus EUR 0.3 million in the same quarter of 2016.

Consolidated net profit/(loss) was minus EUR 1.8 million in the first half of 2017 compared with minus EUR 1.6 million in the same period of 2016. Second-quarter consolidated net profit/(loss) stood at minus EUR 3.7 million in 2017 compared with minus EUR 1.3 million in the previous year.

Group comprehensive income for the half-year period under review was minus EUR 1.7 million compared with minus EUR 1.6 million in the first half of 2016. The corresponding figure for the second quarter of 2017 was minus EUR 3.7 million (second quarter 2016: minus EUR 1.3 million).

Basic and diluted earnings per share from continuing operations stood at minus EUR 0.04 in the first half of 2017 compared with minus EUR 0.03 in the same period of 2016. The second-quarter figure for 2017 was minus EUR 0.07 compared with minus EUR 0.02 in the same quarter of 2016.

Basic and diluted earnings per share from discontinued operations came to EUR 0.01 in the first half of 2017 compared with EUR 0.00 in the same period of 2016. The second-quarter figure for 2017 was EUR 0.01 compared with minus EUR 0.01 in the second quarter of 2016.

Basic and diluted earnings per share were minus EUR 0.03 in the first half of 2017 compared with minus EUR 0.03 in the same period of 2016. The second-quarter figure for 2017 was minus EUR 0.06 compared with minus EUR 0.03 in the second quarter of 2016.

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.

2.2.2.2.1 Capital structure

In order to maintain a healthy capital structure, the company has established a target for the financial year 2017 of keeping its equity ratio (equity / total capital x 100 percent) to at least 70 percent (see table on the next page).

Capital structure

	30 JUN 2017 (EUR million)	31 DEC 2016 (EUR million)	Change as percentage
Total equity	160.5	165.7	-3.1%
Total capital	193.0	192.5	+0.3%
Equity ratio	83.1	86.1	-3.4%

2.2.2.2.2 Liquidity

Cash flows

Net cash from operating activities in the first half of 2017 was minus EUR 3.3 million compared with minus EUR 8.0 million in the same period of 2016. The main factors here were a reduction in the amount of cash tied up in the Group's working capital, higher adjustments for incentive and stock option plans and lower interest payments.

Net cash used in investing activities stood at minus EUR 4.1 million in the first half of 2017 (first half 2016: minus EUR 3.6 million).

This increase was mainly a result of additions to tangible assets at the Group's offices in Munich (Germany) and Bottighofen (Switzerland) due to renovation work.

Net cash from financing activities stood at minus EUR 3.8 million in the period under review compared with minus EUR 19.7 million in the first half of 2016.

The figure for the first half of 2017 includes payments of EUR 3.8 million under the share buy-back programme (first half 2016: EUR 0.0 million). The figure for the first half of 2016 includes cash outflows of EUR 14.5 million in repayment of loans; payments of EUR 3.1 million in settlement of cash-pool liabilities towards deconsolidated entities (first half 2017: EUR 0.0 million); and payments of EUR 2.1 million linked to the purchase of the remaining shares in WebAssets B.V. (first half 2017: EUR 0.0 million).

As a result, cash and cash equivalents at the end of the first half of 2017 stood at EUR 28.7 million, down from EUR 32.2 million at the end of the same period in 2016.

2.2.2.2.3 Asset position

On the assets side of the consolidated balance sheet, **non-current assets** as at 30 June 2017 stood at EUR 134.5 million. This figure was almost unchanged (up 0.7 percent) compared with the 2016 year-end total of EUR 133.5 million.

At EUR 58.5 million, **current assets** as at 30 June 2017 were just 0.7 percent lower compared with the figure of EUR 58.9 million as at 31 December 2016. However, there were a number of changes within this item. Trade receivables rose by EUR 10.8 million to EUR 26.0 million as a result of increased business activity. At the same time, cash and cash equivalents fell by EUR 11.3 million to EUR 28.7 million due to cash outflows.

On the liabilities side of the consolidated balance sheet, **equity** as at 30 June 2017 was EUR 160.5 million, down 3.1 percent from the 2016 year-end figure of EUR 165.7 million. The main factors here were the first half-year figure for consolidated net income/(loss) and the share buy-back programme.

At the end of the period under review, the equity ratio stood at 83.1 percent compared with the 2016 year-end figure of 86.1 percent. This decline was mainly due to the lower equity figure and an increase in the balance sheet total as a result of higher liabilities.

At EUR 8.7 million, **non-current liabilities** as at 30 June 2017 were 10.9 percent higher compared with the 2016 year-end figure of EUR 7.8 million. This was mainly due to an increase of EUR 0.7 million in other miscellaneous liabilities following the revaluation of the long-term incentive plan (LTIP) and the corresponding change in the balance sheet figure.

As at 30 June 2017, **current liabilities** stood at EUR 23.9 million, up 25.8 percent compared with the 2016 year-end total of EUR 19.0 million. The main factor here was an increase of EUR 5.5 million in trade payables due to the expansion of the Group's business activities.

The figure for **total liabilities** ended the period 21.4 percent higher at EUR 32.4 million compared with the 2016 year-end figure of EUR 26.8 million.

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Total assets rose by just 0.3 percent from EUR 192.5 million at the end of 2016 to EUR 193.0 million as at 30 June 2017.

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

No further events occurred after the end of the first half of 2017 that were of material significance to HolidayCheck Group AG.

4. Report on expected developments, opportunities and risks

4.1 Report on expected developments

4.1.1 Expected macro-economic developments

In its report dated 27 June 2017, 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 2.1 percent (GDP 2016: 2.2 percent) and Belgian GDP by 1.6 percent (GDP 2016: 1.2 percent). Germany is expected to put on 1.6 percent (GDP 2016: 1.9 percent), Austria 1.8 percent (GDP 2016: 1.6 percent) and Switzerland 1.5 percent (GDP 2016: 1.3 percent). All percentages shown are adjusted for inflation.

4.1.2 Expected industry developments

For the current year, the Management Board of HolidayCheck Group AG anticipates sector growth in the mid-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 HolidayCheck Group's future revenue and earnings is any political unrest or terrorist attacks, either in our key Mediterranean package holiday regions or in our customers' own countries.

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. This year, we intend to take one important step in this direction by expanding our portfolio of holiday services. We plan to make substantial investments in measures to speed up the further development of our existing products and services, especially in the core fields of package holidays and 'hotel only' bookings, in the development of new products and services in adjoining areas, and in the expansion of data intelligence and customised travel advice. In order to implement these measures, we will need to recruit additional personnel in HolidayCheck Group AG's subsidiaries, mainly in the areas of product and IT development, data quality management and travel advice. This will entail an increase in personnel costs.

We also anticipate an increase in our subsidiaries' marketing costs as a result of more intensive marketing activities involving both direct sales promotions and other measures designed to give a sustained boost to the profile of our various brands.

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.

The Management Board's forecast for 2017 was issued in March of this year and is premised on the scheduled implementation of the above investments in products and marketing. It also assumed a modest economic recovery and further intense competition at the same level as in 2016. Finally, the forecast was based on a degree of political stabilisation in the countries that represent our most important Mediterranean holiday destinations, accompanied by fewer and less intensive terrorist attacks.

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

4.1.3.1 Revenue and profitability

Based on the above assumptions, the forecast issued by the Management Board in March anticipates a year-on-year increase of between 5 and 10 percent in the HolidayCheck Group's total revenue in 2017, after adjusting for any acquisitions or disposals of long-term equity investments.

In light of the pleasing results achieved for both revenue and earnings in the first half of 2017, the Management Board now expects revenue growth for the financial year as a whole to lie between 7 and 11 percent.

In view of its plans to scale up investment in personnel and marketing, the Management Board still expects operating EBITDA in financial 2017 to lie between minus EUR 5 million and EUR 0 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. For more details, please see p. 66 of our 2016 annual report.

Note:
In financial 2016 the HolidayCheck Group's total revenue was EUR 107.3 million. Group operating EBITDA was EUR 2.7 million.

Further information on Group operating EBITDA can be found in section 2.2.2.1.3 of this report under the heading 'Calculation of operating EBITDA from EBITDA'.

4.1.3.2 Capital 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 percent should be reached in financial 2017. The figure as at 30 June 2017 was 83.1 percent.

4.1.4 Overall assessment of likely developments

For financial 2017 as a whole, we still expect to implement investments in products and marketing in line with our plans. We also anticipate a continuation of the modest economic recovery and further intense competition at the same level as in 2016. Finally, we expect to see a degree of political stabilisation in the countries that represent our most important Mediterranean holiday destinations, accompanied by a fall in the number and intensity of terrorist attacks.

Based on the underlying assumptions outlined above and the pleasing revenue and earnings figures achieved in the first half of 2017, the Management Board currently expects revenue growth for the financial year as a whole to lie between 7 and 11 percent.

Due to the intensified investment in personnel and marketing (as stated above), the Management Board still expects operating EBITDA to end the financial year of 2017 in a range between minus EUR 5 million and EUR 0 million.

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

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 on page 67 of the annual report for 2016, 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.

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5. Employees

The average headcount for the HolidayCheck Group in the first half of 2017 was 426 full-time equivalents (FTEs). The corresponding average figure for the first half of 2016 was 380 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 the annual report 2016 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 2017 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 2017

Georg Hesse
Chairperson of the Management Board (CEO)

Markus Scheuermann
Member of the Management Board (CFO)

Nathan Brent Glissmeyer
Member of the Management Board (CPO)

Consolidated balance sheet

as at 30 June 2017

ASSETS	30 June 2017 (EUR ,000)	30 June 2016 (EUR ,000)	31 December 2016 (EUR ,000)
NON-CURRENT ASSETS			
Intangible assets			
Intangible assets aquired for valuable consideration	17,731	18,128	18,136
Internally generated intangible assets	11,910	9,164	10,831
Goodwill	100,182	100,182	100,182
	129,823	**127,474**	**129,149**
Property, plant and equipment (tangible assets)			
Land, land rights and buildings	17	18	18
Other plant, furniture and fixtures	3,226	2,599	2,746
	3,243	**2,617**	**2,764**
Financial assets			
Shares in affiliated entities	0	4	0
Loans	0	6,270	0
	0	**6,274**	**0**
Receivables and other assets			
Other miscellaneous assets	808	641	868
	808	**641**	**868**
Deferred taxes	**652**	**1,205**	**759**
TOTAL NON-CURRENT ASSETS	**134,527**	**138,211**	**133,540**
CURRENT ASSETS			
Receivables and other assets			
Trade receivables	25,970	23,166	15,172
Receivables from affiliated entities	239	188	238
Income tax receivables	601	105	694
Other miscellaneous assets	2,958	2,126	2,746
	29,768	**25,585**	**18,850**
Cash and cash equivalents	**28,739**	**32,208**	**40,085**
TOTAL CURRENT ASSETS	**58,506**	**57,793**	**58,935**
TOTAL ASSETS	**193,034**	**196,004**	**192,475**

EQUITIES AND LIABILITIES	30 June 2017 (EUR ,000)	30 June 2016 (EUR ,000)	31 December 2016 (EUR ,000)
EQUITY			
Subscribed capital (shares issued)	56,839	58,314	58,247
Capital reserves	84,808	84,808	84,720
Revenue reserves	865	0	0
Other reserves	-1,801	-1,658	-1,822
Consolidated retained earnings	19,763	25,836	24,515
TOTAL EQUITY	**160,474**	**167,300**	**165,660**
LIABILITIES			
NON-CURRENT LIABILITIES			
Provisions for pensions	1,437	1,024	1,371
Deferred taxes	5,346	5,370	5,307
Other miscellaneous liabilities	1,869	1,506	1,127
TOTAL NON-CURRENT LIABILITIES	**8,652**	**7,900**	**7,805**
CURRENT LIABILITIES			
Other provisions	197	870	390
Liabilities to banks	0	0	40
Trade payables	17,421	13,771	11,966
Liabilities to affiliated entities	185	112	35
Income tax liabilities	402	44	160
Other miscellaneous liabilities	5,702	6,007	6,419
TOTAL CURRENT LIABILITIES	**23,908**	**20,804**	**19,010**
TOTAL LIABILITIES	**32,560**	**28,704**	**26,815**
TOTAL EQUITY AND LIABILITIES	**193,034**	**196,004**	**192,475**

Consolidated statement of income

for the period 1 January to 30 June 2017

	1 January to 30 June 2017 (EUR ,000)	1 January to 30 June 2016 (EUR ,000)	1 April to 30 June 2017 (EUR ,000)	1 April to 30 June 2016 (EUR ,000)
Revenue	61,180	55,034	27,748	24,886
Other income	854	1,693	265	1,035
Other own work capitalised	1,468	1,979	717	1,165
Total operating income	**63,502**	**58,706**	**28,729**	**27,086**
Marketing expenses	-29,527	-29,979	-14,624	-12,864
Personnel expenses	-19,353	-14,974	-9,927	-7,220
thereof current benefits	*-18,348*	*-15,367*	*-9,122*	*-7,321*
thereof long-term incentive plans and pensions	*-1,006*	*393*	*-806*	*101*
Other expenses	-13,171	-12,780	-6,896	-6,675
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	**1,452**	**973**	**-2,718**	**327**
Depreciation, amortisation and impairment	-2,953	-2,759	-1,579	-1,445
Earnings before interest and taxes (EBIT)	**-1,501**	**-1,786**	**-4,297**	**-1,118**
Financial income	2	294	1	137
Financial expenses	-90	-223	-46	-17
Financial result	**-88**	**71**	**-45**	**120**
Earnings before taxes (EBT)	**-1,590**	**-1,715**	**-4,342**	**-998**
Actual taxes	-358	113	309	157
Deferred taxes	-148	-108	5	-122
Tax result	**-506**	**5**	**314**	**35**
Consolidated net profit/(loss) from continuing operations	**-2,095**	**-1,710**	**-4,028**	**-963**
Consolidated net profit/(loss) from discontinued operations	**343**	**123**	**343**	**-338**
Consolidated net profit/(loss)	**-1,752**	**-1,587**	**-3,685**	**-1,301**
Consolidated net profit/(loss) attributable to				
equity holders of the parent company	-1,752	-1,587	-3,685	**-1,301**
	-1,752	**-1,587**	**-3,685**	**-1,301**
	€	€	€	€
Basic and diluted earnings per share from continuing operations	**-0.04**	**-0.03**	**-0.07**	**-0.02**
Basic and diluted earnings per share from discontinued operations	**0.01**	**0.00**	**0.01**	**-0.01**
Basic and diluted earnings per share	**-0.03**	**-0.03**	**-0.06**	**-0.03**
Average number of shares outstanding	57,542,493	58,313,628	57,138,902	58,313,628

Consolidated statement of comprehensive income

for the period 1 January to 30 June 2017

	1 January to 30 June 2017 (EUR ,000)	1 January to 30 June 2016 (EUR ,000)	1 April to 30 June 2017 (EUR ,000)	1 April to 30 June 2016 (EUR ,000)
Consolidated net income/(loss)	**-1,752**	**-1,587**	**-3,686**	**-1,301**
Items subject to possible reclassification to the statement of income in the future	**21**	**26**	**-1**	**31**
Currency translation differences	21	-12	-1	-12
Cash flow hedges	0	38	0	43
Changes in fair value recognised in equity	*0*	*-31*	*0*	*5*
Recognised in the statement of income	*0*	*78*	*0*	*48*
Deferred taxes on cash flow hedges	*0*	*-9*	*0*	*-10*
Other comprehensive income	**21**	**26**	**-1**	**31**
Consolidated comprehensive income/(loss)	**-1,732**	**-1,561**	**-3,687**	**-1,270**
Consolidated comprehensive income/(loss) attributable to				
equity holders of the parent company	-1,732	-1,561	-3,687	-1,270
	-1,732	**-1,561**	**-3,687**	**-1,270**

Consolidated statement of changes in equity

for the period 1 January to 30 June 2017

	Equity attributable to equity holders of the parent company			
	Subscribed capital (shares issued)			Capital reserves
	Subscribed capital (EUR ,000)	Own shares (EUR ,000)	TOTAL (EUR ,000)	(EUR ,000)
1 JANUARY 2016	**58,314**	**0**	**58,314**	**84,808**
Net profit/(loss) after taxes according to consolidated statement of income	0	0	0	0
Other comprehensive income/(loss) according to consolidated statement of comprehensive income	0	0	0	0
Consolidated comprehensive income	**0**	**0**	0	**0**
30 JUNE 2016	**58,314**	**0**	**58,314**	**84,808**
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 - acquisition of own shares in revenue reserves	0	0	0	0
Offsetting according to IFRS 2	0	25	25	102
Net profit/(loss) after taxes according to consolidated statement of income	0	0	0	0
Other comprehensive income/(loss) according to consolidated statement of comprehensive income	0	0	0	0
Consolidated comprehensive income	**0**	**0**	0	**0**
30 June 2017	**58,314**	**-1,475**	**56,839**	**84,808**

Equity attributable to equity holders of the parent company						
Revenue reserves	Other reserves					
(EUR ,000)	for revaluation of defined-benefit pension plans (EUR ,000)	for currency translation (EUR ,000)	for cash flow hedges (EUR ,000)	TOTAL (EUR ,000)	Consolidated retained earnings (EUR ,000)	TOTAL (EUR ,000)
0	**482**	**-2,108**	**-58**	**-1,684**	**27,423**	**168,861**
0	0	0	0	0	-1,587	-1,587
0	0	-12	38	26	0	26
0	**0**	**-12**	**38**	26	**-1,587**	-1,561
0	**482**	**-2,120**	**-20**	**-1,658**	**25,836**	**167,300**
0	**298**	**-2,120**	**0**	**-1,822**	**24,515**	**165,660**
0	0	0	0	0	-2,367	-3,814
3,000	0	0	0	0	-3,000	0
-2,367	0	0	0	0	2,367	0
232	0	0	0	0	0	359
0	0	0	0	0	-1,752	-1,752
0	0	21	0	21	0	21
0	**0**	**21**	**0**	21	**-1,752**	-1,732
865	**298**	**-2,099**	**0**	**-1,801**	**19,763**	**160,474**

Consolidated statement of cash flows

for the period 1 January to 30 June 2017

	1 January to 30 June 2017 (EUR ,000)	1 January to 30 June 2016 (EUR ,000)
CASH FLOW FROM OPERATING ACTIVITIES		
Consolidated net profit/(loss)	-1,752	-1,587
Financial result	88	-71
Depreciation, amortisation and impairment losses [1)]	2,953	2,760
Changes from discontinued operations	-343	-670
Personnel expenses resulting from incentive and stock option programmes	942	-540
Changes in deferred taxes	148	108
Increase/decrease in assets not attributale to investing or financing activities	-10,775	-7,567
Increase/decrease in liabilities not attributale to investing or financing activities	5,240	793
Changes in receivables from/liabilities to affiliated entities	160	77
Interest expenses	-120	-921
Other non-cash expenses/income	174	-385
Net cash from operating activities	**-3,285**	**-8,003**
CASH FLOW FROM INVESTING ACTIVITIES		
Cash inflow from disposal of tangible and intangible assets	2	1,057
Cash outflow for investment in tangible and intangible assets	-4,121	-3,104
Cash inflow from disposal of financial assets	0	417
Cash inflow from/outflow for disposal of previously consolidated entities [2)]	0	696
Cash outflow for transaction costs arising from the disposal of previously consolidated entities [3)]	0	-2,667
Net cash used in investing activities	**-4,119**	**-3,601**

	1 January to 30 June 2017 (EUR ,000)	1 January to 30 June 2016 (EUR ,000)
CASH FLOW FROM FINANCING ACTIVITIES		
Cash outflow for acquisition of own shares	-3,815	0
Cash outflow for repayment of loans to banks	0	-14,500
Cash outflow for payment of cash pool liabilities to deconsolidated entities [4)]	0	-3,149
Cash outflow for the payment of purchase price liabilities relating to shares in consolidated entities [5)]	0	-2,100
Net cash used in financing activities	**-3,815**	**-19,749**
VALUATION-RELATED CHANGES IN CASH		
Change in value of cash due to closing rate or price changes	13	-6
Exchange rate-related revaluation or devaluation of currency holdings	-140	-140
Valuation-related changes in cash	**-127**	**-146**
Net increase/decrease in cash	**-11,346**	**-31,499**
Cash and cash equivalents at the beginning of the financial year	40,085	63,707
Cash at the end of the period	**28,739**	**32,208**

Additional information
In the financial year, there were tax outflows of EUR 134 thousand (2016: EUR 465 thousand) and tax inflows of EUR 99 thousand (2016: EUR 193 thousand).

Note

1) An amount of € 1 thousand from discontinued operations is included in the figure shown for amortisation, depreciation and impairment losses.
2) This item includes a subsequent purchase price payment of EUR 26 thousand relating to the sale of shares in jameda GmbH in financial 2015. Furthermore, the amount comprises earn-out payments of EUR 670 thousand in connection with the sale of shares in Cellular GmbH in 2014.
3) The amount shown for 2016 refers mainly to transaction costs paid in connection with the sale of shares in jameda GmbH.
4) There was a cash outflow to balance cash pool obligations vis-à-vis jameda GmbH in financial 2016.
5) The item refers to earn-out instalment payments in connection with the purchase of the remaining shares in WebAssets B.V. in 2016.

Notes to the consolidated financial statements of HolidayCheck Group AG, Munich, Germany, for the first six months of 2017

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 contain 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 2016 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 2016 Group annual report. 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 Accounting method and valuation

The Group has not yet applied the new financial reporting specifications shown in the table below as they

Standards amended by the International Accounting Standards Board (IASB)

	Applicable from [1]	Endorsed by EU
Amendments to IAS 7 Disclosure Initiative	1 January 2017	No
Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017	No
Annual Improvements to International Reporting Standards (2014-2016 cycle)	1 January 2017 / 1 January 2018	No

1) Date first applicable in EU

New or amended standards and interpretations issued by the IASB

	Applicable from [1]	Endorsed by EU
Amendments to IFRS 9 Financial Instruments	1 January 2018	Yes
IFRS 15 Revenue from Contracts with Customers	1 January 2018	Yes
IFRS 16 Leases	1 January 2019	No
Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018	No
Amendments to IFRS 4: Application of IFRS 9 in conjunction with IFRS 4 Insurance Contracts	1 January 2018	No
IFRS 15: Clarifications to IFRS 15	1 January 2018	No
Amendments to IAS 40: Transfers of Investment Property	1 January 2018	No
IFRIC 22: Foreign Currency Transactions and Advance Consideration	1 January 2018	No

1) Date first applicable in EU

had not been endorsed by the EU for the period under review.

The changes will not have a significant impact on the interim consolidated financial statements of HCG.

The standards shown in the table above have been adopted by the IASB but were not applied to the condensed interim consolidated financial standards as at 30 June 2017 as they are not yet mandatory. HCG does not generally apply standards before they become mandatory even though certain standards provide for this option.

Our Group-wide assessment of the potential impact of applying IFRS 15 to the interim consolidated financial statements (including the disclosures in the notes) is well advanced but not yet complete. However, we do not expect the full application of IFRS 15 to have any significant impact on the Group's income, asset and financial position.

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.

2.2 Notes on the structure of the consolidated statement of income and the consolidated statement of cash flows

Following the Group's successful strategic realignment, the Management Board took the decision to change the structure of the consolidated statement of income beginning in financial 2016. In this connection we refer to the explanation contained in the consolidated financial statements as at 31 December 2016. These changes in presentation were not fully implemented in the quarterly financial statements as at 30 June 2016. The main changes shown in the annual financial statements for 2016 and the quarterly financial statements as at 30 June 2017 concern income of EUR 533 thousand from the reversal of personnel provisions. This income is netted off against personnel expenses and no longer shown as other operating income.

Out-of-period purchase price payments of EUR 696 thousand relating to the disposal of deconsolidated entities and out-of-period cash outflows of EUR 2,667 thousand for transaction costs arising from the disposal of deconsolidated entities were shown in the interim financial statements as at 30 June 2016 under the heading 'Cash flow from financing activities'. By contrast, in both the year-end financial statements for 2016 and in the interim consolidated financial statements as at 30 June 2017, these items are shown under the heading 'Cash flow from investing activities'.

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.

Starting in financial 2016, the Management Board will therefore manage the Group on the basis of key indica-

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Reporting entity as at 30 June 2017

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. [2]	Amsterdam, Netherlands	98.00
Zoover Media B.V. [3]	Amsterdam, Netherlands	100.00
Zoover International B.V. [3]	Amsterdam, Netherlands	100.00
Zoover GmbH [3]	Munich, Germany	100.00
Meteovista B.V. [3]	Amsterdam, Netherlands	100.00
SARL Zoover France [3] [4]	Paris, France	100.00
Zoover Travel B.V. [3]	Amsterdam, Netherlands	100.00

1) Indirect shareholding via HolidayCheck AG
2) A minority shareholder owns a 2 percent stake; at the same time a put/call option is in place for buy-back purposes.
3) Indirect shareholding via WebAssets B.V.
4) Company in liquidation

tors for the entire business rather than on a segment basis. As such, the business will no longer be divided into segments. Accordingly, this half year 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 in terms of financial and business policy.

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

5. Significant events

The management report provides information on the incorporation of Driveboo AG and other significant events.

6. Discontinued operations and sale of subsidiaries

The annual report of HolidayCheck Group AG for the financial year 2015 contains full details of its withdrawal from the publishing, subscription and B2B business areas. These details are included in the information and disclosures presented below.

The consolidated net profit/(loss) figure for the Group's discontinued operations in the first half of 2017 includes income of EUR 343 thousand from the reversal of provisions in respect of the former Publishing segment (EUR 0.01 earnings per share).

On 1 February 2016 HolidayCheck Group AG sold all the main assets of organize.me GmbH in two asset deals. The total consideration amounted to EUR 1,080 thousand in the financial year 2016.

Under the terms of an agreement dated 12 April 2016 concerning the B2B business, the buyers agreed to settle their earn-out obligations before the specified date. This produced subsequent income of EUR 670 thousand.

Given their importance to the earnings, asset and financial position of HolidayCheck Group AG, the above-mentioned sold subsidiaries and Group business areas constitute discontinued operations within the meaning of IFRS 5.

Owing to their classification as discontinued operations, the former B2B Business, Publishing and Subscription segments have been wound up. Their contribution to earnings has been combined and shown separately as consolidated net (profit)/loss from discontinued operations.

In the first six months of 2017, net profit/(loss) from continuing operations (including other comprehensive income) stood at minus EUR 2,075 thousand. The corresponding figure for discontinued operations was EUR 343 thousand.

Consolidated net profit/(loss) from discontinued operations for the first six months of 2016

	B2B Business € ,000	Subscription € ,000	TOTAL € ,000
Revenue	0	4	4
Other income	0	73	73
Other own work capitalised	0	0	**0**
Expenses	0	-113	**-113**
Earnings before interest and taxes (EBIT)	**0**	**-36**	**-36**
Financial result	0	0	**0**
Attributable income tax expense	0	0	**0**
Earnings after taxes	**0**	**-36**	**-36**
Profit/(loss) from disposal of discontinued operations	670	-511	159
Attributable income tax expense	0	0	0
Net profit/(loss) from discontinued operations	**670**	**-547**	**123**
Earnings per share (EUR)	0.01	-0.01	0.00

> > >

In the first half of 2016, consolidated comprehensive income from continuing operations (including other comprehensive income) stood at minus EUR 1,684 thousand. Comprehensive income from discontinued operations was EUR 123 thousand.

There is no change in the presentation of cash flows attributable to the operating, investing or financing activities of discontinued operations. These are shown in the consolidated statement of cash flows for the first quarter of 2016 and 2015. As required, cash flows from discontinued operations are also presented in detail in the notes to the financial statements.

The following table contains a breakdown of cash flows from discontinued operations.

Cash flow from discontinued operations for the first six months of 2017

	B2B Business € ,000	Subscription € ,000	TOTAL € ,000
Net cash flow from operating activities	-4	-35	**-39**
Net cash flow from investing activities	0	0	**0**
Net cash flow from financing activities	0	0	**0**
Net cash flow from discontinued operations	**-4**	**-35**	**-39**

Cash flow from discontinued operations for the first six months of 2016

	B2B Business € ,000	Subscription € ,000	TOTAL € ,000
Net cash flow from operating activities	0	-101	**-101**
Net cash flow from investing activities	0	1,000	**1,000**
Net cash flow from financing activities	670	-5,790	**-5,120**
Net cash flow from discontinued operations	**670**	**-4,891**	**-4,221**

7. 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 1,468 thousand was recognised for the period up to 30 June 2017 (30 June 2016: EUR 1,979 thousand).

Equity
Changes in the equity of the parent company's owners are shown in the consolidated statement of changes in equity.

Shares issued
As at 1 January 2017, the figure for shares issued by the company stood at 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 2017, following the buy-back of own shares, 1,500,000 no-par value shares with an accounting par value of EUR 1 were deducted from the total figure for shares issued. However, following the issue of 25,000 free no-par value shares (each with an accounting par value of EUR 1) to employees in the first half of 2017, the total figure for shares issued was increased by EUR 25,000 in line with IFRS 2. As at 30 June 2017, the total value of shares issued was therefore EUR 56,839 thousand.

Capital reserves
As at 30 June 2017, the capital reserves of HCG were EUR 84,808 thousand. This increase of EUR 88 thousand in the financial year 2016 was due to the share buy-back programme and the restricted employee stock plan (RSP) for employees.

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
When deciding on the appropriation of profit, the annual general meeting held on 30 May 2017 approved a resolution to place EUR 3,000,000 into the revenue reserves. As at 30 June 2017, EUR 2,367 thousand (the amount by which the repurchased shares exceeded their nominal value) was offset against the revenue reserves. In addition, as prescribed by IFRS 2, the amount of EUR 232 thousand, was recognised as an increase in the revenue reserves. As at 30 June 2017, the revenue reserves of the HCG Group stood at EUR 865 thousand.

Authorised capital
The general meeting of shareholders held on 12 June 2013 approved a resolution allowing the Management Board, subject to Supervisory Board approval, to undertake one or more increases in the company's share capital up to 11 June 2018 of up to EUR 14,578,407 in exchange for cash and/or non-cash contributions (authorised capital 2013/I). The Management Board is authorised to exclude shareholders' statutory subscription rights.

Contingent capital
The general meeting of shareholders held on 16 June 2015 approved a resolution to create contingent capital of EUR 11,600,000 (contingent capital 2015/I). This contingent capital is used to grant shares to the holders of convertible bonds and/or bonds with warrants. The authorisation is valid up to 15 June 2020.

Treasury shares
The general meeting of shareholders held on 16 June 2015 adopted a resolution authorising the Management Board to purchase shares in the company equal to a

Other miscellaneous liabilities

	31 Dec 2016 (EUR '000)	Revaluation (EUR '000)	Utilisation (EUR '000)	30 Jun 2017 (EUR '000)
Liabilities from share-based payments with cash settlement	1,664	+480	-597	1,547

proportion of up to 10 percent of the company's share capital. This authorisation expires on 15 June 2020.

Between 30 November 2016 and 30 June 2017, the company purchased a total of 1,500,000 shares on the capital market at an average price of around EUR 2.65 per share.

Share-based remuneration

Since 2011, virtual shares have been issued to members of the Management Board and other employees of HCG and its subsidiaries under a long-term incentive programme (LTIP). The virtual shares entitle the holder to a cash payment based on the average share price over the last one hundred stock exchange trading days up to the relevant payment date. There is no automatic entitlement to shares in HolidayCheck Group AG. Under the terms of the LTIP, virtual shares are granted in annual tranches. There is no link between these tranches.

The table above shows the amounts recognised for the LTIP in the interim consolidated financial statements for the first six months of 2017.

Restricted employee stock plan

A restricted employee stock plan (RSP) has been developed for employees of HolidayCheck Group AG and selected subsidiaries. One of the objectives of this stock plan is to give employees a stake in the long-term success of the company in the form of share-based remuneration and therefore provide an incentive for sustained performance. The stock plan replaces the previous bonus plan for the employees concerned.

The personnel expense on employee shares was EUR 302 thousand in the first half of 2017. Under equity, this figure initially increased the capital reserve and the revenue reserves in accordance with IFRS 2. It is anticipated that shares will be allocated to employees in the third quarter of 2017. 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 half-year statement.

Liabilities to banks

The table shown below gives a breakdown of the liabilities to banks:

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Liabilities to banks

	30 JUNE 2017 (EUR '000)		31 DECEMBER 2016 (EUR '000)	
	Current	Non-current	Current	Non-current
Other liabilities to banks	0	0	40	0

Financial liabilities

	CARRYING AMOUNT (EUR '000)		FAIR VALUE (EUR '000)	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Financial liabilities				
Contingent consideration	100	100	100	100

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 2016: EUR 223 thousand) relate to interest expenses. These also include expenses from compounding in the sum of EUR 0 thousand (first half 2016: EUR 7 thousand) and financing-related interest expenses of EUR 90 thousand (first half 2016: EUR 216 thousand).

Additional disclosures to financial instruments

The table above shows die carrying amounts and fair values of financial assets and liabilities.

Financial instruments recognised at fair value are divided into various classes in accordance with IFRS 7. These are known as the three levels of the fair value hierarchy and are defined as follows:

- level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities to which an entity has access on the balance sheet date;
- level 2 inputs: other inputs (i.e. not quoted level 1 prices) that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from other prices);
- level 3 inputs: information for the asset or liability that is not based on observable market data (unobservable inputs).

There have been no transfers between the different levels of the fair value hierarchy.

The following table shows the hierarchy of financial instruments measured at fair value as at 30 June 2017:

Fair value hierarchy of recognised financial instruments as at 30 June 2017

	CARRYING AMOUNT (EUR '000)	FAIR VALUE (EUR '000)			
		Level 1	Level 2	Level 3	Total
Financial liabilities					
Contingent consideration	100	0	0	100	100

All claims in relation to the acquisition of a further tranche of shares in WebAssets B.V. (except a retained security of EUR 100 thousand attributed to level 3) have been settled.

There has been no change from 31 December 2016 in the classes into which assets and liabilities have been broken down. Valuation methods and key assumptions are equally unchanged. These are detailed in section 10.23 of the notes to the 2016 consolidated financial statements, which also contains (under sections 10.22 et seq.) a detailed overview of the financial instruments employed by HCG, financial risk factors and the management of financial risks.

8. 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 226 thousand and trade payables valued at EUR 490 thousand.

As at 30 June 2017 receivables and payables from current transactions with related parties amounted to EUR 239 thousand and EUR 185 thousand respectively.

9. Significant events after the balance sheet date

No further events occurred after the end of the second quarter of 2017 that were of material significance to HolidayCheck Group AG.

Munich, Germany, 8 August 2017
HolidayCheck Group AG

Georg Hesse
Chairperson of the Management Board (Chief Executive Officer)

Markus Scheuermann
Member of the Management Board (Chief Financial Officer)

Nathan Brent Glissmeyer
Member of the Management Board (Chief Product Officer)

Financial Calendar 2017*

18 September 2017
Berenberg & Goldman Sachs Sixth German Corporate Conference, in Munich-Unterschleissheim, Germany

8 November 2017
Publication of the interim statement for Q1-3 2017 (German version; English version will follow a few days later)

27 - 29 November 2017
Analysts' conference at the German Equity Forum 2017 in Frankfurt/Main, Germany

** provisional dates*

Disclaimer
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„We want to become the most holidaymaker-friendly company in the world – fast and innovative, with a long-term strategy and a total focus on holidaymakers."

GEORG HESSE
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