GREENYARD

Half Year Financial Report 2018-2019








for a healthier future

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GREENYARD

Greenyard is a global market leader of fresh, frozen and prepared fruit & vegetables, flowers, plants and growing media. Counting Europe's leading retailers amongst its customer base, the Group provides efficient and sustainable solutions to customers and suppliers through best-in-class products, market-leading innovation, operational excellence and outstanding service.

With more than 10.000 employees operating in 27 countries worldwide, Greenyard identifies its people and its key customer and supplier relationships as the key assets which enable it to deliver goods and services worth almost € 4 billion per annum.

Our Mission: We are committed to grow consumption of fruits and vegetables for a healthy future, by partnering with the best partners in the chain from fork to field to meet consumer needs – creating value for all.

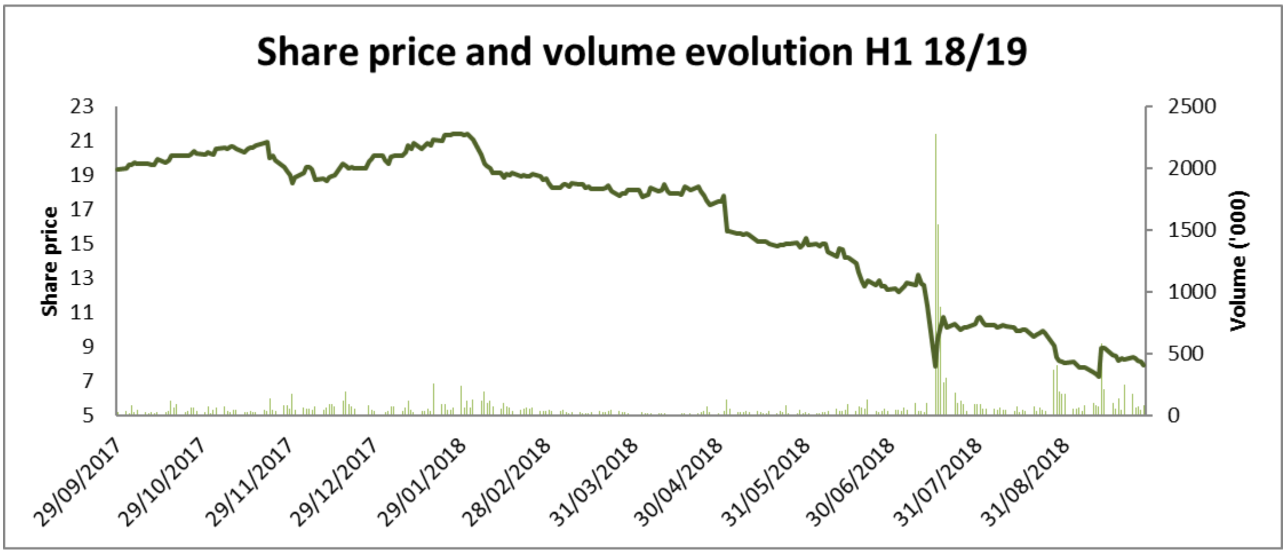
Our Vision: To make lives healthier by helping people enjoy fruit and vegetables at any moment, in an easy, fast and pleasurable way, whilst fostering nature.

INFORMATION FOR SHAREHOLDERS

The Company's shares are listed on the continuous market of Euronext Brussels (ticker: GREEN), more specifically in the compartment B (mid-caps) of this market, since 1 March 2005. The Greenyard share was introduced onto the Brussels Stock Exchange in June 1999. Greenyard NV has a liquidity contract with ABN AMRO Bank and Bank Degroof Petercam.

On 30 September 2018 the share capital was represented by 44.372.585 shares, which have the same rights.

Shareholder structure	Number of shares	%
Deprez Holding NV	15.327.254	34,5%
Food Invest International NV	6.534.173	14,7%
Sujajo Inv.	3.638.552	8,2%
Kabouter Management LLC	3.834.080	8,6%
Treasury shares	1.363.821	3,1%
Public	13.674.705	30,7%
TOTAL	**44.372.585**	**100,00%**



HIGHLIGHTS – H1 ending 30 September 2018

- **Sales.** Greenyard suffered from exceptional weather circumstances over the whole of Europe. A persistent drought affected the growth of vegetables and fruit, with a high impact on the availability of the product and/or on market prices. Combined with earlier announced and continuing margin pressure in a number of Greenyard's key markets, this resulted in a net sales decline by 3,6% to € 1.982,8m (excluding discontinued operations). Without taking into account the FX effect (-0,2%), net sales declined by 3,2% versus last year.
    - Fresh: net sales declined by 3,5% to € 1.647,9m, mainly due to loss of volumes from competitive pressure and pricing impact as a result of the weather conditions.
    - Long Fresh: net sales declined by 4,1% to € 334,9m, primarily from the discontinuation of certain non-profitable contracts and delay of orders in Prepared, but also a temporary loss of sales due to the Listeria recall in Greenyard's Frozen division.
- **REBITDA**. In line with full year expectations as earlier communicated to the market, REBITDA for Greenyard fell with 39,9% to € 41,2m (excluding discontinued operations). The € 27,4m drop is mainly due to:
    - Fresh: REBITDA in Fresh fell by 49,0% to € 21,7m, given severe competitive pressure in Greenyard's key markets, causing inefficiencies, which was accelerated by the weather impact. Greenyard has taken measures to mitigate these factors, such as reorganisation of its footprint and organisational design. Greenyard expects a gradual improvement through a traditionally better second half year and stronger competitive position.
    - Long Fresh: REBITDA in Long Fresh for the first half year amounts to € 20,5m, representing a 20,3% drop. This decline is due to the negative impact of the exceptional weather conditions, causing shortages and lower cost absorption in the factories and to a lesser extent, the consequences of the Listeria recall.
    - Greenyard expects that its partnership strategy will bear fruit and will gradually improve profitability over the next few periods.
- **Non-recurring items.**
    - **Listeria.** Greenyard incurred a net non-recurring cost of € 22,6m and a recurring cost of € 3,5m related to the recall and destruction of frozen vegetables from its Hungarian facility and other related consequences thereof. The net non-recurring costs and related assets and liabilities are determined based on a conservative estimate of the costs and insurance income. Greenyard updates its estimations for the total costs and expected insurance proceeds to an amount of € 28,0m, which is less than the initially communicated € 30,0m.
    - **Impairment goodwill.** Greenyard has decided to impair the goodwill of Greenyard as it was calculated at the time of completion of the business combination in 2015. This goodwill impairment amounts to € 29,2m for Long Fresh due to a potential delay in the expected profitability growth, caused by the recent events. The goodwill impairment does not affect the strategy, business or liquidity of Greenyard.
- The effective tax rate for the first half year amounts to -14,1%. The tax rate is driven by the reported loss and the use and reversal of deferred tax assets.
- The net result from continued operations amounts to a loss of € 68,1m. This result was negatively impacted by non-recurring items for a total amount of € -53,0m.
- **Net financial debt.** Net financial debt increased by € 98,3m to € 517,4m (including Horticulture), predominantly due to a lower profitability, non-recurring recall costs and the inventory build-up in the Long Fresh segment. This led to a leverage ratio of 4,4x end of September. Greenyard appreciates the full support it received from its relationship banks for the waiver on the covenant levels of September (2018) and March (2019). Greenyard is determined to structurally reduce the leverage over the coming periods. In order to strengthen its balance sheet, Greenyard has decided to act decisively by selling its Horticulture segment. Even after the sale of the Horticulture segment, Greenyard's focus

remains on strengthening its balance sheet, now with strong emphasis on the improvement of its profitability and further internal growth.

- **Discontinued operations.**
    - The sale of the Horticulture segment to Straco will lead to total cash proceeds of € 120,0m. The proceeds of the sale of the Horticulture segment will be used to deleverage through the repayment of the € 150,0m retail bond that is due 5 July 2019, without affecting the existing credit facility or credit lines.
    - As the expected synergies with the Horticulture segment will no longer be realised within Greenyard, the sale entails an important goodwill impairment resulting from the valuation at fair value less cost to sell. The goodwill impairment does not affect the strategy, business or liquidity of Greenyard. Greenyard and Straco will examine how to further develop concepts for sustainably growing healthy and tasty vegetables and fruit, for a healthier future for all in the chain. Greenyard expects the closing of the transaction to occur before the end of this accounting year.
- **Profit/loss for the period.** A loss for the period from discontinued operations for an amount of € 44,9m results in a total loss for the period of € 113,0m.
- CAPEX spent (including discontinued operations) for the first half year amounted to € 40,2m, and includes € 15,1m of payments from investments executed at the end of last accounting year. CAPEX for this year was materially reduced.
- Greenyard now confidently looks towards the future with the current combination of the two segments: Fresh and Long Fresh. Greenyard has no further plans to sell any core activities. The announced measures for the optimisation of assets and the sale of non-core assets, as well as CAPEX savings and working capital optimisations are on track. In addition, Greenyard is deploying further strategic projects for a renewed focus of both segments, with a view to reinforcing the offer, improving net sales and margins and responding to the ever-changing demand of retailers and consumers. Greenyard will communicate more details as soon as more information is available.
- For AY 18/19, Greenyard maintains its guidance of REBITDA -25% versus last year, excluding currency impact.

MANAGEMENT COMMENT

CEO Hein Deprez comments on the results and the past 6 months:

"As communicated in August, the first half year of our accounting year 2018/2019 was challenging for Greenyard. Our results reflect the fierce competition and difficult market circumstances in our key markets. Consolidation in these markets puts pressure on all suppliers to find ways to deliver their products, even at low prices.

The current challenging market conditions have also led us to take certain decisive actions, such as the sale of our Horticulture segment, which was needed to strengthen our balance sheet again. We will use these proceeds to repay the retail bond that is due in July 2019. We continue to work hard to further strengthen our company and are fully focused on further internal growth.

Despite this hard market reality, we continue to believe in our strategy to form partnerships with our retailers by working closely and transparently together with them to rationalise the entire supply chain to the benefit of all: consumers, retailers, growers and Greenyard.

We already see good examples and stable growth for those retailers and Greenyard where we are able to build such partnership model. We will do that in the current combination of our Fresh and Long Fresh segments as a unique player in the market offering all categories in fruit and vegetables in all its forms: fresh, frozen and prepared. We are convinced we have the right people, heart, assets and strategy to defend our market position, grow our base and build these partnerships for the future."

KEY FINANCIAL INFORMATION

Key financials	H1 18/19	H1 17/18 *	Difference
Sales continuing (€'000 000)	1.982,8	2.056,6	-3,6%
Sales discontinued (€'000 000)	54,9	37,9	44,9%
REBITDA continuing (€'000 000)	41,2	68,5	-39,9%
REBITDA discontinued (€'000 000)	7,6	4,9	56,1%
REBITDA-margin continuing %	2,1%	3,3%	
REBITDA-margin discontinued %	13,9%	12,9%	
Net result continuing (€'000 000)	-68,1	10,1	-771,9%
Net result discontinued (€'000 000)	-44,9	2,3	-2072,59%
EPS continuing (€)	-1,57	0,22	-813,3%
EPS discontinued (€)	-1,07	0,05	-2120,60%
NFD continuing (€'000 000)	521,2	419,1	24,3%
NFD discontinued (€'000 000)	-3,8	-	
Leverage	4,4	2,8	

* For NFD and leverage the figure reported is March 2018

EBIT before non-recurring items - REBITDA	H1 18/19	H1 17/18
	€'000	€'000
EBIT before non-recurring items	**8.633**	**37.658**
Depreciation and amortisation	32.147	30.601
Divestitures (not in IFRS 5 scope)	-	105
Net intercompany transactions between continuing and discontinued operations	391	184
REBITDA	**41.171**	**68.549**

Reconciliation net financial debt	30 September 2018			31 March 2018		
	As reported	Reconciliation (*)	Total	As reported	Reconciliation (*)	Total
	€'000	€'000	€'000	€'000	€'000	€'000
Cash and cash equivalents	-68.555	-	-68.555	-57.432	-	-57.432
Interest-bearing loans (non-current/current)	576.175	13.585	589.760	461.017	15.560	476.577
Continuing operations			**521.205**			**419.145**
Cash and cash equivalents	-4.328	-	-4.328	-	-	-
Interest-bearing loans (non-current/current)	558	-	558	-	-	-
Discontinued operations			**-3.770**			**-**
Net financial debt			**517.435**			**419.145**

(*) Net capitalised transaction costs related to the refinancing for € 5,4m (AY 17/18 € 6,2m) and net value of the conversion option at inception after amortisation for € 8,2m (AY 17/18 € 9,4m) are added back in order to present the nominal amounts of drawn financing as part of the reported net financial debt.

SEGMENT PERFORMANCE

Fresh

Fresh	H1 18/19 €'000 000	H1 17/18 €'000 000	Difference
Sales	1.647,9	1.707,3	-3,5%
REBITDA	21,7	42,6	-49,0%
REBITDA-margin %	1,3%	2,5%	

Sales in Fresh declined with 3,5%. After FX correction of -0,1%, growth declined internally with a 3,2% drop.

Fresh felt competitive pressure in most of its core markets, particularly in Germany and Belgium. Sales decline was primarily due to exceptional weather conditions, a volume decline resulting from a combination of competitive pressure and shortages in certain Stock Keeping Units. Partnership model showing stable growth in all applicable markets.

REBITDA dropped by 49,0%, which represents a margin of 1,3% versus 2,5% last year (-120bps YoY). Key reason for the drop in REBITDA is the loss of volumes from competitive pressure, which entails loss of margin and increase in operational inefficiencies.

Long Fresh

Long Fresh	H1 18/19 €'000 000	H1 17/18 €'000 000	Difference
Sales	334,9	349,4	-4,1%
REBITDA	20,5	25,7	-20,3%
REBITDA-margin %	6,1%	7,4%	

In Long Fresh, net sales declined with 4,1%. Foreign currencies impacted sales negatively by 0,6%, largely driven by the Brazilian Real and the GBP. As such, internal sales showed a -3,5% evolution.

This sales decrease is mainly driven by the lower volumes sold immediately after the Listeria recall in Frozen and a number of delays in export orders and orders from some larger customers in Prepared, as well as the termination of some non-profitable contracts in the UK, Germany and France.

The Frozen division suffered from the Listeria recall given the loss of margin caused by lost sales volumes, and a loss of fixed cost absorption, due to the temporary closing of production in Hungary. REBITDA in the Prepared division was affected by lower sales volumes and lower sales prices (mainly in mushrooms), but continued to stand its ground and even performed slightly better than last year.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

Consolidated income statement	Note (*)	H1 18/19 €'000	H1 17/18 (**) €'000
CONTINUING OPERATIONS			
Sales		1.982.784	2.056.637
Cost of sales	4.1.	-1.860.790	-1.911.371
Gross profit/loss (-)		**121.994**	**145.266**
Selling, marketing and distribution expenses	4.1.	-48.884	-45.971
General and administrative expenses	4.1.	-66.833	-64.402
Other operating income	4.2.	2.174	2.619
Share of profit/loss (-) of equity accounted investments		182	147
EBIT before non-recurring items		**8.633**	**37.658**
Non-recurring items from operating activities	4.3.	-53.041	-2.076
EBIT		**-44.409**	**35.582**
Interest expense	4.4.	-15.844	-14.330
Interest income	4.4.	215	218
Other finance result	4.4.	351	-4.344
Net finance income/cost (-)		**-15.278**	**-18.456**
Profit/loss (-) before income tax		**-59.687**	**17.126**
Income tax expense (-)/income	4.5.	-8.420	-6.989
Profit/loss (-) for the period from continuing operations		**-68.107**	**10.137**
DISCONTINUED OPERATIONS			
Profit/loss (-) for the period from discontinued operations	4.6.	-44.850	2.274
PROFIT/LOSS (-) FOR THE PERIOD		**-112.957**	**12.411**
Attributable to:			
The shareholders of the Group		-113.378	11.688
Non-controlling interests		421	722

Earnings per share from continuing and discontinued operations (in € per share)	H1 18/19	H1 17/18
Basic	-2,64	0,27
Diluted	-2,64	0,27

Earnings per share from continuing operations (in € per share)	H1 18/19	H1 17/18
Basic	-1,57	0,22
Diluted	-1,57	0,22

(*) The attached notes form an integral part of this income statement.

(**) The consolidated income statement is restated in accordance with IFRS 5 due to the discontinued operation.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Consolidated statement of comprehensive income	H1 18/19 €'000	H1 17/18 €'000
Profit/loss (-) for the period	-112.957	12.411
Remeasurements on post employment benefit obligations, gross	584	-
Deferred tax on remeasurements on post employment benefit obligations	-141	-
Items that will not be reclassified to profit or loss	**443**	**-**
Cash flow hedges, gross	2.993	-1.275
Deferred tax on cash flow hedges	-884	382
Currency translation differences	-1.094	-4.119
Fair value reserve	5	5
Items that may be reclassified to profit or loss	**1.020**	**-5.007**
Other comprehensive income	1.463	-5.007
TOTAL	-111.493	7.403
Attributable to:		
The shareholders of the Group	-111.992	6.816
Non-controlling interests	499	587

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets	Note (*)	30 September 2018 €'000	31 March 2018 €'000
NON-CURRENT ASSETS		**1.173.199**	**1.361.377**
Property, plant & equipment	5.1.	366.498	419.512
Goodwill	5.2.	526.765	633.852
Other intangible assets	5.3.	221.971	252.706
Biological assets		20.883	20.711
Investments accounted for using equity method		11.813	9.435
Other financial assets		29	35
Deferred tax assets		18.586	19.630
Trade and other receivables		6.652	5.495
CURRENT ASSETS		**835.305**	**702.245**
Biological assets		-	76
Inventories		328.666	312.393
Trade and other receivables		291.465	331.786
Other financial assets		1.071	558
Cash and cash equivalents		68.555	57.432
Disposal group held for sale	5.6.	145.547	-
TOTAL ASSETS		**2.008.503**	**2.063.622**

Equity and liabilities	Note (*)	30 September 2018 €'000	31 March 2018 €'000
EQUITY		**589.063**	**709.218**
Issued capital		288.392	288.392
Share premium and other capital instruments		317.882	317.882
Consolidated reserves		-18.794	97.316
Cumulative translation adjustments		-9.065	-7.893
Non-controlling interests		10.648	13.521
NON-CURRENT LIABILITIES		**315.857**	**479.573**
Employee benefit liabilities		20.640	21.708
Provisions	5.4.	9.902	10.940
Interest-bearing loans		240.249	401.034
Other financial liabilities		569	1.341
Trade and other payables		2.558	3.118
Deferred tax liabilities		41.938	41.432
CURRENT LIABILITIES		**1.103.583**	**874.831**
Provisions	5.4.	4.719	8.060
Interest-bearing loans		335.926	59.983
Other financial liabilities		541	2.317
Trade and other payables		736.849	804.470
Liabilities related to disposal group held for sale	5.6.	25.547	-
TOTAL EQUITY AND LIABILITIES		**2.008.503**	**2.063.622**

(*) The attached notes form an integral part of this statement of financial position.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Equity H1 18/19	Attributable to shareholders of the Group									Non-controlling interests	Total equity
	Share capital	Share premiums	Treasury shares	Retained earnings	Cash flow hedge reserve	Foreign currency translation	Fair value reserve	Defined benefit liability	Total		
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 31 March 2018	**288.392**	**317.882**	**-30.039**	**132.069**	**-2.657**	**-7.893**	**40**	**-2.097**	**695.697**	**13.521**	**709.218**
Profit/loss (-) for the period	-	-	-	-113.378	-	-	-	-	-113.378	421	-112.957
Other comprehensive income	-	-	-	-	2.110	-1.172	5	443	1.386	78	1.463
Total comprehensive income for the period	**-**	**-**	**-**	**-113.378**	**2.110**	**-1.172**	**5**	**443**	**-111.993**	**499**	**-111.493**
Dividend payment	-	-	-	-8.602	-	-	-	-	-8.602	-11	-8.613
Aquisition 49% Greenyard Fresh Direct Belgium (note 6.1.)	-	-	-	-4.439	-	-	-	-	-4.439	-3.361	-7.800
Disposal of treasury shares (note 6.1.)	-	-	7.600	-	-	-	-	-	7.600	-	7.600
Share based payments	-	-	-	153	-	-	-	-	153	-	153
Balance at 30 September 2018	**288.392**	**317.882**	**-22.439**	**5.803**	**-547**	**-9.065**	**45**	**-1.654**	**578.416**	**10.648**	**589.063**

Equity H1 17/18	Attributable to shareholders of the Group									Non-controlling interests	Total equity
	Share capital	Share premiums	Treasury shares	Retained earnings	Cash flow hedge reserve	Foreign currency translation reserve	Fair value reserve	Defined benefit liability	Total		
	€'000	€'000		€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 31 March 2017	**288.392**	**317.882**	**-16.436**	**111.924**	**-1.901**	**-3.449**	**27**	**-1.784**	**694.656**	**11.590**	**706.246**
Profit/loss (-) for the period	-	-	-	11.688	-	-	-	-	11.688	722	12.411
Other comprehensive income	-	-	-	-151	-742	-3.984	5	-	-4.872	-135	-5.007
Total comprehensive income for the period	**-**	**-**	**-**	**11.538**	**-742**	**-3.984**	**5**	**-**	**6.816**	**587**	**7.403**
Dividend payment	-	-	-	-8.525	-	-	-	-	-8.525	-	-8.525
Scope and other changes	-	-	-	50	-	-	-	-	50	-	50
Buyback program	-	-	-13.603	-	-	-	-	-	-13.603	-	-13.603
Balance at 30 September 2017	**288.392**	**317.882**	**-30.039**	**114.988**	**-2.643**	**-7.433**	**32**	**-1.784**	**679.395**	**12.177**	**691.572**

CONSOLIDATED STATEMENT OF CASH FLOWS

Consolidated statement of cash flows	Note (*)	H1 18/19 €'000	H1 17/18 €'000
CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS, OPENING BALANCE		**57.432**	**112.735**
CASH FLOW FROM OPERATING ACTIVITIES (A)		**-40.502**	**41.476**
EBIT		**-87.974**	**38.434**
Income taxes paid	4.5.	**-1.288**	**-2.674**
Adjustments		**113.485**	**30.653**
Fair value adjustments biological assets		-476	-759
Amortisation of intangible assets	5.3.	10.049	7.952
Depreciation and impairment of property, plant & equipment	5.1.	26.577	24.872
Impairment on goodwill	5.2.	76.185	
Write-off on stock/trade receivables		6.078	-1.437
Increase/decrease (-) in provisions and employee benefit liabilities	5.4.	-3.975	661
Gain (-)/loss on disposal of property, plant & equipment		-771	-489
Share of profit/loss (-) of equity accounted investments		-182	-147
Increase (-) /decrease in working capital		**-64.726**	**-24.937**
Increase (-)/decrease in inventories		-43.177	-49.205
Increase (-)/decrease in trade and other receivables		23.295	70.496
Increase/decrease (-) in trade and other payables		-44.843	-46.229
CASH FLOW FROM INVESTING ACTIVITIES (B)		**-40.516**	**-31.987**
Acquisitions (-)		**-43.635**	**-35.175**
Acquisition of intangible assets and property, plant & equipment	5.1.,5.3.	-40.161	-34.688
Acquisition of subsidiaries/ associates		-3.474	-487
Disposals		**3.119**	**3.188**
Disposal of intangible assets and property, plant & equipment		1.851	1.172
Disposal of subsidiaries/ associates		1.268	2.017
CASH FLOW FROM FINANCING ACTIVITIES (C)		**97.028**	**-41.208**
Dividend payment		-11	-
Acquisition of treasury shares		-	-13.603
Repayment long- and short-term borrowings (-)		-12.301	-10.265
Proceeds long- and short-term borrowings		126.000	-
Net interests paid		-16.336	-16.239
Other financial expenses		-324	-1.100
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		**16.009**	**-31.719**
Effect of exchange rate fluctuations		-606	-1.003
CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS, CLOSING BALANCE		**72.834**	**80.014**
Of which:			
Cash and cash equivalents		68.555	80.014
Bank overdrafts		49	-
Cash and cash equivalents related to disposal group held for sale		4.328	-

(*) The attached notes form an integral part of this consolidated statement of cash flows.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. General information

Greenyard, domiciled in Belgium in Sint-Katelijne-Waver, is a global market leader of fresh, frozen and prepared fruit & vegetables, flowers, plants and growing media. Counting Europe's leading retailers amongst its customer base, the Group provides efficient and sustainable solutions to customers and suppliers through best-in-class products, market-leading innovation and outstanding service. The Group counts more than 10.000 employees in 27 countries worldwide.

2. Financial reporting principles

2.1. Declaration of conformity

The condensed consolidated interim financial statements for the 6 months ended 30 September 2018 contain the financial statements of Greenyard NV ('the Company'), its subsidiaries ('the Group'), and the Group's interests in associated companies and jointly controlled entities. The condensed consolidated interim financial statements provide a general overview of the Group's activities and performance. They give a true and fair view of the Group's financial position, financial performance and cash flows on a going concern basis.

The 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 contain all the information needed for full annual financial statements and should therefore be read in conjunction with the consolidated financial statements for the reporting period ended 31 March 2018, published in the 2017-2018 Financial Report.

These condensed consolidated interim financial statements were authorised for issue by the Board of Directors on the 15th of November 2018.

2.2. Seasonality

The performance of Greenyard is impacted by seasonality but the combination of Long Fresh and Fresh has a compensating effect on seasonality and working capital dynamics. Generally Long Fresh has a production peak in the period from July to November with corresponding inventory build-up, whereas the demand is relatively stable during the year. This gives rise to high working capital swings in the last two quarters of the calendar year. In Fresh, a greater portion of the sales are realised during the first two calendar quarters, whereas the third and fourth calendar quarters typically have lower sales and less homogenous sales patterns. Horticulture has historically realised a greater portion of its revenues during the two first quarters of the calendar year (especially between mid-January and mid-May).

2.3. Changes in accounting policies and presentation rules

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those applied in the preparation of the consolidated financial statements for the financial year 2017-2018 ending as per 31 March 2018, except for the below mentioned items.

Amendment to depreciation term of customer relations of the Fresh segment

The depreciation term of client relations of the Fresh segment has been reduced from 25 to 20 years in order to reflect an ongoing change in the retail landscape, which makes Greenyard to take a more conservative stance on the lifetime of the existing customer portfolio. Greenyard continues to focus on strategic and tailored partnerships with its main customer retailers. Depreciation for H1 18/19 amounts to € 5,8m, which is € 1,3m higher than before the adjustment to 20 years.

Amendments to IFRS that are mandatorily effective for the current year

- Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions (applicable for annual periods beginning on or after 1 January 2018);
- Amendments to IAS 40 Transfers of Investment Property (applicable for annual periods beginning on or after 1 January 2018);
- IFRIC 22 Foreign Currency Transactions and Advance Consideration (applicable for annual periods beginning on or after 1 January 2018);

- Annual improvements to IFRS Standards 2014-2016 Cycle: Amendments to IFRS 1 and IAS 28 (issued December 2016) (applicable for annual periods beginning on or after 1 January 2018);
- Amendments to IFRS 4 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (applicable for annual periods beginning on or after 1 January 2018);
- IFRS 15 Revenue from Contracts with Customers (effective from annual periods beginning on or after 1 January 2018), the implementation did not significantly impact revenues H1 18/19;
- IFRS 9 Financial Instruments (effective from annual periods beginning on or after 1 January 2018)**;**

With regard to the standards and interpretations which became applicable during the period April 2018 – September 2018, the Group is in the opinion that these have no or limited impact on the condensed consolidated interim financial statements of the Group.

New and revised IFRS issued but not yet effective

The Group did not apply prospectively to the AY 18/19 the following new standards and interpretations, which had been issued but had not yet come into effect at the date of approval of these condensed consolidated interim financial statements:

- IFRS 14 Regulatory Deferral Accounts (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in the EU);
- IFRS 17 Insurance Contracts (applicable for annual periods beginning on or after 1 January 2021, but not yet endorsed in the EU);
- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (the effective date has been deferred indefinitely, and therefore the endorsement in the EU has been postponed);
- IFRIC 23 Uncertainty over Income Tax Treatments (applicable for annual periods beginning on or after 1 January 2019, but not yet endorsed in the EU);
- IFRS 16 Leases (applicable for annual periods beginning on or after 1 January 2019).

At the present time the Group does not expect that the first-time application of new standards and applications will significantly affect the financial statements of the Group during the first-time application, with the exception of:

- IFRS 16 Leases (effective for annual periods beginning on or after 1 January 2019) replaces the existing lease accounting requirements and represents a significant change in the accounting and reporting of leases that were previously classified as operating leases, with more assets and liabilities to be reported on the statement of financial position and a different recognition of lease costs. The Group is currently in process of analysing and assessing the impact. Currently no estimate can be given, however REBITDA, amongst other, will significantly increase.

3. Segment information

For management purposes the Group was organised in three operating segments based on the activity of the Group. Following the plan to sell the Horticulture segment only two segments remain.

The Fresh segment is a global market leader and supplier of fresh fruit and vegetables, flowers and plants and logistic services. Segment Long Fresh includes the Frozen and Prepared activities. Frozen is a pioneer and market leader that processes freshly harvested fruits and vegetables into frozen food products that are easy to store and take little or no time to prepare. Prepared is a global player in freshly preserved fruit, vegetables, mushrooms and other ambient food products that are easy to store and ready to eat.

Management assesses segment performance and allocates resources based on REBITDA and sales.

The segment's assets are assets belonging directly to it. Segment assets and segment sales are presented before elimination of intersegment transactions. Sales between segments are on an arm's length basis in a manner similar to transactions with third parties.

Segment information H1 18/19	Continuing operations					
	Fresh €'000	Long Fresh €'000	Horticulture €'000	Eliminations (*) €'000	Unallocated (**) €'000	Consolidated €'000
Sales	**1.648.767**	**334.929**	**-**	**-912**	**-**	**1.982.784**
Sales	1.647.862	334.922	-	-	-	1.982.784
Intersegment sales	905	7	-	-912	-	-
REBITDA	**21.689**	**20.469**	**-**	**-**	**-987**	**41.171**
Total assets at 30 September 2018	**1.074.018**	**737.579**	**-**	**-38.925**	**235.831**	**2.008.503**

Segment information H1 17/18	Continuing operations					
	Fresh €'000	Long Fresh €'000	Horticulture €'000	Eliminations (*) €'000	Unallocated (**) €'000	Consolidated €'000
Sales	**1.707.975**	**349.369**	**-**	**-707**	**-**	**2.056.637**
Sales	1.707.286	349.351	-	-	-	2.056.637
Intersegment sales	689	18	-	-707	-	-
REBITDA	**42.565**	**25.683**	**-**	**-**	**301**	**68.549**
Total assets at 31 March 2018	**1.101.192**	**696.254**	**198.485**	**-27.631**	**95.322**	**2.063.622**

(*) Long-term intersegment receivables and intersegment participations are not included in the segment assets and therefore not included in the eliminations.
(**) Unallocated REBITDA includes REBITDA allocated to corporate. Unallocated assets include derivative financial instruments, cash and cash equivalents, disposal group held for sale and other assets allocated to corporate.

4. Notes to the consolidated income statement

The Horticulture segment is classified as discontinued operations and is therefore not included anymore in the notes to the consolidated income statement in both H1 17/18 and H1 18/19.

4.1. Operating expenses

Operating expenses	H1 18/19 €'000	H1 17/18 €'000
Cost of goods	1.375.651	1.433.962
Transport	142.600	148.103
Packing, warehousing and farming	181.430	174.446
Personnel and temporary workforce costs	133.744	130.635
Other	27.364	24.225
Cost of sales (*)	**1.860.790**	**1.911.371**
Rentals	7.087	6.952
Maintenance and repair	1.784	1.694
Personnel expenses	64.096	60.167
Utilities	1.361	1.174
Travel and representation	4.610	4.197
Office expenses	1.767	1.742
Fees	9.011	10.047
Insurance	2.101	2.159
Information and communication technology	4.909	5.003
Depreciation	10.161	10.481
Quality	202	164
Other	8.627	6.592
Other operating expenses	**115.717**	**110.373**
TOTAL	**1.976.507**	**2.021.744**

(*) Contain rental costs, personnel expenses, depreciation and other direct operating expenses.

Depreciation and amortisation expenses included in the cost of sales amounts to € 22,0m (H1 17/18 € 20,1m).

4.2. Other operating income

Other operating income	H1 18/19 €'000	H1 17/18 €'000
Income from rentals	755	871
Indemnities received	378	459
Sale of waste	290	318
Gain/loss (-) on disposal of property, plant & equipment	89	478
Other	662	492
TOTAL	**2.174**	**2.619**

4.3. Non-recurring items

Non-recurring items	H1 18/19 €'000	H1 17/18 €'000
Reorganisation costs Fresh	-	-2.198
Merger & acquisition project costs	-	-595
Costs related to impact of Listeria	-22.604	-
Waiver fee	-1.163	-
Impairment goodwill Long Fresh (note 5.2.)	-29.172	-
Other	-689	-675
Non-recurring expenses	**-53.628**	**-3.468**
Result on sale H-Pack & H-Fruit	-	1.379
Result on sale of assets	586	12
Non-recurring income	**586**	**1.391**
TOTAL	**-53.041**	**-2.076**

In June, the Group organised a large recall of frozen products from its Hungarian facility, subsequent to an investigation by the European Food Safety Authority in a European outbreak of a Listeria contamination. The Group incurred a net non-recurring cost of € 22,6m and a recurring cost of € 3,5m related to the recall and destruction of frozen vegetables from its Hungarian facility and other related consequences thereof. The net non-recurring costs and related assets and liabilities are determined based on a conservative estimate of the costs and insurance income.

Greenyard renegotiated the September 2018 and the March 2019 covenant levels with the banks, which led to a non-recurring waiver fee of € 1,2m including legal fees.

4.4. Net finance income/cost

Net finance income/cost (-)	H1 18/19 €'000	H1 17/18 €'000
Interest expense - retail bond	-3.761	-3.760
Interest expense - convertible bond	-2.350	-2.350
Interest expense - bank borrowings	-4.577	-3.046
Amortisation transaction costs - retail bond	-39	-37
Amortisation transaction costs - convertible bond	-263	-246
Amortisation conversion option	-1.143	-1.072
Amortisation transaction costs - term loan / revolving credit facility	-530	-478
Interest expense - factoring	-2.116	-2.283
Interest expense - IRS	-826	-772
Other	-240	-286
Interest expense	**-15.844**	**-14.330**
Interest income	215	218
Interest income	**215**	**218**
Foreign exchange gains/losses (-)	31	-1.470
Fair value gains/losses (-) on IRS	67	60
Fair value gains/losses (-) on conversion option	-	-800
Bank and other financial income/cost (-)	252	-2.134
Other finance result	**351**	**-4.344**
TOTAL	**-15.278**	**-18.456**

4.5. Income tax expense/income

Income tax expense (-)/income	H1 18/19 €'000	H1 17/18 €'000
Current tax on profits for the year	-2.160	-5.378
Adjustments in respect of prior years	-5	-450
Current tax	**-2.165**	**-5.828**
Origination and reversal (-) of temporary differences	2.370	-1.565
Recognition and reversal (-) of deferred tax assets on tax losses and forfeited losses	-8.625	404
Deferred tax	**-6.255**	**-1.161**
TOTAL	-8.420	-6.989

The income tax expense for H1 18/19 amounts to € 8,4m, which implies an effective tax rate of -14,1%. The effective tax rate mainly originates from a reversal of the previously recognized deferred tax assets on tax losses carried forward as well as the non-recognition of current year tax losses. The reversal of the deferred tax assets is based on an assessment of the five-year recoverability following the revised long range plan.

4.6. Discontinued operations

Plan to sell Horticulture

On 24 September 2018 the Group announced that they have signed a Share Purchase Agreement for the sale of the Horticulture segment to Straco for a total consideration of € 120,0m. Pursuant to the agreement, all the operations and assets of both the Horticulture and Mycoculture division will be transferred to Straco. The planned disposal of the Horticulture segment is part of the Group's deleveraging actions towards a strengthened balance sheet. The transaction is expected to close in the fourth quarter of AY 18/19 and is subject to customary closing conditions, including regulatory approvals.

Hence as per 30 September 2018 Horticulture is presented as a disposal group or discontinued operation in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Details of the disposal group held for sale are shown in note 5.6. *Disposal group held for sale*.

Analysis of the result of the period from discontinued operations (Horticulture segment)

The results from the discontinued operations that are included in the consolidated income statement are presented below. The discontinued operations are, in accordance with IFRS 5, classified and accounted for as a disposal group related to discontinued operations as per 30 September 2018. The comparative profit and loss account and cash flow statement from discontinued operations have been re-presented to include these operations as discontinued operations.

Profit/loss (-) for the period from discontinued operations	H1 18/19 €'000	H1 17/18 €'000
Sales	54.925	37.910
Cost of sales	-46.099	-31.321
Gross profit/loss (-)	**8.826**	**6.589**
Selling, marketing and distribution expenses	-1.487	-1.048
General and administrative expenses	-4.043	-2.789
Other operating income	249	101
EBIT before non-recurring items	**3.545**	**2.853**
Loss on the remeasurement to fair value less costs to sell	-47.013	-
Non-recurring items from operating activities	-97	-
EBIT	**-43.566**	**2.853**
Net finance income/cost (-)	**-141**	**-191**
Profit/loss (-) before income tax	**-43.706**	**2.661**
Income tax expense (-)/income	-1.144	-388
PROFIT/LOSS (-) FOR THE PERIOD	**-44.850**	**2.274**
Attributable to:		
The shareholders of the Group	-44.822	2.270
Non-controlling interests	-28	4

The sales of Horticulture amount to € 54,9m in the first half of AY 18/19, which represents an increase of 44,8% or € 17,0m compared to H1 17/18. The major part of this increase can be explained by the fact that the Mycoculture division was only part of the Group as from December 2017 onwards and hence was not yet included in H1 17/18.

The non-recurring costs amount to € 47,1m and mainly relate to the loss on the remeasurement to fair value less costs to sell (impairment of goodwill of Horticulture) of € 47,0m in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

The income tax expense with respect to the ordinary activities of the discontinued operations amounts to € 1,1m as per end of September 2018, whereas the Group expects there will be no income tax effect in respect of discontinuance of the Horticulture segment.

The cumulative amounts that have been recorded in other comprehensive income relate to foreign currency translation reserve and amount to € -0,5m as per end of September 2018.

Cash flows from discontinued operations	H1 18/19 €'000	H1 17/18 €'000
Cash flow from operating activities	7.290	8.098
Cash flow from investing activities	-4.401	-1.054
Cash flow from financing activities	-373	5.855
NET INCREASE IN CASH AND CASH EQUIVALENTS	**2.516**	**12.899**

5. Notes to the consolidated statement of financial position

The Horticulture segment is classified as held for sale as per 30 September 2018, which impacts all categories of the statement of financial position. Please refer to note 5.6. *Disposal group held for sale* for more detailed information regarding the impact.

5.1. Property, plant & equipment

Property, plant & equipment decreases by € 53,0m during the first half year of the accounting period, almost the entire amount (€ 52,7m) is related to the transfer of the Horticulture assets to disposal group held for sale.

The remaining fluctuation in property, plant & equipment is related to the depreciation (€ 23,6m) and the combined impact of disposals and foreign exchange rate fluctuations (€ 2,2m). This decrease is largely compensated by the investments (€ 21,0m) on one hand and the impact of finalisation of the purchase price allocation with regard to the acquisition of Mycoculture (€ 4,2m).

The investments consist of 'land and buildings' (€ 0,3m), 'plant, machinery and equipment' (€ 9,3m), 'furniture and vehicles' (€ 1,5m), 'leasing' (€ 1,1m) and 'assets under construction' (€ 8,8m).

5.2. Goodwill

Goodwill per cash generating unit	30 September 2018 €'000	31 March 2018 €'000
Fresh	477.029	477.029
Long Fresh	49.736	78.910
Horticulture	-	77.913
TOTAL	**526.765**	**633.852**

Goodwill	30 September 2018 €'000	31 March 2018 €'000
ACQUISITION VALUE		
Balance at the end of the preceding period	**633.852**	**591.923**
Change in scope: business combinations	-	41.929
Purchase price allocation adjustment	-4.219	-
Classification as assets held for sale	-26.683	-
Balance at the end of the period	**602.950**	**633.852**
IMPAIRMENT LOSSES		
Balance at the end of the preceding period	**-**	**-**
Impairment losses	76.185	-
Balance at the end of the period	**76.185**	**-**
Net carrying amount at the end of the period	**526.765**	**633.852**

As per 30 September 2018, the remaining goodwill of the Horticulture segment of € 26,7m is presented as disposal group held for sale, this following the planned sale of the segment (please refer to note 4.6. *Discontinued operations*).

The Group tests the goodwill for impairment annually and when there are indications that the value of goodwill has decreased. The Group's impairment test for goodwill is based on value in use calculations which are based on a discounted cash flow model.

At 30 September 2018 the Group performed an impairment test for each cash generating unit, i.e. segments Fresh and Long Fresh, as there was an indication that the value of goodwill could have decreased. For each segment, the recoverable amount has been determined based on a value in use calculation of cash flow projections from the revised financial budget of AY 18/19 and revised long range plan for the subsequent financial periods until AY 22/23 (together referred to as 'LRP'), in conjunction with a revised perpetuity of cash flows to determine terminal value.

Fresh

The revised LRP takes into account a margin improvement resulting in an expected average yearly REBITDA margin of 1,9% (which is an increase from 1,4% to 2,3% over the period AY 18/19 - AY 22/23, compared to 2,2% for the period AY 17/18) and an average sales growth of 4,0% (over the period AY 18/19 - AY 22/23), in accordance with the strategic targets. The value in use is based on cash flow forecasts over a period of five years, in conjunction with a perpetuity of cash flows as of then with a growth rate of 1,0%. Cash flows are discounted at an after-tax discount rate of 6,8%. The results of this test have shown that the value in use exceeds the carrying value of the cash flow generating unit (the 'headroom') by € 252,4m. The major sensitivities for the impairment tests are the sales growth rate, the REBITDA growth rate and the discount rate. This headroom would reduce to zero (keeping other key parameters constant) if the yearly sales growth rates applied in calculating the value in use were to fall by 251 base points (to an average yearly sales growth of 1,5% and a perpetual sales growth rate of -1,5%), or the yearly REBITDA growth rates were to fall by 426 base points (reducing the average yearly REBITDA margin to 1,6%) or if the after-tax discount rate was to rise by 260 base points (or a rate of 9,4%) in all periods until AY 22/23 and thereafter. Based on the above assumptions the Group has concluded that no impairment losses need to be recorded at 30 September 2018 on the goodwill of the Fresh segment.

Long Fresh

Although the March 2018 LRP of Long Fresh remains an internal target, we have conducted the impairment test based on a more conservative plan taking into account the time delay in profitability growth consequent to the adverse impacts of Listeria and bad weather conditions that occurred in 2018.

The revised LRP takes into account a margin improvement resulting in an expected average yearly REBITDA margin of 7,7% (which is an increase from 6,2% to 8,5% over the period AY 18/19 - AY 22/23, compared to 7,6% for the period AY 17/18) and an average yearly sales growth of 3,4% (over the period AY 18/19 - AY 22/23), in accordance with the strategic targets. The value in use is based on cash flow forecasts over a period of five years, in conjunction with a perpetuity of cash flows as of then with a growth rate of 1,7%. Cash flows are discounted at an after-tax discount rate of 6,9%. The results of this test have shown that the carrying value exceeds value in use of the cash flow generating unit (the 'shortage') by € 29,2m. This shortage would increase to € 78,9m (keeping other key parameters constant) if the yearly sales growth rates applied in calculating the value in use were to fall by 320 base points (to an average yearly sales growth of 0,2% and a perpetual sales growth rate of -1,5%), or the yearly REBITDA growth rates were to fall by 115 base points (reducing the average yearly REBITDA margin to 7,5%) or the after-tax discount rate was to rise by 50 base points (or a rate of 7,4%).

Based on the performed impairment test the Group has concluded to impair the goodwill of the Long Fresh segment for an amount of € 29,2m at 30 September 2018.

Goodwill impairment test - key parameters	30 September 2018	31 March 2018
Fresh		
Average sales growth rate	4,0%	5,4%
Perpetual growth rate	1,0%	1,0%
Average REBITDA margin	1,9%	2,5%
Discount rate	6,8%	6,8%
Headroom (in €'000 000)	252,4	428,4
Long Fresh		
Average sales growth rate	3,4%	3,9%
Perpetual growth rate	1,7%	1,7%
Average REBITDA margin	7,7%	9,2%
Discount rate	6,9%	6,9%
Headroom/ shortage (in €'000 000)	-29,2	87,5

5.3. Other intangible assets

The decrease of the other intangible assets by € 30,7m also mainly results from the transfer of the Horticulture assets to disposal group held for sale (€ 24,8m). The remaining decrease is largely explained by the depreciation (€ 8,6m), partly compensated by investments (€ 4,2m).

The depreciation term of customer relations of the Fresh segment has been reduced from 25 to 20 years, please refer to note 2.3. *Changes in accounting policies and presentation rules* for more information. Depreciation for H1 18/19 amounts to € 5,8m, which is € 1,3m higher than before the adjustment to 20 years. The portfolio has a remaining useful life of 16,5 years.

5.4. Provisions

The decrease of the provisions is mainly attributable to the decrease in restructuring provisions in Germany (€ 4,0m). Of this amount € 2,5m was used during the first half of the accounting year and € 1,5m was reversed.

5.5. Financial assets and liabilities

The table below only includes the financial assets and liabilities for which the fair value differs from the carrying amount. For all other financial assets and liabilities, we consider the carrying amounts approximate the fair values.

Financial assets and liabilities by class and category	Net carrying amount at 30 September 2018 €'000	Fair value at 30 September 2018 €'000
Retail bond	149.937	151.575
Host component of the convertible bond	114.898	91.106
Bank loans	311.180	324.163

Financial assets and liabilities by class and category	Net carrying amount at 31 March 2018 €'000	Fair value at 31 March 2018 €'000
Retail bond	149.898	157.371
Host component of the convertible bond	113.492	105.234
Bank loans	196.696	211.224

At 30 September 2018 the Group has € 170,0m of unused available lines under its Facilities Agreement (31 March 2018 € 225,0m). The total uncommitted bilateral facilities for an amount of € 55,1m were used for € 5,4m at 30 September 2018. At 31 March 2018 these facilities amounted to € 55,3m and were fully unused.

5.6. Disposal group held for sale

Following the decision in September 2018 to sell the Horticulture segment, the net assets have been valued at fair value less costs to sell and are presented as disposal group held for sale at the end of the accounting period. As per 30 September 2018 there were no other assets held for sale.

Disposal group held for sale	30 September 2018 €'000
Property, plant & equipment	52.651
Goodwill	26.683
Other intangible assets	24.749
Other financial assets	4
Deferred tax assets	294
Inventories	19.277
Trade and other receivables	17.562
Cash and cash equivalents	4.328
TOTAL DISPOSAL GROUP HELD FOR SALE	**145.547**
Employee benefit liabilities	352
Provisions	568
Interest-bearing loans	558
Deferred tax liabilities	5.573
Trade and other payables	18.496
TOTAL LIABILITIES RELATED TO DISPOSAL GROUP HELD FOR SALE	**25.547**
NET ASSETS DISPOSAL GROUP HELD FOR SALE	**120.000**

6. Other elements

6.1. Subsidiaries and changes in consolidation scope

The parent company of the Group is Greenyard NV, Sint-Katelijne-Waver, Belgium. The subsidiaries, associates, joint ventures and investments recorded at cost of the Group as per 30 September 2018 are the same as presented in the annual report as per 31 March 2018, apart from:

- On 3 April 2018 Greenyard reached an agreement to take over the 49% stake of Ben De Pelsmaeker in Greenyard Fresh Direct Belgium. Greenyard now obtains 100% in Greenyard Fresh Direct Belgium. This transaction was mainly (97%) settled in treasury shares.
- On 10 April 2018 Greenyard has acquired a 49% stake in Mor International, whereby it has the option to become majority owner in the future. Currently Mor International is accounted for using the equity method. Mor International is a well-known Israeli fruit sourcing and exporting company strongly focused on sourcing high quality exotics (mangos, avocados, kakis, pomegranates, fresh dates and bell peppers).

6.2. Off-balance sheet commitments

Consequential to the increased net financial debt and decreased REBITDA, the Group has reached an agreement with the lenders under its credit facilities to amend the financial covenants for the current financial year. For 30 September 2018 actuals led to a leverage ratio of 4,4 which is well below the reset target. Objective is to reduce the leverage ratio towards 4,25 by March 2019 (reset target) and 3,25 by September 2019 (original target), interest cover for both periods amounts to 3,5. An important step in the deleveraging program has been taken by selling the Horticulture segment which is expected to be closed before March 2019. Furthermore, is was agreed with the lenders that the proceeds from deleverage actions up to € 150,0m will be used for the repayment of the Long Fresh retail bond due in July 2019. Also beyond year-end, management is fully committed to further deleverage the Group's financial position and to improve its profitability in close relation with the lenders who fully support this process. Purpose is to make the Group financially more resilient and to remain in line with the covenant levels set over the years to come.

Further there are no significant changes to contingencies compared with the previous reporting period.

6.3. Contingent assets and liabilities

Please refer to note 4.3. *Non-recurring items* for contingent assets and liabilities related to Listeria. Further there are no significant changes in the contingent assets and liabilities compared to the previous reporting period.

6.4. Related parties

During H1 18/19 there are no significant changes in related parties compared to the previous reporting period.

6.5. Risk management description

The principal risks and uncertainties for the remaining months of the financial year ending 31 March 2019 remain the same as those described in the previous annual report at 31 March 2018.

6.6. Litigations and claims

During H1 18/19 there are no new significant changes in the litigations and claims compared to the previous reporting period.

6.7. Events after balance sheet date

Between 30 September 2018 and the date the interim report was released for publication, no significant events occurred.

STATEMENT OF RESPONSIBLE PERSONS

Declaration regarding the condensed consolidated interim financial statements for the 6 months period ended 30 September 2018.

Sint-Katelijne-Waver, 15 November 2018

The undersigned, in the name and on behalf of Greenyard NV, declare that, as far as they are aware:

- the condensed consolidated interim financial statements for the 6 month period ended 30 September 2018, established in conformity with the applicable accounting standards, give a true and fair view of the equity, the financial position and the results of Greenyard NV, including its consolidated subsidiaries;
- this half year financial report for the 6 months period ended 30 September 2018 contains a true and fair statement of the important events, the results and the position of Greenyard NV, including its consolidated subsidiaries, as well as a comment on the principal risks and uncertainties confronting the Group.

Ahok BVBA, represented by Mr Koen Hoffman, Chairman of the Board of Directors

Deprez Invest NV, represented by Mr Hein Deprez, CEO and managing director

Chilibri BVBA, represented by Mr Geert Peeters, CFO

PDN BVBA, represented by Mr Carl Peeters, COO

REVIEW REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Report on the review of the consolidated interim financial information of Greenyard NV for the six-month period ended 30 September 2018

In the context of our appointment as the company's statutory auditor, we report to you on the consolidated interim financial information. This consolidated interim financial information comprises the consolidated condensed statement of financial position as at 30 September 2018, the consolidated condensed income statement, the consolidated condensed statement of comprehensive income, the consolidated condensed statement of changes in equity and the consolidated condensed statement of cash flows for the period of six months then ended, as well as selective notes 1 to 6.

Report on the consolidated interim financial information

We have reviewed the consolidated interim financial information of Greenyard NV ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting" as adopted by the European Union.

The consolidated condensed statement of financial position shows total assets of 2 008 503 (000) EUR and the consolidated condensed income statement shows a consolidated loss (group share) for the period then ended of 113 378 (000) EUR.

The board of directors of the company is responsible for the preparation and fair presentation of the consolidated interim financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Emphasis of matter

Without modifying our opinion in respect of this matter, we draw attention to Note 6.2 of the Consolidated Interim Financial Information where it is disclosed that the group, in collaboration with its lenders, agreed upon adjusted financial covenant ratios for the measurement period ending per 30 September 2018 and 31 March 2019 and committed to further deleverage the group's financial position.

Scope of review

We conducted our review of the consolidated interim financial information in accordance with International Standard on Review Engagements (ISRE) 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit performed in accordance with the International Standards on Auditing (ISA) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated interim financial information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information of Greenyard NV has not been prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Ghent, 19 November 2018

The statutory auditor

Vanrobaeys

DELOITTE Bedrijfsrevisoren / Réviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Charlotte Vanrobaeys

FINANCIAL DEFINITIONS

CAPEX	Capital expenditures
EBIT	Operating result
EPS	Earnings per share
Leverage	NFD/Adjusted REBITDA
Net financial debt (NFD)	Interest-bearing debt (at nominal value) less derivatives, bank deposits, cash and cash equivalents
Net result	Profit/loss (-) for the period
Non-recurring items	Non-recurring items are those that in management's judgement need to be disclosed by virtue of their size or incidence. Such items are disclosed on the face of the consolidated income statement and separately disclosed in the notes to the financial statements. Transactions which may give rise to non-recurring items are principally restructuring and reorganisation activities, impairments, disposal of assets and investments, claims, IFRS 3 acquisition accounting and merger & acquisition projects and the effect of the accelerated repayment of certain financial indebtedness.
REBITDA	EBIT corrected for depreciation, amortisation and impairments excluding non-recurring items and EBIT corrected for depreciation, amortisation and impairments from minor divested operations
Adjusted REBITDA	Last twelve months REBITDA, adjusted for acquisitions
Working capital	Working capital is the sum of the inventories, trade and other receivables (non-current and current) and trade and other payables (current). In this respect trade and other receivables are corrected for long-term (financing) receivables and accrued interest income and trade and other payables exclude accrued interest expenses and dividend payable.
AY 18/19	Accounting year ending 31 March 2019
AY 17/18	Accounting year ended 31 March 2018
H1 18/19	First half year of accounting year ending 31 March 2019
H1 17/18	First half year of accounting year ended 31 March 2018

ABOUT GREENYARD

Greenyard (Euronext Brussels: GREEN) is a global market leader of fresh, frozen and prepared fruit & vegetables, flowers, plants and growing media. Counting Europe's leading retailers amongst its customer base, the group provides efficient and sustainable solutions to customers and suppliers through best-in-class products, market leading innovation, operational excellence and outstanding service.

Our vision is to make lives healthier by helping people enjoy fruit & vegetables at any moment, easy, fast and pleasurable, whilst fostering nature.

With more than 10,000 employees operating in 27 countries worldwide, Greenyard identifies its people and key customer and supplier relationships as the key assets which enable it to deliver goods and services worth more than € 4 billion per annum.

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for a healthier future