CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS (in thousands of euros)	30-6-2019	31-12-2018
Vaste activa	***628.725***	***514.070***
Goodwill	86.158	86.158
Intangible assets	331.221	333.102
Property, plant and equipment	73.673	76.173
Right-of-use assets	122.182	-
Deferred tax assets	15.491	18.636
Vlottende activa	***338.705***	***320.833***
Inventories	103.910	108.082
Trade and other receivables	86.373	72.174
Income tax receivables	130	131
Other financial assets	23.000	18.718
Other current assets	4.351	3.585
Cash and cash equivalents	120.941	118.143
TOTAL ASSETS	**967.430**	**834.902**

EQUITY AND LIABILITIES (in thousands of euros)	30-6-2019	31-12-2018
Equity attributable to owners of the parent	***350.091***	***342.733***
Share capital	60.679	60.679
Share premium	264.408	264.408
Other reserves	25.004	17.646
Total equity	**350.091**	**342.733**
Non-current liabilities	***446.991***	***347.804***
Provisions	-	-
Post-employment benefit obligations	101	101
Borrowings	300.989	273.763
Other financial liabilities	88.695	17.147
Deferred tax liabilities	57.206	56.793
Current liabilities	***170.348***	***144.365***
Provisions	2.051	1.949
Borrowings	4.287	11.605
Trade and other payables	95.614	113.826
Current tax liabilities	3.423	4.336
Other financial liabilities	57.234	5.839
Other current liabilities	7.737	6.810
Total liabilities	**617.339**	**492.168**
TOTAL EQUITY AND LIABILITIES	**967.430**	**834.902**

FNG

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euros)	**2019 H1**	**2018 H1**
Revenue	273.214	251.114
Cost of merchandise	(121.543)	(113.479)
Gross profit	**151.671**	**137.635**
Employee benefit expense	(55.162)	(47.555)
Other operating expenses	(42.295)	(64.996)
Adjusted operating profit/(loss) before amortisation and depreciation expense (Adjusted EBITDA)	**54.215**	**25.084**
Non-recurring items	8	(264)
Operating profit/(loss) before amortisation and depreciation expense (EBITDA)	**54.223**	**24.819**
Amortisation and depreciation expenses	(35.448)	(10.057)
Operating profit/(loss) (EBIT)	**18.775**	**14.763**
Financial income	153	30
Financial expenses	(8.975)	(7.444)
Exchange gains/(losses)	372	467
Profit/(loss) before taxes	**10.325**	**7.816**
Income taxes	(2.969)	(2.209)
PROFIT/(LOSS) FOR THE PERIOD	**7.356**	**5.607**
Other comprehensive income	**-**	**-**
TOTAL COMPREHENSIVE INCOME OF THE PERIOD	**7.356**	**5.607**
Basic and diluted earnings/(loss) per share (in €)	0,66	0,69

FNG

CONSOLIDATED STATEMENT OF CASH FLOWS

	2019 H1	2018 H1
CASH FLOW FROM OPERATING ACTIVITIES		
Operating result	18.775	14.763
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortisation expenses	35.259	12.866
Provisions	103	387
Loss on disposal	59	-
Exchange (gains)/losses	-89	-
Other	-	65
Changes in working capital:		
Inventories	4.173	4.917
Trade and other receivables	-18.481	879
Other current assets	-766	337
Trade and other payables	-18.537	-7.319
Other current liabilities	-1.898	-3.004
Cash generated from operations	**18.598**	**23.890**
Taxes paid (deferred taxes)	-	-211
Net cash generated from operating activities	**18.598**	**23.680**
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received	153	-
Purchases of PP&E	-4.589	-12.740
Purchases of Intangible assets	-1.716	-2.259
Reimbursements of loans	-	-
Net cash provided by/(used in) investing activities	**-6.152**	**-14.999**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	27.860	180.408
Reimbursements of borrowings	-8.512	-158.315
Reimbursements of financial lease liabilities	-24.660	-312
Interest paid	-4.336	-5.126
Net cash provided by/(used in) financing activities	**-9.648**	**16.655**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**2.798**	**25.336**
Cash and cash equivalents at beginning of year	**118.143**	**90.470**
Cash and cash equivalent at end of year	**120.941**	**115.806**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in thousands of euros)	Attributable to owners of the parent					TOTAL EQUITY
				Reserves		
	Share capital	Share premium	Retained earnings	Currency translation reserve	Other reserves	
Balance at 31 December 2017	**718**	**265.304**	**2.326**	**-180**	**3.927**	**272.096**
Total comprehensive income of the period	-	-	5.607	-	-	5.607
Issue of share capital	-	-	-	-	-	-
Transaction costs for equity issue	-	-	-	-	-	-
Other	-	-	-	3	-	-
Balance at 30 June 2018	**718**	**265.304**	**7.933**	**-177**	**3.927**	**277.703**
Balance at 31 December 2018	**60.679**	**264.408**	**13.887**	**-168**	**3.927**	**342.734**
Total comprehensive income of the period	-	-	7.356	-	-	7.356
Issue of share capital	-	-	-	-	-	-
Transaction costs for equity issue	-	-	-	-	-	-
Other	-	-	-	-	-	-
Balance at 30 June 2019	**60.679**	**264.408**	**21.243**	**-168**	**3.927**	**350.091**

SEGMENT REVENU AND RESULTS

	30-6-2019					
(in thousands of euros)	FNG Roots	Miss Etam	Brantano	Inter-segment omzet tussen FNG Roots en Miss Etam	Inter-segment omzet tussen FNG Roots en Brantano	Totaal Groep
Revenue	**214.564**	**54.167**	**78.461**	**-36.799**	**-37.179**	**273.214**
Cost of merchandise	-132.992	-20.981	-41.027	36.776	36.681	-121.543
Gross profit	**81.572**	**33.186**	**37.434**	**-23**	**-498**	**151.671**
Employee benefit expense	-27.467	-12.143	-15.570		18	-55.162
Other operating expenses	-24.374	-9.706	-8.718		503	-42.295
Adjusted operating profit/(loss) before amortisation and depreciation expense (Adjusted EBITDA)	**29.731**	**11.338**	**13.146**	**-23**	**23**	**54.215**
Non-recurring items	-28	36	-			8
Operating profit/(loss) before amortisation and depreciation expense (EBITDA)	**29.704**	**11.373**	**13.146**	**-23**	**23**	**54.223**
Amortisation and depreciation expenses	-14.901	-9.883	-10.665			-35.448
Operating profit/(loss) (EBIT)	**14.803**	**1.491**	**2.481**	**-23**	**23**	**18.776**
Financial income						153
Financial expenses						-8.975
Exchange gains/(losses)						372
Profit/(loss) before taxes						**10.326**
Income taxes						-2.969
PROFIT/(LOSS) FOR THE PERIOD						**7.356**

	30-6-2018					
(in thousands of euros)	FNG Roots	Miss Etam	Brantano	Inter-segment omzet tussen FNG Roots en Miss Etam	Inter-segment omzet tussen FNG Roots en Brantano	Totaal Groep
Revenue	**180.980**	**51.858**	**77.946**	**-21.498**	**-38.173**	**251.114**
Cost of merchandise	-109.897	-22.612	-40.642	21.498	38.173	-113.479
Gross profit	**71.084**	**29.247**	**37.304**	-	-	**137.635**
Employee benefit expense	-21.760	-10.963	-14.832			-47.555
Other operating expenses	-32.531	-15.803	-16.662			-64.996
Adjusted operating profit/(loss) before amortisation and depreciation expense (Adjusted EBITDA)	**16.793**	**2.480**	**5.810**	-	-	**25.084**
Non-recurring items	-321	221	-165			-264
Operating profit/(loss) before amortisation and depreciation expense (EBITDA)	**16.472**	**2.702**	**5.645**	-	-	**24.819**
Amortisation and depreciation expenses	-4.581	-1.487	-3.989			-10.057
Operating profit/(loss) (EBIT)	**11.892**	**1.215**	**1.656**	-	-	**14.763**
Financial income						30
Financial expenses						-7.444
Exchange gains/(losses)						467
Profit/(loss) before taxes						**7.816**
Income taxes						-2.209
PROFIT/(LOSS) FOR THE PERIOD						**5.607**

Statement from the Management Board

The management board declares that to the best of its knowledge,

a) The condensed consolidated interim financial statements drawn in accordance with the accounting standards on Interim Financial Statements (IAS 34), gives a true and fair view of the equity, financial position and profit and loss of the issuer and the companies included within its consolidation.

b) The interim management's discussion and analysis provide a fair overview of the important events and major transactions between related parties which occurred during the first six months of the financial year, and their impact on the condensed consolidated interim financial report, and a description of the main risks and uncertainties for the remaining months of the financial year.

General disclosures

General

The condensed consolidated interim financial statements of FNG NV (Mechelen, Belgium) included in this interim report, consisting of the condensed consolidated statement of financial position as at 30 June 2019; the consolidated statement of comprehensive income; the consolidated cash-flow statement and the consolidated statement of changes in equity for the period from January 1, 2019 to June 30, 2019, plus the disclosures, have not been reviewed by our external auditor.

The Company's Management Board is responsible for drafting and disclosing the interim financial statements in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union. The disclosures are an integral part of this condensed consolidated interim report.

FNG is located in Mechelen, Belgium and listed on Euronext Amsterdam and Euronext Brussels.

The consolidated interim report of FNG NV (the 'Company') for the first half of 2019 includes the Company and its operating subsidiaries (collectively referred to as the 'Group'). This condensed consolidated interim report has been prepared in accordance with International Financial Reporting Standards (IFRS) IAS 34, 'Interim Financial Reporting'. It does not include all the information required for full financial statements and is to be read in conjunction with the Group's consolidated financial statements for 2018.

Accounting policies and principles for the determination of the result

The accounting policies used to prepare the condensed consolidated interim financial statements for the period from January 1, 2019 to June 30, 2019 are consistent with those applied in the audited consolidated financial statement for the year ended December 31, 2018, except for the introduction of the new requirements applied to lease agreements as a result of the application of IFRS 16 – Leases.

Impact of IFRS 16 applicable as of January 1, 2019

IFRS 16 – *Leases* replaces existing lease guidance, including IAS 17 – *Leases*, IFRIC 4 – *Determining whether an Arrangement contains a Lease*, SIC-15 – *Operating Leases – Incentives* and SIC-27 – *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases (<365 days) and leases of low-value items (<EUR 5,000).

In accordance with the transitional dispositions of IFRS 16, the standard has been adopted retrospectively with the cumulative effect of initially applying the new standard recognized on 1 January 2019 (i.e. modified retrospective approach). Comparative information has therefore not been restated .

The Group has applied the following permitted cumulative catch-up options upon initial application:

- Retain comparatives as previously reported
- Carry forward existing finance lease liabilities
- Calculate outstanding liabilities for existing operating lease using incremental borrowing rate at the date of transition
- Right of use asset is equal to lease liability

- Use of existing knowledge, for instance in determining the lease term if the contract contains options to extend or terminate the lease

Following the adoption of IFRS 16, the Group has adapted its accounting policy for leases.
The adoption of IFRS 16 resulted in changes in accounting policies but did not impact the opening equity as per 1 January 2019.

Upon initial application of IFRS 16 (1 January 2019), the Group recognised lease liabilities amounting to EUR 143.5 million in relation to leases which had previously been classified as ‘operating leases’ according to IAS 17 *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the Group’s incremental borrowing rate as of 1 January 2019.

The weighted average incremental borrowing rate used at transition date is 2.25%.

If IFRS 16 had not been applied in the consolidated income statement per June 30, 2019, the EBITDA would have been EUR 25.7 million lower, the EBIT EUR 1.0 million lower and net result EUR 0.5 million higher.

Alternative performance measures

The condensed consolidated interim financial statements include “Alternative Performance Measures” (APM), summarized in below glossary, which are not defined as such under IFRS.

Terminology	**Definition**
Adjusted EBIT	Earnings before interest and taxes and before non-recurring items, also called adjusted operating result
Adjusted EBIT as a % of revenue	Adjusted EBIT divided by total revenue
Adjusted EBITDA	Earnings before interest, taxes, depreciations and amortisations and non-recurring items, also called adjusted operating cash flow
Adjusted EBITDA as a % of revenue	Adjusted EBITDA divided by total revenue
EBIT	Earnings before interest and taxes, also called operating result
EBIT as a % of revenue	EBIT divided by total revenue
EBITDA	Earnings before interest, taxes, depreciations and amortisations, also called operating cash flow
EBITDA as a % of revenue	Adjusted EBITDA divided by total revenue
Gross profit	The difference between revenue and cost of goods sold
Gross profit margin	The Gross profit divided by total revenue
Leverage ratio	Net financial debt divided by Adjusted EBITDA
Net financial debt	The sum of current and non-current borrowings minus cash and cash equivalents. Other financial liabilities are not included in this KPI.
Non-recurring items	Non-recurring items are either income or expenses which do not occur regularly as part of the normal activities of the company. They are presented separately because they are important for the understanding of the underlying sustainable performance of the Group due to their size or nature.

The Group uses the Adjusted EBITDA as measure in its decision-making, because management believes it provides information useful to assess the Group’s performance, solvency and liquidity. This measure should not be viewed in isolation or as an alternative to the measures presented according to the IFRS.

Related party transactions

In the first half year of 2019, there was no significant change in the nature of transactions with related parties as those disclosed in the consolidated financial statements of the Group as at and for the year ended December 31, 2018.

Estimates

The preparation of interim reports requires that the management board makes a judgement and uses estimates and assumptions that affect the application of financial reporting standards, the reported value of assets and liabilities and the level of income and expenses. Actual results may vary from these estimates.

Unless otherwise specified, in the preparation of this condensed consolidated interim report the significant judgements in the application of the Group's financial reporting standards and the main sources of estimation used are identical to the judgments and sources used in preparing the consolidated financial statements for the 2018 financial year.

Seasonality

The activity of the Group is not subject to significant seasonality throughout the year. Therefore, the additional disclosure of financial information for the 12-month period ended on the interim reporting date, encouraged in IAS 34, is not provided.

Fair value of financial instruments

The only financial instruments carried at fair value in the statement of financial position are the derivative instruments, measured at fair value through profit or loss and the deferred consideration upon acquisition of the Henkelman Group.

The derivative instruments recognised as financial liabilities in the statement of financial position consist of interest rate swaps and an embedded derivative instrument relating to the Coltaparte loan.

The fair value of the interest rate swaps is categorised as a level 2 fair value measurement and is computed using a discounted cash flow analysis. Future cash flows are estimated based on forward rates and yield curves derived from quoted rates matching the characteristics of the contracts (quoted forward exchange rates and/or quoted interest rates), discounted at a rate that reflects the credit risk of the counterparties, which meet the criteria for classifications as level 2 inputs (directly or indirectly observable inputs).

The fair value of the embedded derivative instrument is a level 3 fair value measurement as the main inputs used in the valuation are not observable.

For more information on the measurement and the categories of financial instruments, we refer to note 7.1.2of the 2018 consolidated financial statement.

Risk

Reference is made to the 2018 annual report as regards to the risks recognised by the company and the corresponding risk control measures , as they do not vary significantly from the information in the 2018 annual report.

Events after the reporting date

On 4 July 2019, FNG Nordic AB (publ.), a Nordic subsidiary of FNG NV, entered into an agreement to acquire all shares and securities in Ellos Group Holding AB (publ) (together with its subsidiaries, the "Ellos Group") from Nordic Capital and its other current shareholders. FNG Nordic AB is to acquire Ellos Group for approximately SEK 2,400 million (€229 million) on a cash and debt free basis (Enterprise Value), structured as a mix of cash and equity instrument. The closing of the transaction is subject to the SFSA having approved the ownership assessment of FNG to become the indirect holder of the shares in Ellos AB, Jotex Sweden AB and Stayhard Aktiebolag, pursuant to the Swedish Securities Market Act (2007:528).

On 15 July 2019, FNG Nordic AB has successfully completed the private placement of SEK 1,500 million (or EUR 141.75 million at the exchange rate of 12 July 2019). The bonds have a floating coupon of 3m STIBOR + 6.75% p.a. An application is made for the bonds to be listed on Nasdaq Stockholm within 60 days. Net proceeds from the bond issue will be used to partly finance the acquisition of the Ellos Group, refinance existing interest bearing debt and to finance transaction costs.

Ellos Group Holding AB informed FNG that it had a turnover of SEK 2.602 million (EUR 242,2 million) in 2018. On a 12 month rolling basis, the turnover increased to SEK 2.659 million (EUR 247,6 million) by the end of June 2019. The adjusted EBITDA (based on management accounts), amounted to SEK 225 million (EUR 20,9 million) in 2018. On a 12 month rolling basis and taking into account the effect of IFRS 16 (SEK 62.1 million or EUR 5.8 million), the adjusted EBITDA increased to SEK 313 million (or EUR 29,2 million) by the end of June 2019.

If the closing of the Ellos transaction would already have taken place, FNG group together with the Ellos group would have had a pro forma consolidated turnover of EUR 781,5 million and an adjusted EBITDA of EUR 136,4 million (of which EUR 57,2 million as a result of IFRS 16) for the 12 month period ending June 30, 2019.