Press release
Amsterdam, 19 July 2019

connecting to nature

Wessanen H1 and Q2 2019 interim results: Low growth and good operating result

H1 and Q2 2019 highlights

- Autonomous growth in own brands 0.5% for H1 (Q2: 4.4%)
- Further reduction of private label and distribution business of (11.0)% for H1 (Q2: (9.1)%)
- EBITE of €33.3 million, equal to 10.4% of revenue for H1 (Q2: €12.8 million)

Consolidated key figures

In € million, unless stated otherwise	Q2 2019	Q2 2018	H1 2019	H1 2018	% change
Revenue	**161.3**	**156.9**	**321.1**	**323.6**	**(0.8)%**
Autonomous revenue development of own brands[1]	4.4%		0.5%		
Normalised operating result (EBITE)	**12.8**	**11.6**	**33.3**	**28.3**	**17.7%**
EBITE as % of Revenue	7.9%	7.4%	10.4%	8.7%	
Operating result (EBIT)	**12.2**	**6.0**	**32.3**	**22.6**	**42.9%**
Net financing costs	(1.3)	(0.3)	(1.0)	(0.5)	
Income tax expense	(3.4)	(1.8)	(9.4)	(6.7)	
Profit for the period	**7.5**	**3.9**	**21.9**	**15.4**	**42.2%**
Net debt[2]	61.1	50.6			

[1] Including adjustments for currency effects.
[2] Excluding the effect of the implementation of IFRS 16 'Leases' the net debt per Q2 2019 would have amounted €41.4.

CEO statement

Growth of own brands improved in Q2 and for H1overall we have achieved autonomous growth of 0.5%. In terms of market development, the organic market has continued to grow at a level of around 5% even though the specialized organic channel (HFS) has turned to low/no growth in many cases. Competitive pressure overall has remained high.

In H1, we have seen good growth across a number of brands such as Clipper, Allos, Alter Eco, Kallo, Ecocesta and Destination. In Germany and the UK we have seen good momentum building overall.

After a weak first quarter, growth at Bjorg in France improved in Q2 on the back of strong promotion and brand activation, combined resulting in a low level of growth for the first half.

Operating profit has been higher in H1 mostly due to A&P phasing.

Brand and Category review

After a weaker Q1, Bjorg achieved good growth in the second quarter especially driven by strong promotional plans leading to a low level of growth for H1. We went on air with a new TV advertising campaign stressing the superiority of the brand. While share developments in Dairy Alternatives, Breakfast Cereals and Biscuits were good, we overall lost share in a growing market.

Gayelord Hauser continued to decline in a Dietetic market that is further contracting in France. Alter Eco had a strong first half especially driven by good sales of fair trade chocolate.

Bonneterre declined in H1 as a result of operational issues as well as a significant weakening of the development of the HFS channel in France overall. Q2 showed some improvement versus Q1.

Clipper continued to perform strongly across all international markets in Q2 and achieved double digit growth for H1 as a whole. In the UK, the brand is facing pressure from range rationalization in the trade.

Kallo achieved double-digit growth in both Q2 and H1 as we managed to build stronger support in the trade. Meanwhile, Whole Earth declined in H1 due to strong competitive pressure. We have built plans to re-ignite growth in H2.

Allos has delivered a healthy level of growth in the first half of the year. Positive development of the HFS channel in Germany as well as the success of several brand activities contributed. Tartex performed well in the Grocery channel.

Zonnatura had a challenging first half. A stronger prior year comparison as well as reduced brand support and a lack of innovation success are behind this. Plans for H2 are to bring the brand back to a modest level of growth.

Our Isola Bio brand declined in the HFS channel in Italy and faced some operational issues in Brazil and Russia. Ecocesta performed well in the Grocery channel in Spain while El Granero declined in the HFS channel which is under pressure overall.

Abbot Kinney's continued to grow at double-digit levels and we managed to further increase international distribution.

In terms of category performance, our core categories of Hot Drinks, Breakfast Cereals and Sweet in Between achieved the strongest growth in the first half of 2019.

In-line with strategy and previous year, the private label and distribution business declined at double-digit rates in H1 2019.

Financial review

In H1 revenue decreased by (0.8)% to €321.1 million (Q2: 2.8%). Autonomous revenue growth of our own brands was 0.5% (Q2: 4.4%) and total autonomous revenue growth amounted to (1.3)% (Q2: 2.3%) as a result of the further reduction of the private label and distribution business of (11.0)% (Q2: (9.1)%. The acquisition of Abbot Kinney's contributed 0.4% (Q2: 0.5%) and the appreciation of the British pound contributed 0.1% (Q2: 0.0%).

EBITE increased by €5.0 million (Q2: €1.2 million) to €33.3 million (Q2: €12.8 million), mostly driven by lower A&P.

Depreciation and amortisation expenses increased by €2.8 million (Q2: €1.4 million), mainly due to the adoption of 'IFRS 16: Leases' as from 1 January 2019.

Exceptional items amount to €(1.0) million (Q2: €(0.6) million), mainly comprising advisory costs incurred related to the intended public offer for all issued and outstanding shares of Wessanen. Exceptional items were positively impacted by a gain on disposal of a piece of land in France in June 2019 (€1.7 million). This results in an EBITDAIE of €40.7 million (Q2: €16.6 million).

Net financing costs amounted to €(1.0) million (Q2: €(1.3) million), including interest expenses in the amount of €(0.2) million and unwind discount provisions and lease liabilities of €(0.7) million.

Income tax expenses were €(9.4) million (Q2: €(3.4) million). The effective income tax rate in the six-month period ended 30 June 2019 of 30% (H1 2018: 30%) is based on the latest estimate of the weighted average income tax rate for the full year.

In H1 2019, the net cash flow before financing activities was €20.9 million (H1 2018: €21.7 million). The cash flow from financing activities amounts to €(34.1) million (H1 2018: €(14.1) million), mainly including repayments of interest-bearing loans and borrowings of €(20.1) million (H1 2018: €(3.9) million), a dividend payment of €(10.7) million (H1 2018: €(9.9) million) and payments of lease liabilities of €(3.2) million.

Our net debt position increased by €13.1 million to €61.1 million as at 30 June 2019 (31 December 2018: net debt of €48.0 million), mainly due to the net impact of lease liabilities recognized (€19.7 million as at 30 June 2019) following the adoption of 'IFRS 16: Leases as from 1 January 2019.

Guidance FY 2019

- We expect low to moderate growth of own brands and a further reduction of private label and distribution brand sales
- We expect EBITE % of revenue to be in the range of 8 to 9% for the full year
- Net financing costs around €2.0-€2.5 million. This includes an impact of around €0.5 million regarding the implementation of IFRS 16 and around €0.5 million related to the unwinding discount of the contingent consideration of the Abbot Kinney's acquisition
- Tax rate around 30%
- Capital expenditure of €10-12 million
- Depreciation and amortisation of €14-15 million. This includes an impact of around €4.3 million related to IFRS 16 and €0.4 million amortisation of the Gayelord Hauser brand after reclassification to a finite life

Important dates 2019

29-08-2019 EGM

18-10-2019 Publication Q3 2019 trading update

In connection with the recommended public offer by the Consortium (reference is made to the Consortium's offer memorandum and Wessanen's position statement each dated 11 July 2019 and available on www.wessanen.com), Wessanen has arranged for the interim results to be reviewed by Deloitte, and it will publish Deloitte's auditor's review statement in a press release as soon as possible after 19 July 2019, but in any event no later than four business days before the extraordinary general meeting that will be held in connection with the offer on 29 August 2019.

Analyst & investor meeting

At 10h00 CET, a conference call for analysts, investors and media will be hosted by Christophe Barnouin (CEO) and Francois de Gantes (CFO). The dial-in number is **+31(0)20 531 5851.**

The press release and presentation are available for download at www.wessanen.com.

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Company profile

Wessanen is a leading company in the European market for healthy and sustainable food. In 2018, our revenue was €628 million and we employed on average 1,350 people. Our purpose is 'connect to nature' and we focus on organic, vegetarian, fair trade and nutritionally beneficial products.

Our family of companies is committed to driving positive change in food in Europe. Our own brands include many pioneers and market leaders: Allos, Alter Eco, Bjorg, Bonneterre, Clipper, Destination, El Granero, Isola Bio, Kallø, Mrs Crimble's, Tartex, Whole Earth and Zonnatura.

Note on forward-looking statements

This press release includes forward looking statements. Other than reported financial results and historical information, all statements included in this press release, including, without limitation, those regarding our financial position, business strategy and plans and objectives of management for future operations, are forward-looking statements. These forward-looking statements are based on our current expectations and projections about future events and are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements.

Many of these risks and uncertainties relate to factors that are beyond Wessanen's ability to control or estimate precisely, such as future market conditions, the behaviour of other market participants and the actions of governmental regulators. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release and are subject to change without notice. Other than as required by applicable law or the applicable rules of any exchange on which our securities may be traded, we have no intention or obligation to update forward-looking statements.

Market Abuse Regulation

This press release may contain inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.

Introduction

This report contains the semi-annual financial report of Royal Wessanen ('Wessanen' or 'the Company'), a public limited company domiciled in the Netherlands. The principal activities of the Company and its subsidiaries ('the Group') are described on page 4.

The semi-annual financial report for the six-month period ended 30 June 2019 consists of the condensed consolidated interim financial statements, the semi-annual report of the Executive Board and the responsibility statement by Wessanen's Executive Board. The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's consolidated IFRS financial statements for the year ended 31 December 2018.

The Executive Board of Royal Wessanen hereby declares that, to the best of its knowledge:

- The condensed consolidated interim financial statements, which have been prepared in accordance with the applicable financial reporting standards for interim financial reporting, give a true and fair view of the assets, liabilities and financial position at 30 June 2019 and of the result of our consolidated operations for the first half year of 2019 and the undertakings included in the consolidation taken as a whole; and
- The semi-annual report gives a fair review of the information required pursuant to section 5:25d(8)/(9) of the Dutch Financial Markets Supervision Act (Wet op het financieel toezicht).

Amsterdam, 19 July 2019

Executive Board

Christophe Barnouin (CEO)

Francois de Gantes (CFO)

Risks and uncertainties

Please refer to the note on forward-looking statements on page 5 of this press release and, with regard to risk management, to our Integrated Annual Report 2018 (pages 54-69), in which we have described the main risks of Wessanen and which is deemed part of this report by reference. For the remainder of 2019 the risks are expected the same as disclosed in our Integrated Annual Report 2018.

Additional risks not known to us, or currently believed not to be material, could later turn out to have a material impact on our businesses, revenue, assets, liquidity, capital resources or net income. The Group's financial risk management objectives and policies are consistent with those disclosed in our Integrated Annual Report 2018.

Condensed consolidated income statement

In € millions, unless stated otherwise

	H1 2019 Total	H1 2018 Total
	(unaudited)	(unaudited)
Continuing operations		
Revenue	**321,1**	323,6
Other income	**1,7**	-
Raw materials and supplies	**(184,5)**	(190,3)
Personnel expenses	**(47,9)**	(48,0)
Depreciation, amortisation and impairments	**(7,4)**	(10,2)
Other operating expenses	**(50,7)**	(52,5)
Operating expenses	**(290,5)**	(301,0)
Operating result	**32,3**	22,6
Net financing costs	**(1,0)**	(0,5)
Profit before income tax	**31,3**	22,1
Income tax expense	**(9,4)**	(6,7)
Profit for the period	**21,9**	15,4
Attributable to equity holders of Wessanen	**21,9**	15,4
Earnings per share attributable to equity holders of Wessanen (in €)		
Basic	**0,29**	0,20
Diluted	**0,29**	0,20
Average number of shares (in thousands)		
Basic	**76.672**	76.152
Diluted	**76.839**	76.748
Average GBP exchange rate (GBP per €)	**0,8731**	0,8801

Condensed consolidated statement of comprehensive income

In € millions

	H1 2019	H1 2018
	(unaudited)	(unaudited)
Profit for the period	**21,9**	15,4
Other comprehensive income/(loss)		
Remeasurements of post employment benefit obligations, net of income tax	**(0,3)**	-
Other comprehensive income/(loss) that will not be reclassified to profit or loss	**(0,3)**	-
Foreign currency translation differences, net of income tax	**(0,1)**	0,1
Effective portion of changes in fair value of cash flow hedges, net of income tax	**0,1**	0,1
Other comprehensive income/(loss) that may be reclassified to profit or loss	**-**	0,2
Total other comprehensive income/(loss)	(0,3)	0,2
Total comprehensive income	**21,6**	15,6
Attributable to equity holders of Wessanen	**21,6**	15,6

Condensed consolidated statement of changes in equity

In € millions

	Issued and paid-up share capital	Share premium	Reserves: Translation reserve	Reserves: Hedging reserve	Retained earnings	Total equity
2018						
Balance of beginning of period	76,1	102,8	(17,5)	-	66,3	227,7
Comprehensive income and expense for the period						
Profit/(loss) for the period	-	-	-	-	15,4	15,4
Foreign currency translation differences[1]	-	-	0,1	-	-	0,1
Remeasurements of post employment benefit obligations[1]	-	-	-	-	-	-
Effective portion of changes in fair value of cash flow hedges[1]	-	-	-	0,1	-	0,1
Total comprehensive income and expense for the period	-	-	0,1	0,1	15,4	15,6
Contributions by and distributions to owners						
Shares issued	0,1	0,9	-	-	-	1,0
Shares delivered	0,3	(0,3)	-	-	-	-
Dividends	-	-	-	-	(9,9)	(9,9)
Share-based payments	-	-	-	-	1,5	1,5
Total contributions by and distributions to owners	0,4	0,6	-	-	(8,4)	(7,4)
Balance at 30 June 2018 (unaudited)	76,5	103,4	(17,4)	0,1	73,3	235,9
2019						
Balance of beginning of period	76,5	103,4	(17,8)	0,1	94,9	257,1
Comprehensive income and expense for the period						
Profit/(loss) for the period	-	-	-	-	21,9	21,9
Foreign currency translation differences[1]	-	-	(0,1)	-	-	(0,1)
Remeasurements of post employment benefit obligations[1]	-	-	-	-	(0,3)	(0,3)
Effective portion of changes in fair value of cash flow hedges[1]	-	-	-	0,1	-	0,1
Total comprehensive income and expense for the period	-	-	(0,1)	0,1	21,6	21,6
Contributions by and distributions to owners						
Shares issued	0,2	-	-	-	-	0,2
Shares delivered	-	-	-	-	-	-
Dividends paid	-	-	-	-	(10,7)	(10,7)
Share-based payments	-	-	-	-	0,2	0,2
Total contributions by and distributions to owners	0,2	-	-	-	(10,5)	(10,3)
Balance at 30 June 2019 (unaudited)	76,7	103,4	(17,9)	0,2	106,0	268,4

[1] Net of income tax

Condensed consolidated statement of financial position

In € millions

	30 June 2019 (unaudited)	31 December 2018 (audited)
Assets		
Property, plant and equipment	88,5	69,5
Intangible assets	211,9	212,3
Other investments	0,3	0,3
Deferred tax assets	7,2	7,0
Total non-current assets	**307,9**	**289,1**
Inventories	70,4	68,4
Income tax receivables	0,9	1,0
Trade receivables	111,1	95,1
Other receivables and prepayments	15,2	15,0
Cash and cash equivalents	15,3	17,3
Total current assets	**212,9**	**196,8**
Total assets	**520,8**	**485,9**
Equity		
Share capital	76,7	76,5
Share premium	103,4	103,4
Reserves	(17,7)	(17,7)
Retained earnings	106,0	94,9
Total equity	**268,4**	**257,1**
Liabilities		
Interest-bearing loans and borrowings	58,8	61,4
Employee benefits	8,7	7,9
Provisions	1,3	1,0
Deferred tax liabilities	14,2	13,9
Total non-current liabilities	**83,0**	**84,2**
Bank overdrafts	11,1	0,1
Interest-bearing loans and borrowings	6,5	3,8
Provisions	2,8	3,6
Income tax payables	7,0	2,3
Trade payables	76,3	74,6
Non-trade payables and accrued expenses	65,7	60,2
Total current liabilities	**169,4**	**144,6**
Total liabilities	**252,4**	**228,8**
Total equity and liabilities	**520,8**	**485,9**
End of period GBP exchange rate (GBP per Euro)	0,8966	0,8945

Condensed consolidated statement of cash flows

In € millions, unless stated otherwise

	H1 2019 (unaudited)	H1 2018 (unaudited)
Cash flows from operating activities		
Operating result	**32,3**	22,6
Adjustments for:		
Depreciation, amortisation and impairments	7,4	10,2
Other non-cash and non-operating items	(1,0)	2,0
Cash generated from operations before changes in working capital and provisions	**38,7**	34,8
Changes in working capital	(9,8)	0,7
Payments from provisions and changes in employee benefits	(1,2)	(2,0)
Cash generated from operations	**27,7**	33,5
Interest paid	(0,4)	(0,4)
Income tax paid	(4,2)	(5,6)
Net cash from operating activities	**23,1**	27,5
Cash flows from investing activities		
Acquisition of property, plant and equipment	(3,4)	(5,1)
Proceeds from sale of property, plant and equipment	2,5	-
Acquisition of intangible assets	(1,3)	(0,7)
Net cash flow from investing activities	**(2,2)**	(5,8)
Net cash flow before financing activities	**20,9**	21,7
Cash flows from financing activities		
Repayments of interest-bearing loans and borrowings	(20,1)	(3,9)
Payments of lease liabilities	(3,2)	(0,2)
Cash receipts/(payments) of derivatives	(0,3)	(1,1)
Share capital increase	0,2	1,0
Dividends paid	(10,7)	(9,9)
Net cash from financing activities	**(34,1)**	(14,1)
Net cash flow	**(13,2)**	7,6

Notes to the condensed consolidated interim financial statements

In € millions, unless stated otherwise

1 The Company and its operations

Koninklijke Wessanen N.V. ('Royal Wessanen', 'Wessanen' or 'the Company') is a public limited company domiciled in the Netherlands. The condensed consolidated interim financial statements of the Company as at and for the six-month period ended 30 June 2019 comprise the Company and its subsidiaries (together referred to as 'the Group').

The information in these condensed consolidated interim financial statements is unaudited, apart from the comparative consolidated financial position as per 31 December 2018.

2 Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements for the Group as at and for the year ended 31 December 2018.

These condensed consolidated interim financial statements were approved by the Executive Board and by the Supervisory Board on 18 July 2019.

3 Significant accounting policies

The significant accounting policies applied by the Group in these condensed consolidated interim financial statements are consistent with those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2018 except for the adoption of new standards, amendments to standards and interpretations, which have been adopted as relevant to the Company for the first time. These standards and interpretations have no material effect on the Company's condensed consolidated interim financial statements except for the adoption of IFRS 16 'Leases'.

IFRS 16 'Leases', effective for annual periods beginning on or after 1 January 2019, eliminates the current dual accounting model for lessees under IAS 17, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases.

Instead, IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, Wessanen as a lessee, has recognized right-of-use assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments at lease commencement for all leases, except for short-term leases and leases of low value assets.

For the income statement the nature of expenses related to leases, where the Company leases an asset (lessee), has changed as IFRS 16 replaces the operating lease expense with a depreciation charge for right-of-use assets and an interest expense on lease liabilities. For the cash flow statement the nature of the cash payments related to these leases changed from cash flows from operating activities to cash flows from financing activities.

Wessanen decided to adopt IFRS 16 'Leases' as from 1 January 2019 and to apply the modified retrospective approach, meaning that the 2018 comparatives in the 2019 financial statements have not been restated. Wessanen has applied the short-term and low value lease exemptions as from 1 January 2019. At transition, Wessanen has made use of the option not to include leases with a short remaining contract period, and will measure the right-of-use asset based on the lease liability recognised.

The adoption of IFRS 16 will not affect the Group's ability to satisfy the bank covenants, as described in Note 20 to the 2018 financial statements.

Impact on transition

On transition to IFRS 16, the Group recognized additional right-of-use assets, additional lease liabilities and additional provisions for dismantling costs. The impact on transition can be summarized as follows:

	1 January 2019
Right-of-use assets	21.5
Lease liabilities - Non current	(17.4)
Lease liabilities - Current	(3.9)
Provision for dismantling costs	(0.2)

The Group has presented the right-of-use assets within 'property, plant and equipment', the lease liabilities within 'interest-bearing loans' and provision for dismantling costs within 'provisions' in the statement of financial position.

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 January 2019. The weighted average rate applied is 2.6%.

For leases previously classified as finance leases, the Group recognized the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right-of-use asset and the lease liability as at 1 January 2019.

Impact for the period

As a result of initially applying IFRS 16 in relation to the leases that were previously classified as operating leases, the group recognized the following balances in the statement of financial position as at 30 June 2019.

	30 June 2019	**1 January 2019**
Right-of-use assets	19,9	21,5
Lease liabilities - Non current	(15,9)	(17,4)
Lease liabilities - Current	(3,8)	(3,9)
Provision for dismantling costs	(0,2)	(0,2)

Also in relation to those leases under IFRS 16, the Group recognized depreciation and interest costs, instead of operating lease expense. During the six month period ended 30 June 2019, the Group recognized €2.2 of depreciation charges and €0.3 of interest costs from these leases.

Cash flows from these operating leases in the amount of €2.5 are classified as cash flows from financing activities during the six month period ended 30 June 2019 (instead of cash flows from operating activities). The Company has classified the principal portion of lease payments, as well as the interest portion, within financing activities. Lease payments are not split between interest and principal portions but are shown as one line "Payment of lease liabilities" in the cash flow statement. Lease payments for short-term leases, lease payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability are classified as cash flows from operating activities.

4 Estimates

The preparation of the condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant estimates and judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2018. Reference is made to Note 2 to the 2018 financial statements (pages 92-94).

In the 2018 Integrated Annual Report, we highlighted that for the cash-generating unit Branded-Spain the headroom was limited based on the 2018 annual impairment test due to the fact that the test date was still very close to the acquisition date (reference is made to page 121). Given the challenging performance of the Spanish business we tested the goodwill for impairment at 30 June 2019 applying a "fair value less cost of disposal" approach. The test resulted in a recoverable amount exceeding the carrying amount of the cash-generating unit Branded-Spain and accordingly no impairment is required. To determine the fair value less cost of disposal a discounted cash flow projection was prepared simulating a market participant's view. As a basis a ten years forecast was used that included updated market expectations of strong growth for the Ecocesta brand in the Grocery channel supported by A&P investments, against no growth of the El Granero brand given the declining trend in the HFS channel. Other key assumptions are a normalisation of recharges of corporate costs, terminal value growth at an average of long-term inflation of 1.7% and a discount rate (pre-tax) of 10.8%.

In addition, we highlighted that for the Italian brand Isola Bio the headroom was limited based on the 2018 annual impairment test. We reperformed the impairment test based on recent data input from the strategic plan 2020-2022 and concluded that there is no requirement to recognise an impairment loss. The carrying amount of the Isola Bio brand as at 30 June 2019 amount to €8.6 (31 December 2018: €8.6).

5 Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2018. In addition, reference is made to the 'risks and uncertainties' section as included on page 6 of this report.

6 Acquisitions

Wessanen made no acquisitions in the first half of 2019.

The allocation of the total purchase consideration transferred in respect of the Abbot Kinney's acquisition in September 2018 will be completed in Q3 2019. The Abbot Kinney's brand (of which the useful life is determined to be indefinite) is the main (intangible) asset identified and to be valued. The initial goodwill recognised on the Abbot Kinney's acquisition amounts to €12.5 as at 30 June 2019.

7 Operating segment information

The Group's activities are carried out by the following segments: 'Branded' and 'Non-allocated' (includes Dutch corporate entities).

Key financial data regarding these segments are given below:

	Revenue		Operating result and operating margin[1]			
	H1 2019	**H1 2018**	**H1 2019**		**H1 2018**	
Branded	321,1	323,6	35,8	11,1%	23,7	7,3%
Non-allocated	-	-	(3,5)		(1,1)	
Total Wessanen	**321,1**	323,6	**32,3**	10,1%	22,6	7,0%

[1] Operating result as % of total revenue.

The assets can be specified as follows:

In € millions	Total assets	
	30 June 2019	31 December 2018
Branded	500,8	467,6
Non-allocated	20,0	18,3
Total Wessanen	**520,8**	485,9

In the first six months of 2019, total assets increased by €34.9, from €485.9 as at 31 December 2018 to €520.8 as at 30 June 2019, mainly due to the implementation of ÍFRS 16: Leases' (recognition of right-of-use-assets in the amount of €19.9, see Note 3) and higher trade receivables (+€16.0).

8 Revenue

Revenue streams, performance obligations and revenue recognition policies

The Group generates revenue from the sale of healthy and sustainable food. Revenue is recognized at a single point in time when control over the products sold is transferred, respectively when products are delivered and accepted.

Disaggregation of revenue from contracts with customers

In the tables below, revenue from contracts with customers is disaggregated by primary geographical markets and product categories.

	Revenue	
	H1 2019	**H1 2018**
Revenue by geographical market		
The Netherlands (country of domicile)	21,0	22,6
France	188,8	190,2
United Kingdom	41,1	38,9
Germany	23,9	22,0
Italy	9,6	10,9
Spain	19,2	19,5
Other countries	17,5	19,5
Total Wessanen	**321,1**	323,6
Revenue by product category		
Core categories	248,9	247,5
Other categories	72,2	76,1
Total Wessanen	**321,1**	323,6

Seasonality of operations

Revenue of our Branded segment is in general modestly higher in the first half of the year. In addition, operating profit is impacted by the phasing of marketing spending throughout the year.

9 Other income

Other income includes a gain on disposal of a piece of land by Bjorg, Bonneterre & Compagnie (France) in the amount of €1.7.

10 Income taxes

The income tax expense recognised is based on management's latest estimate of the weighted average income tax rate for the full financial year. The Group's estimated weighted average income tax rate for the full year 2019 is 30% (2018: 30%).

11 Provisions

Provisions decreased by €(0.5) million to €4.1 as at 30 June 2019 (31 December 2018: €4.6), mainly due to payments of €(1.0) and the recognition of a dismantling provision of €0.4 partly following the implementation of IFRS 16: Leases (see Note 3).

12 Borrowings and loans

Net debt can be specified as follows:

	30 June 2019	31 December 2018
Long-term interest-bearing loans and borrowings	58,8	61,4
Short-term interest-bearing loans and borrowings	6,5	3,8
Total interest-bearing loans and borrowings	**65,3**	**65,2**
Bank overdrafts	11,1	0,1
Cash and cash equivalents	(15,3)	(17,3)
Net debt Wessanen	**61,1**	**48,0**

Net debt of Wessanen increased by €12.1 in the six-month period ended 30 June 2019 to €61.1, mainly due to the adoption of 'IFRS 16: Leases' as from 1 January 2019 (recognition of lease liabilities in the amount of €21.3, see Note 3) and dividends paid (€10.7), partly offset by a net cash inflow from operating activities of €(23.1).

13 Issue of shares

In the six-month period ended 30 June 2019, Wessanen issued 190,871 shares in total, following the decision to issue own shares for shares to be delivered upon vesting of long-term incentive plans and/or matching shares and payment of related employer costs (for which approval was granted in the Annual General Meeting of Shareholders):

- 173,769 shares were issued and delivered against share premium upon vesting of the 2016 Share Matching and Long-Term Incentive Plan;
- 10,759 shares were issued and paid-up for payment of related employer costs, resulting in a cash inflow of €0.1 million.
- 6,343 shares were issued and paid-up related to the Share Matching Plan 2019, resulting in a cash inflow of €0.1 million.

14 Dividends

A cash dividend of €10.7 million that relates to the year 2018 (14 eurocent per share) was paid in April 2019 (H1 2018: €9.9 million).

15 Financial instruments

The fair value of financial assets and liabilities equals the carrying amounts both as per 30 June 2019 and 31 December 2018. The classification and fair values of financial instruments have been determined for measurement based on the method as outlined in Note 24 to the 2018 financial statements (pages 135-142).

16 Related party transactions

The Company has a related party relationship with its subsidiaries and key management.

Based on the Long-Term Incentive Plan 2019, the Company granted 25,089 performance incentive shares to the Chief Executive Officer in the first half of 2019.

No other significant related party transactions occurred.

17 Events occurring after the reporting period

On 15 July 2019, the sale of a piece of land by Kallo (UK) was completed. The proceeds from disposal amount to GBP 1.6; the gain on disposal amounts to GBP 0.7.

No other material events occurred subsequent to 30 June 2019 that require disclosure.