GREENYARD

Half Year Financial Report 2019-2020

for a healthier future

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MESSAGE TO OUR SHAREHOLDERS

Dear reader,
Dear shareholder,

As you all know, Greenyard has been through one of the most difficult periods in its entire history. 2018 was something of a perfect storm as a number of events conspired against our company, leading to a financially difficult situation. The company consequently delivered an effective and agile Transformation Plan which consists of a broad set of short-term measures looking for an immediate remediation supplemented by some more structural improvements which will contribute in the mid-term.

"We are regaining our strength after the most difficult year in our history and start to reap the first rewards of our measures."

Today, we see encouraging improvements in the first half of our accounting year. Little more than six months since the launch of our Transformation Plan, we can present financial results that exceed both our own expectations and those of the market.

From March onwards, a clear focus is put on margin improvement and on cash flow generation thanks to the Transformation Plan. The immediate, short- and longer-term actions are aiming at a revitalisation of volumes and margins, the rationalisation of the group's footprint, an improved cost management and operational excellence.

Therefore, the recovery is the result of the optimisation of the sales portfolio, strongly aided by a diligent execution of our plans. We regained stability in our group's net sales of € 1.968,9m versus € 1.979,7m in H1 last year (-0,5%), and with an adjusted EBITDA (pre IFRS 16) of € 47,6m versus € 41,2m for the same period of last year (+15,7%). We significantly improved our profitability for the first half year of the accounting year. Not only is it improving our results, we also clearly notice that a continuous improvement culture is gradually prospering over the different divisions, activities and entities of Greenyard.

The improved financial results are not the only positive signs we are seeing for the further recovery of our company.

"2019 also proved to be a breakthrough year for our partnership model, that will enable us to realise sustainable growth in the expanding market of fruit and vegetables."

We signed agreements with four major retailers: Delhaize and Carrefour in Belgium, Tesco in the United Kingdom and REWE Group in Germany. The fact that we have been able to close these deals in one of the most difficult years of our history, shows the potential we have as a company and the faith our customers have in co-operating with Greenyard.

It is still too early to see the effects of these partnership agreements in our financial results, as they take time to be implemented and bear fruit. We expect them to further improve turnover and margins in the following years, but most of all, they will bring more stability to our operations and profitability. Ultimately, they will enable us to grow our business in a more sustainable way, reducing the effects of volatility in our markets and strengthening our strategic alignment with major customers.

Moreover, we will benefit from being active in a market that has a huge growth potential, as people all over the world are striving for a healthier lifestyle. The European market for fruit and vegetables is expected to grow from € 441 billion to € 768 billion in the next ten years. As consumers buy fresh produce mainly in supermarkets, this is a big opportunity for our retail customers and us.

In this promising context, Greenyard has introduced its unique and innovative partnership model. It enables retailers to focus on their core business, while we take care of logistics and sourcing for the entire fruit and vegetables category. A number of these partnerships will already start to have a (limited) positive influence on the results in the second half of the year, while others will generate a positive impact from next financial year onwards.

However, we are not there yet. We are in the midst of rolling out our Transformation Plan. A transformation is naturally associated with variability and uncertainty, particularly in its initial phases. Nevertheless, we are confident that we can increasingly bolster our Group for the future and will do this gradually over the upcoming periods. We will continue to drive changes to further become an integrated, dynamic, innovative and transparent group by combining industry knowledge, experience and new external insights.

"We have decided to further recover on a stand-alone basis. The improvement of our results obviates the need of a capital raise or sale of our Prepared division."

Greenyard's Board of Directors and management decided to recover on a stand-alone basis. Thanks to the encouraging recovery the need for a capital raise or sale of our Prepared division is obviated. However, maintaining a clear deleveraging objective. This chosen way forward avoids dilution for Greenyard's shareholders and allows Greenyard to preserve and use the positive cash generation of the Belgian Prepared activities for the continued deleveraging of Greenyard.

We are also pleased to announce that we reached an agreement with our relationship banks consisting of an extension of the waiver period until December 2021 and their commitment to reduce the costs associated with our financing. Both elements will have a clear positive impact on our cash and deleveraging path.

During the first half of the fiscal year 2019-2020 we have also delivered on our promise to divest a number of non-core assets, including the Hungarian Frozen plant, Greenyard Flowers UK and our Fresh distribution centre in Freiburg, Germany.

These assets were identified as no longer being Greenyard's core focus, or no longer yielding the required returns. For these divestments, Greenyard has been able to generate the proceeds that were expected in the Transformation Plan and which reflect the market value of these assets.

Few other planned divestments remain to be executed in the coming period. And, we will continue to give special attention to underperforming activities as part of a managing our businesses. The non-core divestments, together with a positive recovery of its adjusted EBITDA, and an improved financial position, strengthen us to re-confirm our commitment to reduce the leverage from the company's own cash generation from the current (pre IFRS 16) leverage ratio (Net Debt/ Modified adjusted EBITDA) of 7,2x to a leverage ratio around 4,0x by the end of the renewed waiver period and between 3,0x and 4,0x in the year thereafter with value creation for all.

As a next step towards this objective and based upon our current expectations and progress of the Transformation Plan, we expect the adjusted EBITDA (pre IFRS 16) for the full AY 19/20 to land between € 88-93m.

We are confident that our company has a great future ahead. We would like to thank each of you for the faith you have shown in what we are doing. We are looking forward to going further on the road towards a healthier future together and hope we can count on your continued support.

Executive Management

Hein Deprez, Co-CEO
Marc Zwaaneveld, Co-CEO
Geert Peeters, CFO

HIGHLIGHTS – H1 ending 30 September 2019

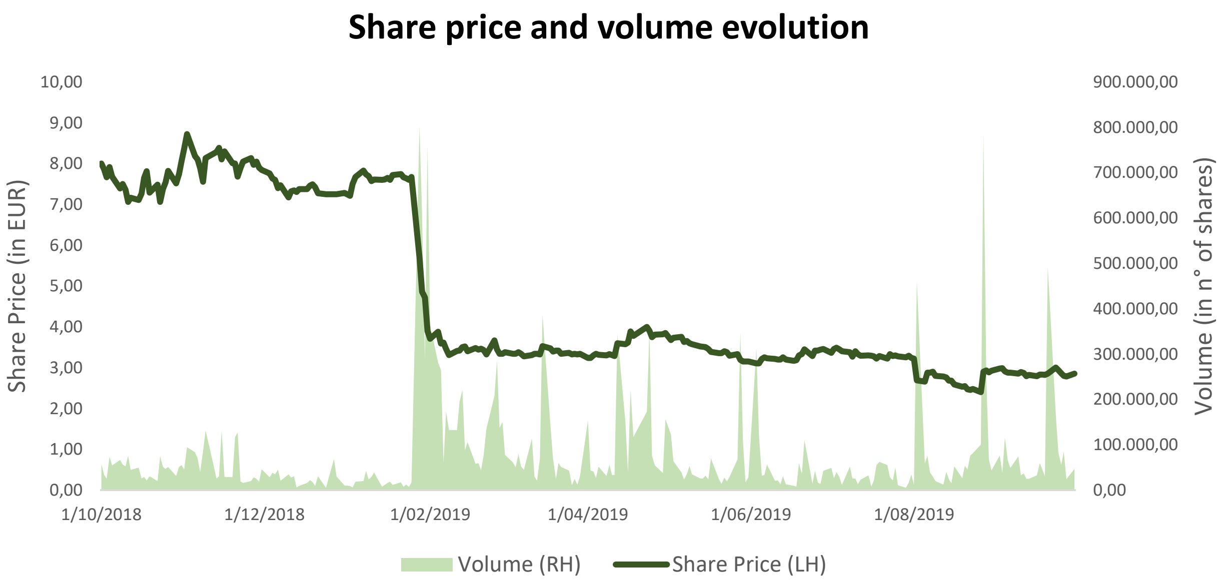
- **Sales.** Greenyard has been able to secure its volumes and to stabilise its Group sales as net sales ended at € 1.968,9m, just below last year's H1 net sales of € 1.979,7m (-0,5%, of which 0,1% positive FX impact and -1,1% internal growth).
  - Net Sales for the Fresh segment were down -2,1%, from € 1.647,9m to € 1.612,6m, due to (i) the termination of certain (loss-making) sales volumes and (ii) season pressure on certain categories such as grapes, melons, avocados and citrus. This effect has not yet been fully offset by volumes for the partnerships that are ramping up. However, Greenyard sees a steady improvement over the last months.
  - Net Sales for the Long Fresh segment increased from € 331,8m to € 356,3m, being a marked increase of 7,4%, mainly driven by higher volumes, particularly in the food service and industry channel.
- **Adjusted EBITDA.** In line with our upwards revised guidance for the first half of the year (pre IFRS 16), adjusted EBITDA for Greenyard's continuing operations significantly increased from € 41,2m in the first half of last year to € 47,6m (+ 15,7%), reflecting a margin improvement of 0,3% from 2,1% to 2,4%, showing Greenyard's efforts to recover and protect the margin of its business.
  - Fresh: adjusted EBITDA for the first half year amounted to € 24,6m (+ 13,6%), significantly higher mainly due to strong cost control, headcount decrease, efficiencies improvement and waste control offsetting slightly lower volumes and margin pressure on avocados and citrus. The margin improved by 20bps from 1,3% to 1,5%.
  - Long Fresh: adjusted EBITDA for the first half year amounted to € 24,3m versus € 20,5m last year (+18,6%), resulting in a margin improvement of 65bps from 6,2% to 6,8% thanks to better capacity utilisation, cost control and internal growth.
- **Impairments.** Greenyard has booked a one-off 'non cash' impairment of € -29,5m due to fair value adjustments on certain non-core, underperforming assets.
- **Interest expense.** Interest has increased due to the high utilisation of the credit lines due to the seasonal impact, one-off costs related to the financial arrangements with its relationship banks and the impact of IFRS 16 on leasing. Please note that the last payment of interest on the retail bond was executed in July when repaying the bond.
- **Tax.** The effective tax rate for the first half year is close to zero, which can be explained by the deferred tax income position that is offset with the current tax liability.
- **Net result.** Consequently, the net result from continuing operations amounts to a loss of € -44,9m this year, versus € -68,1m in H1 of last year.
- **Net financial debt.** Net financial debt increased by € 46,8m to € 503,0m from € 456,3m in March 2019, mainly due to seasonal impacts. Greenyard was able to maintain its leverage ratio stable at 7,2x (pre-IFRS 16), despite the seasonal effect, and the fact that the low H2 results of last year (being € 23,3m) is still included. As the last half year effect of the H2 results will fade out, Greenyard will organically deleverage in a substantial way in the coming period.
- **IFRS 16.** The impact of IFRS 16 on Greenyard's EBITDA amounts to € 18,3m (half year impact) versus an interest and depreciation amount of € 21,4m previously. The Group's lease liability amounts to € 229,6m consequent to its strategy to be an asset-light group in the Fresh segment but owning the factories in Long Fresh segment.
- **CAPEX.** CAPEX for the first half year amounted to € 12,9m, versus € 40,2m (or € 24,2m excluding overflow) for the same period last year. This year, the CAPEX need is lower due to the substantial investments in extending our footprint and upgrading our real estate/equipment in the previous years. We expect capex in the second half of the year to be higher due to projects e.g. extension of activities in Belgium and Netherlands, to be further delivered in H2.

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. As per 30 September 2019 the Company holds 1.363.854 treasury shares.

On 30 September 2019 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	1.282.290	2,9%
Treasury shares	1.363.854	3,1%
Public	16.226.462	36,5%
TOTAL	**44.372.585**	**100,00%**



KEY FINANCIAL INFORMATION

Key financials	H1 19/20	H1 18/19*	Difference
Sales (€'000 000)	1.968,9	1.979,7	-0,5%
Adjusted EBITDA (€'000 000)	47,6	41,2	15,7%
Adjusted EBITDA-margin %	2,4%	2,1%	
Net result (€'000 000)	-44,9	-68,1	
EPS continuing operations (€)	-1,05	-1,57	
NFD (€'000 000)	503,0	456,3	10,2%
Leverage	7,2	7,1	

* For NFD and leverage the reported figure is from March 2019.

EBIT - Adjusted EBITDA	H1 19/20				H1 18/19			
	Fresh	Long Fresh	Unallocated	TOTAL	Fresh	Long Fresh	Unallocated	TOTAL
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
EBIT	**-10.729**	**2.124**	**-6.426**	**-15.031**	**7.774**	**-49.381**	**-1.769**	**-43.376**
Depreciation and amortisation	28.870	18.844	559	48.272	14.647	17.426	75	32.147
Impairment goodwill	-	-	-	-	-	29.172	-	29.172
Impairment property, plant & equipment and assets classified as held for sale	21.934	7.566	-	29.500	-	-	-	-
EBITDA	**40.075**	**28.534**	**-5.868**	**62.741**	**22.421**	**-2.784**	**-1.694**	**17.943**
Reorganisation costs and reversal of provision for reorganisation costs	-1.650	-1.548	735	-2.462	-383	386	-	3
Disposal project costs	-	164	1.322	1.486	-	-	70	70
Other project costs	841	170	2.314	3.326	-	13	246	259
Costs related to legal claims	777	170	-	947	-	250	-	250
Result on change in control of equity accounted investments	1.375	-	-	1.375	-	-	-	-
Result on sale of assets	-1.074	81	-	-993	-586	-	-	-586
Listeria related net cost	-	-1.884	-	-1.884	-	22.604	-	22.604
Other	314	79	353	746	237	-	-	237
Adjustments	**584**	**-2.767**	**4.724**	**2.542**	**-732**	**23.253**	**316**	**22.837**
IFRS 16 impact	**-16.024**	**-2.173**	**-149**	**-18.346**	-	-	-	-
Divestitures (not in IFRS 5 scope)	-	**683**	-	**683**	-	-	-	-
Net intercompany transactions between continuing and discontinued operations	-	-	-	-	-	-	**391**	**391**
Adjusted EBITDA	**24.635**	**24.278**	**-1.292**	**47.620**	**21.689**	**20.469**	**-987**	**41.172**

Reconciliation net financial debt	30 September 2019	31 March 2019
Cash and cash equivalents	-74.900	-67.880
Restricted cash	-1.700	-125.000
Interest-bearing loans (non-current/current)	568.735	637.264
Lease liabilities (non-current/current)	229.590	274
As reported	**721.724**	**444.658**
Net capitalised transaction costs related to the refinancing	3.701	4.537
Net value of the conversion option at inception after amortisation	5.842	7.071
Assets classified as held for sale and liabilities directly associated therewith	512	-
IFRS 16 impact	-228.762	-
Reconciling items	**-218.707**	**11.608**
Net financial debt	**503.017**	**456.266**

SEGMENT PERFORMANCE

Fresh

Fresh	H1 19/20 €'000 000	H1 18/19 €'000 000	Difference
Sales	1.612,6	1.647,9	-2,1%
Adjusted EBITDA	24,6	21,7	13,6%
Adjusted EBITDA-margin %	1,5%	1,3%	

Sales in the Fresh segment stabilised (-2,1%) after the termination of certain loss-making transactions. After an FX correction (-0,1%), internal growth amounted to -3,0%.

Greenyard is heading towards a stabilisation of its volumes versus the first half of last year. This entails a recovery of the loss-making volumes that were terminated in Fresh as well as a resistance to the current market pressure on fruits and other categories (such as the consequences of an avocado shortage and citrus shortage) in several of its markets, partially offset by a growth in its partnership models.

Greenyard was able to reverse the negative trend in its adjusted EBITDA by a strong cost control, headcount decrease, efficiency improvements and waste control, offsetting lower volumes and margin pressure on avocados and citrus. Greenyard expects its margin to become less volatile over the coming periods thanks to an increasing part of sales being generated in the partnership models.

Long Fresh

Long Fresh	H1 19/20 €'000 000	H1 18/19 €'000 000	Difference
Sales	356,3	331,8	7,4%
Adjusted EBITDA	24,3	20,5	18,6%
Adjusted EBITDA-margin %	6,8%	6,2%	

In its Long Fresh segment, Greenyard was able to generate an important volume increase, resulting in a 7,4% increase (of which -0,2% FX impact and an internal growth of 8,1%), proving the full recovery after its recall of last year. The additional volumes were mainly sold to customers in the food service and industry, resulting in a double-digit growth in this segment.

Long Fresh has shown a better adjusted EBITDA than last year thanks to more efficient capacity utilisation as well as logistics and SG&A improvements. The increase of 18,6% was realised despite a slight impact from lower selling prices in mushrooms and the insourcing of corn after sale of our Frozen factory in Baja, Hungary.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

Consolidated income statement	Note [1]	H1 19/20 [2] €'000	H1 18/19 [3] €'000
CONTINUING OPERATIONS			
Sales		1.968.905	1.979.686
Cost of sales	5.1.	-1.848.747	-1.875.034
Gross profit/loss (-)		**120.157**	**104.651**
Selling, marketing and distribution expenses	5.1.	-47.786	-49.325
General and administrative expenses	5.1.	-71.632	-67.860
Impairment goodwill	5.1.	-	-29.172
Impairment property, plant & equipment and assets classified as held for sale	5.1.	-29.500	-
Other operating income/expense (-)	5.2.	13.515	-1.852
Share of profit/loss (-) of equity accounted investments		214	182
EBIT		**-15.031**	**-43.376**
Interest expense	5.3.	-26.875	-15.844
Interest income	5.3.	356	215
Other finance result	5.3.	-3.097	-681
Net finance income/cost (-)		**-29.616**	**-16.311**
Profit/loss (-) before income tax		**-44.647**	**-59.687**
Income tax expense (-)/income	5.4.	-234	-8.420
Profit/loss (-) for the period from continuing operations		**-44.881**	**-68.107**
DISCONTINUED OPERATIONS			
Profit/loss (-) for the period from discontinued operations [4]		-	-44.850
PROFIT/LOSS (-) FOR THE PERIOD		**-44.881**	**-112.957**
Attributable to:			
The shareholders of the Group		-45.317	-113.378
Non-controlling interests		436	421

Earnings per share from continuing and discontinued operations (in € per share)	H1 19/20	H1 18/19
Basic	-1,05	-2,64
Diluted	-1,05	-2,64

Earnings per share from continuing operations (in € per share)	H1 19/20	H1 18/19
Basic	-1,05	-1,57
Diluted	-1,05	-1,57

[1] *The attached notes form an integral part of this income statement.*

[2] *The consolidated income statement of H1 19/20 is not comparable to H1 18/19 because of the adoption of IFRS 16 Leases as of AY 19/20. Please refer to note 2.3. for more information.*

[3] *The consolidated income statement is restated for no longer presenting non-recurring items on a separate line.*

[4] *The loss from discontinued operations in H1 18/19 relates to the disposal of Horticulture.*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Consolidated statement of comprehensive income	H1 19/20 €'000	H1 18/19 €'000
Profit/loss (-) for the period	-44.881	-112.957
Remeasurements on post employment benefit obligations, gross	-2.112	584
Deferred tax on remeasurements on post employment benefit obligations	549	-141
Items that will not be reclassified to profit or loss	**-1.563**	**443**
Cash flow hedges, gross	867	2.993
Deferred tax on cash flow hedges	-256	-884
Currency translation differences	36	-1.094
Fair value reserve	5	5
Items that may be reclassified to profit or loss	**652**	**1.020**
Other comprehensive income	-911	1.463
TOTAL	-45.792	-111.493
Attributable to:		
The shareholders of the Group	-46.306	-111.992
Non-controlling interests	514	499

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets	Note (1)	30 September 2019 (2) €'000	31 March 2019 €'000
NON-CURRENT ASSETS		**1.272.621**	**1.103.798**
Property, plant & equipment	6.1.	327.591	350.318
Goodwill	6.2.	477.500	477.247
Other intangible assets	6.3.	214.165	221.230
Right-of-use assets	2.3., 6.4.	224.812	254
Biological assets		-	21.713
Investments accounted for using equity method		7.280	9.833
Other financial assets		4	5
Deferred tax assets		15.407	16.704
Trade and other receivables		5.862	6.494
CURRENT ASSETS		**682.576**	**753.555**
Biological assets		-	13
Inventories		318.927	271.625
Trade and other receivables		273.082	284.509
Other financial assets		1.309	1.137
Cash and cash equivalents		74.900	67.880
Restricted cash		1.700	125.000
Assets classified as held for sale	6.7.	12.658	3.391
TOTAL ASSETS		**1.955.196**	**1.857.354**

Equity and liabilities	Note (1)	30 September 2019 (2) €'000	31 March 2019 €'000
EQUITY		**424.690**	**467.882**
Issued capital		288.392	288.392
Share premium and other capital instruments		317.882	317.882
Consolidated reserves		-190.274	-144.467
Cumulative translation adjustments		-5.986	-5.943
Non-controlling interests		14.675	12.018
NON-CURRENT LIABILITIES		**512.987**	**197.890**
Employee benefit liabilities		21.407	19.046
Provisions	6.5.	9.643	10.700
Interest-bearing loans	6.6.	233.158	117.347
Lease liabilities	2.3., 6.5.	204.277	190
Other financial liabilities		-	26
Trade and other payables		3.770	4.063
Deferred tax liabilities		40.733	46.517
CURRENT LIABILITIES		**1.017.519**	**1.191.583**
Provisions	6.5.	4.196	12.458
Interest-bearing loans	6.6.	335.577	519.917
Lease liabilities	2.3., 6.5.	25.313	84
Other financial liabilities		899	1.572
Trade and other payables		646.490	657.552
Liabilities directly associated with assets classified as held for sale	6.7.	5.044	-
TOTAL EQUITY AND LIABILITIES		**1.955.196**	**1.857.354**

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

(2) The statement of financial position of 30 September 2019 is not comparable to 31 March 2019 because of the adoption of IFRS 16 Leases as of AY 19/20. Please refer to note 2.3. for more information.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Equity H1 19/20	Attributable to shareholders of the Group									Non-	Total
	Share capital	Share premiums	Treasury shares	Retained earnings	Cash flow hedge reserve	Foreign currency translation	Fair value reserve	Defined benefit liability	Total	controlling interests	equity
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Balance at 31 March 2019	288.392	317.882	-22.439	-118.357	-895	-5.943	46	-2.822	455.863	12.018	467.882
Profit/loss (-) for the period	-	-	-	-45.317	-	-	-	-	-45.317	436	-44.881
Other comprehensive income	-	-	-	-	610	-43	5	-1.563	-990	78	-911
Total comprehensive income for the period	-	-	-	-45.317	610	-43	5	-1.563	-46.306	514	-45.792
Dividend payment	-	-	-	-	-	-	-	-	-	-45	-45
Acquisition of Bardsley Fruit Enterprises Ltd (note 7.1.)	-	-	-	-	-	-	-	-	-	2.188	2.188
Share based payments, gross	-	-	-	618	-	-	-	-	618	-	618
Deferred tax on share based payments	-	-	-	-161	-	-	-	-	-161	-	-161
Balance at 30 September 2019	288.392	317.882	-22.439	-163.217	-285	-5.986	51	-4.385	410.014	14.675	424.690

Equity H1 18/19	Attributable to shareholders of the Group									Non-	Total
	Share capital	Share premiums	Treasury shares	Retained earnings	Cash flow hedge reserve	Foreign currency translation reserve	Fair value reserve	Defined benefit liability	Total	controlling interests	equity
	€'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	-	-	-	-4.439	-	-	-	-	-4.439	-3.361	-7.800
Disposal of treasury shares	-	-	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

CONSOLIDATED STATEMENT OF CASH FLOWS

Consolidated statement of cash flows	Note [1]	H1 19/20 [2] €'000	H1 18/19 €'000
CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS, OPENING BALANCE		**67.186**	**57.432**
CASH FLOW FROM OPERATING ACTIVITIES (A)		**3.712**	**-39.470**
EBIT from continuing operations		**-15.031**	**-43.376**
EBIT from discontinued operations		**-**	**-43.566**
Income taxes paid		**-1.738**	**-1.288**
Adjustments		**71.270**	**113.485**
Fair value adjustments biological assets		8	-476
Amortisation of intangible assets	6.3.	8.931	10.049
Depreciation and impairment of property, plant & equipment and assets classified as held for sale	6.1.	68.842	26.577
Impairment on goodwill		-	76.185
Write-off on stock/trade receivables		52	6.078
Increase/decrease (-) in provisions and employee benefit liabilities	6.5.	-7.240	-3.975
Gain (-)/loss on disposal of property, plant & equipment	5.2.	-1.102	-771
Result on change in control of equity accounted investments	5.2.	1.375	-
Share based payments and other		618	-
Share of profit/loss (-) of equity accounted investments		-214	-182
Increase (-) /decrease in working capital		**-50.788**	**-64.726**
Increase (-)/decrease in inventories		-48.659	-43.177
Increase (-)/decrease in trade and other receivables		11.813	23.295
Increase/decrease (-) in trade and other payables		-13.942	-44.843
CASH FLOW FROM INVESTING ACTIVITIES (B)		**-7.718**	**-40.516**
Acquisitions (-)		**-14.019**	**-43.635**
Acquisition of intangible assets and property, plant & equipment	6.1., 6.3.	-12.857	-40.161
Acquisition of subsidiaries	7.1.	-1.162	-3.474
Disposals		**6.301**	**3.119**
Disposal of intangible assets and property, plant & equipment	6.1., 6.3.	6.301	1.851
Disposal of associates/joint ventures		-	1.268
CASH FLOW FROM FINANCING ACTIVITIES (C)		**9.740**	**95.995**
Dividend payment		-45	-11
Long- and short-term funds obtained		88.632	125.699
Long- and short-term funds paid		-180.346	-12.000
Net interests paid		-21.386	-16.336
Other financial expenses		-415	-1.357
Transfer from restricted cash		123.300	-
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		**5.734**	**16.009**
Effect of exchange rate fluctuations		20	-606
CASH, CASH EQUIVALENTS AND BANK OVERDRAFTS, CLOSING BALANCE		**72.941**	**72.835**
Of which:			
Cash and cash equivalents		74.900	68.555
Bank overdrafts		1.961	49
Cash and cash equivalents related to disposal group held for sale		2	4.328

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

(2) The statement of cash flows of H1 19/20 is not comparable to H1 18/19 because of the adoption of IFRS 16 Leases as of AY 19/20. Please refer to note 2.3. for more information.

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 and plants. 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 9.000 employees in 25 countries worldwide.

2. Financial reporting principles

2.1. Declaration of conformity

The condensed consolidated interim financial statements for the 6 months ended 30 September 2019 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 2019, published in the 2018-2019 Financial Report.

These condensed consolidated interim financial statements were authorised for issue by the Board of Directors on the 14th of November 2019.

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.

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 2018-2019 ending as per 31 March 2019, except for the below mentioned items.

As from 1 April 2019 the Group adopted IFRS 16 which results in the changes in accounting policies described below.

IFRS 16 Leases

IFRS 16 was issued in 2016 and replaces IAS 17 Leases, IFRC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving a Legal Form of a Lease.

IFRS 16 sets out the principles for the recognition, measurement, presentation, and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model, similar to the accounting for finance leases under IAS 17. At the commencement date of a lease, lessees recognise a lease liability (i.e. a liability to make lease payments), and a right-of-use asset (i.e. an asset representing the right to use the underlying asset over the lease term). Accordingly, the costs relating to the use of the leased asset previously presented in operating cost are now included in depreciation and interest cost.

The Group elected to adopt the modified retrospective approach, meaning that the liability is based on the discounted future cash flows, using the discount rate at transition date and assets equalling to the liabilities at transition date. The Group did not restate comparative amounts for the year prior to first adoption.

At transition, initial recognition of lease liabilities under IFRS 16 (and consequently right-of-use assets) amounts to € 242,5m and are measured at the present value of the remaining lease payments. The weighted average incremental borrowing rate was 4,59%. There is no impact on equity as a result of the adoption of IFRS 16.

The Group elected to apply exemptions for short-term leases and leases for which the underlying asset is of low value and to exclude the initial direct costs from the right-of-use. The non-lease components are not included to determine the right-of-use and lease liabilities. The practical expedient available on transition to IFRS 16 related to onerous contracts is used, adjusting the right-of-use assets at 1 April 2019 by the amount of any provision for onerous leases recognised in the statement of financial position immediately before 1 April 2019.

As a result of the adoption of IFRS 16, for the first half of AY 19/20, depreciation increased by € 16,1m and interest expenses by € 5,3m, and operating expenses decreased by € 18,3m. In addition, the operating cash flows increased by € 18,3m, against a decrease of financing cash flows.

Other amendments to IFRS that are mandatorily effective for the current year

- IFRIC 23 Uncertainty over Income Tax Treatments
- Amendments to IAS 19 Plan Amendment, Curtailment or Settlement
- Amendments to IAS 28 Long term interests in Associates and Joint Ventures
- Amendments to IFRS 9 Prepayment Features with Negative Compensation
- Annual improvements to IFRS Standards 2015-2017 Cycle

With regard to the above standards and interpretations which became applicable during the period April 2019 – September 2019, 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 19/20 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:

- Amendments to IFRS 9, IAS 39 and IFRS 7 - *Interest Rate Benchmark Reform*

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.

3. Going concern

Over the previous accounting year 18/19 Greenyard has suffered a sudden and steep decrease in profitability. On one hand, this was due to market pressure coming from changes in the retail landscape putting price pressure and from the transitional impact consequent to shifting from a trading to a partnership model with a selection of retailers. On the other hand, the Company experienced a number of one-off events, such as the extremely dry weather in the summer of 2018 and the financial consequences of a recall pursuant to a potential Listeria contamination in June of 2018. These events triggered uncertainties related to liquidity and covenants. This was caused by the lower operational cash generation, one-off expenses, the imbalance between profitability and increasing debt levels and the shaken trust with main stakeholders.

In order to react in a decisive way, executive management has been reorganised and strengthened begin 2019 with Marc Zwaaneveld as a co-CEO, next to Hein Deprez, co-CEO, and Geert Peeters, CFO. To restore profitability, an in-depth transformation and business plan was developed by mid-March 2019. This company-wide plan consisted of a concrete portfolio of actions defined over eight work streams including cost efficiency gains, rightsizing of personnel, revenue improvements and asset disposals. A dedicated team was set up to ensure a diligent execution of the plan.

Over the six months covering this half year report the Company realised its transformation and business plan in line with the targets set over that period and has restored step-by-step profitability and operational cash generation of Greenyard. As the actions have gradually ramped up over the last months, and still a lot of improvement actions are in execution, the transformation contribution is expected to further increase in the near future. On top, the Company has completed the disposal of three non-core assets being factory/personnel of Frozen Hungary, a distribution center Freibrug and the Flowers UK business. Some other non-core disposals are still in progress.

Thanks to the strong recovery, the syndicated banks have confirmed their belief in the stand-alone deleveraging of the group on its own strength and have shaped the conditions to maximally support this 'revitalisation' scenario. Concretely, the Company obtained a consent letter on 15 November 2019 extending the waiver period to 22 December 2021 (instead of 15 June 2020) which is the date on which the Syndicated Facility Agreement expires and the Convertible Bond matures. Conditions to use commercially reasonable endeavours to find a cornerstone investor and to divest the Prepared division have been removed. Moreover, the costs related to the bank credit facilities have been normalised. The main conditions of this new consent letter are disclosed under note 6.6. Interest-bearing loans of this report.

The key challenges for the Company underpinning the going concern assessment are concentrated around following matters:

i. The further realisation of the business plan supporting the projected EBITDA levels and to maintain the required liquidity headroom;
ii. The realisation of a lower working capital by restoring trust with financial and commercial stakeholders contributing to the improvement of liquidity and debt levels;
iii. To use commercially endeavours to continue the disposal process of defined non-core assets;
iv. The absence of adverse conditions not within control of the Company that could substantially impact financial performance or lead to a default or early redemption under the current finance agreements (such conditions could be the dismissal of co-CEO M. Zwaaneveld and CFO G. Peeters, events triggering change of control clauses; substantial new adverse regulatory, trade and market conditions, etc.).

The above challenges, if not realised, could individually or jointly trigger a material uncertainty that could significantly impact the going concern assumption if the Company would not be able to implement timely the necessary corrective actions.

Based on the current progress, financial performance and information available, Executive Management and the Board of Directors believes based on an assessment at the date of the half year report that the financial commitments of Greenyard can be fulfilled, the above challenges will be met and significant potential adverse events are unlikely. In case it would be necessary, corrective actions can be proposed in order to remedy any deviation.

By the end of the waiver period the Company has the intention to gradually deleverage to a level around 4,0x based on its operational cash generation, and between 3,0x and 4,0x in the subsequent year. As the main credit facilities end by 22 December 2021, Executive Management and the Board of Directors believes there is sufficient time to secure healthy new financing before the expiration date.

The conclusion of the Executive Management and the Board of Directors is that the consolidated financial statements can be prepared under the going concern assumption.

4. Segment information

For management purposes the Group is organised in two operating segments based on the activity of the Group. The Fresh segment is a global market leader and supplier of fresh fruit and vegetables, flowers and plants and fresh produce logistics. 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 adjusted EBITDA 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 19/20	Continuing operations				
	Fresh €'000	Long Fresh €'000	Eliminations (1) €'000	Unallocated (2) €'000	Consolidated €'000
Sales	**1.613.309**	**356.392**	**-796**	**-**	**1.968.905**
Third party sales	1.612.593	356.312	-	-	1.968.905
Intersegment sales	716	80	-796	-	-
Adjusted EBITDA	**24.635**	**24.278**	**-**	**-1.292**	**47.620**
Total assets at 30 September 2019	**1.249.881**	**625.867**	**-63.643**	**143.091**	**1.955.196**

Segment information H1 18/19	Continuing operations				
	Fresh €'000	Long Fresh €'000	Eliminations (1) €'000	Unallocated (2) €'000	Consolidated €'000
Sales	**1.648.767**	**331.831**	**-912**	**-**	**1.979.686**
Third party sales	1.647.862	331.824	-	-	1.979.686
Intersegment sales	905	7	-912	-	-
Adjusted EBITDA	**21.689**	**20.469**	**-**	**-987**	**41.171**
Total assets at 31 March 2019	**1.077.400**	**582.854**	**-49.981**	**247.081**	**1.857.354**

(1) Long-term intersegment receivables and intersegment participations are not included in the segment assets and therefore not included in the eliminations.

(2) Unallocated adjusted EBITDA includes adjusted EBITDA allocated to corporate. Unallocated assets include derivative financial instruments, cash and cash equivalents, restricted cash and other assets allocated to corporate.

We refer to the section *Key Financial Information* for the reconciliation from EBIT to adjusted EBITDA.

5. Notes to the consolidated income statement

5.1. Operating expenses

Operating expenses	H1 19/20 €'000	H1 18/19 €'000
Cost of goods	1.371.443	1.387.192
Transport	136.316	142.748
Packing, warehousing and farming	176.948	182.144
Personnel and temporary workforce costs	133.492	133.737
Other	30.548	29.215
Cost of sales (*)	**1.848.747**	**1.875.034**
Impairment goodwill	**-**	**29.172**
Impairment property, plant & equipment and assets classified as held for sale	**29.500**	**-**
Rentals	345	7.135
Maintenance and repair	1.927	1.823
Personnel expenses	68.777	64.365
Utilities	1.096	1.361
Travel and representation	3.342	4.670
Office expenses	1.393	1.767
Fees	11.809	9.934
Insurance	1.282	2.104
Information and communication technology	5.800	4.936
Depreciation	17.097	10.161
Quality	139	202
Indirect tax	1.924	2.693
Other	4.486	6.034
Selling, marketing and distribution & general and administrative expenses	**119.417**	**117.185**
TOTAL	**1.997.665**	**2.021.391**

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

Depreciation and amortisation expenses included in the cost of sales amounts to € 31,2m (H1 18/19 € 22,0m). This increase is mainly related to the implementation of IFRS 16 Leases.

5.2. Other operating income/expenses

Other operating income/expenses (-)	H1 19/20 €'000	H1 18/19 €'000
Income from rentals	964	755
Indemnities due	-	-13.765
Indemnities recovery	10.069	9.423
Sale of waste	394	290
Recharge costs	908	-
Gain/loss (-) on disposal of property, plant & equipment	1.102	746
Result on change in control of equity accounted investments	-1.375	-
Other	1.453	698
TOTAL	**13.515**	**-1.852**

5.3. Net finance income/cost

Net finance income/cost (-)	H1 19/20 €'000	H1 18/19 €'000
Interest expense - retail bond	-1.952	-3.761
Interest expense - convertible bond	-2.350	-2.350
Interest expense - bank borrowings	-11.605	-4.577
Amortisation transaction costs - retail bond	-23	-39
Amortisation transaction costs - convertible bond	-282	-263
Amortisation conversion option	-1.229	-1.143
Amortisation transaction costs - term loan / revolving credit facility	-530	-530
Interest expense - factoring	-2.994	-2.116
Interest expense - IRS	-408	-826
Interest expense - Leasing	-5.377	-
Other	-123	-240
Interest expense	**-26.875**	**-15.844**
Interest income	356	215
Interest income	**356**	**215**
Foreign exchange gains/losses (-)	-186	31
Fair value gains/losses (-) on IRS	1	67
Bank and other financial income/cost (-)	-2.912	-780
Other finance result	**-3.097**	**-681**
TOTAL	**-29.616**	**-16.311**

5.4. Income tax expense/income

Income tax expense (-)/income	H1 19/20 €'000	H1 18/19 €'000
Current tax on profits for the year	-4.543	-2.160
Adjustments in respect of prior years	271	-5
Current tax	**-4.272**	**-2.165**
Origination and reversal (-) of temporary differences	5.365	2.370
Recognition and reversal (-) of deferred tax assets on tax losses and forfeited losses	-1.326	-8.625
Deferred tax	**4.039**	**-6.255**
TOTAL	**-234**	**-8.420**

The income tax as well as the effective tax rate for H1 19/20 is close to zero, which can be explained by the deferred tax income position that is offset with the current tax liability. The effective tax rate is impacted by the non-recognition of current year tax losses and by the tax impact on impairment on assets.

6. Notes to the consolidated statement of financial position

6.1. Property, plant & equipment

Property, plant & equipment decreases by € 22,7m during the first half year of the accounting period. € 6,7m of this amount is related to the transfer to assets classified as held for sale for Greenyard Flowers UK. In addition, the current performance of Greenyard Prepared Netherlands triggers an impairment test resulting in an impairment loss of € 7,6m bringing the equipment to its fair value.

The remaining fluctuation is related to the depreciation (€ 23,2m) and the combined impact of disposals and foreign exchange rate fluctuations (€ 4,3m). This decrease is largely compensated by the investments (€ 11,5m) on one hand and the full consolidation of Bardsley Fruit Enterprises (€ 7,0m) as of H1 19/20.

The investments consist of 'land and buildings' (€ 0,6m), 'plant, machinery and equipment' (€ 3,6m), 'furniture and vehicles' (€ 0,6m) and 'assets under construction' (€ 6,7m).

6.2. Goodwill

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

As per 30 September 2019 there are no circumstances that indicate that the carrying value of the goodwill may be impaired. Hence the impairment analyses as mentioned in the annual report ending as per 31 March 2019 are still valid.

6.3. Other intangible assets

The decrease of the other intangible assets by € 7,1m mainly relates to the depreciation (€ 8,9m), partly compensated by investments (€ 1,9m).

6.4. Right-of-use assets

The Group leases many assets including land and buildings, vehicles, machinery and IT equipment.

Right-of-use assets	Land and buildings €'000	Plant, machinery and equipment €'000	Furniture and vehicles €'000	TOTAL €'000
ACQUISITION VALUE				
Balance at 1 April 2019	**217.942**	**9.893**	**15.250**	**243.085**
Additions	182	884	2.362	3.428
Disposals	-167	-31	-37	-235
Classification as assets held for sale	-2.695	-255	-	-2.950
Changes in contract	-1.651	1	-441	-2.091
Transfer from one heading to another	-120	-	-90	-210
Translation differences	-247	-44	-57	-349
Balance at 30 September 2019	**213.244**	**10.447**	**16.987**	**240.678**
DEPRECIATION AND IMPAIRMENT LOSSES				
Balance at 1 April 2019	**26**	**24**	**95**	**145**
Depreciation	11.247	1.899	2.990	16.136
Reversals after disposal	-167	-31	-31	-229
Classification as assets held for sale	-168	-57	-	-225
Transfer from one heading to another	-26	-	65	39
Balance at 30 September 2019	**10.913**	**1.835**	**3.119**	**15.866**
Net carrying amount at 30 September 2019	**202.331**	**8.612**	**13.868**	**224.812**

6.5. Provisions

The decrease of the provisions by € 9,3m is mainly attributable to the decrease in restructuring provisions (€ 7,5m) and in onerous lease provisions (€ 1,3m). In Fresh Germany the restructuring provision decreases by € 5,5m which can be split into usage of provision for € 2,1m, reversal of provision for € 1,6m and a reclass to lease liabilities for € 1,8m. This reclass to lease liabilities is due to the implementation of IFRS 16 Leases. The remaining part of the decrease in restructuring provisions can be allocated to Frozen Hungary, where the provision of € 1,8m could be reversed since the acquirer also took over the employees of the company.

The decrease of the onerous lease provision is also mainly attributable to Fresh Germany where € 0,5m of the provision was used and € 0,6m was reversed.

6.6. Interest-bearing loans

Interest-bearing loans at 30 September 2019	Due within 1 year €'000	Due between 1 and 5 years €'000	Due after 5 years €'000	TOTAL €'000
Bank loans	333.616	115.295	46	448.958
Convertible bond	-	117.816	-	117.816
Bank overdrafts	1.961	-	-	1.961
TOTAL	335.577	233.111	46	568.735

Interest-bearing loans at 31 March 2019	Due within 1 year €'000	Due between 1 and 5 years €'000	Due after 5 years €'000	TOTAL €'000
Bank loans	369.245	857	186	370.288
Convertible bond	-	116.305	-	116.305
Retail bond	149.977	-	-	149.977
Bank overdrafts	694	-	-	694
TOTAL	519.917	117.161	186	637.264

Bank loans

The Facilities Agreement encompasses a term loan for an original nominal amount of € 150,0m (partially repaid) and a cash revolving credit facility for a nominal amount € 360,0m.

The term loan bears a margin between 1,50% and 4,50%, based on a leverage grid. The drawn amount on the term loan as per 30 September 2019 amounts to € 126,0m.

The revolving credit facility bears a margin between 1,25% and 5,00%, based on a leverage grid. On € 85,0m a PIK interest of 2% is applied. Short-term bank debt varies in function of cash generated by operations, working capital needs and factoring drawdown. The drawn amount on the revolving credit facility as per 30 September 2019 amounts to € 322,3m.

The Group disposes also of bilateral facilities with individual financial institutions for an amount of € 12,0m (€ 16,2m per 31 March 2019), of which € 2,0m was used as a bank overdraft per 30 September 2019.

Per 31 March 2019, the entire bank debt under the Facility Agreement was presented as a short-term liability as Greenyard was still in negotiations with its banks to waive a breach with certain conditions of the Facility Agreement. On 11 April 2019 a consent agreement related to the breach was signed and consequently as per 30 September 2019 the bank debt is presented again based on its contractual terms.

Consequent to a new consent agreement with lending banks as per 15 November 2019, the covenants for the Facilities Agreement have been waived until 22 December 2021. Main conditions for the waiver are:

- Repayment of € 85,0m revolving facilities by 31 March 2021;
- Minimum adjusted EBITDA level based on 85% of a business plan provided to the lending banks, tested monthly on a 12-month trailing basis, quarterly after fulfilling the previous condition;
- Minimum liquidity requiring a headroom of € 10,0m at month-end and for two consecutive periods only once the headroom can be below € 20,0m and this might only happen twice a year.

Based on this new consent, the top layer of the leverage grid for the term loan has been decreased to 3,75% and for the revolving credit facility to 3,50%.

Bond loans

The Long Fresh retail bond issued in 2013 for a nominal amount of € 150,0m is repaid in July 2019. The remaining bond loan relates to the convertible bond issued in December 2016 for a nominal amount of € 125,0m and fixed interest of 3,75%.

Fair value of loans

Financial assets and liabilities by class and category at 30 September 2019	Net carrying amount €'000	Fair value €'000
Host component of the convertible bond	117.816	68.437
Bank loans	448.958	456.100

Financial assets and liabilities by class and category at 31 March 2019	Net carrying amount €'000	Fair value €'000
Retail bond	149.977	145.500
Host component of the convertible bond	116.305	81.250
Bank loans	370.288	380.541

Change of control

The following agreements take effect, undergo changes or expire in the event of change of control over the Company:

- The Senior Facilities Agreement originally dated 22 December 2016, as amended from time to time and most recently on 20 September 2018, between, among others Greenyard and certain of its subsidiaries named therein as original borrowers and/or original guarantors, BNP Paribas Fortis SA/NV, KBC Bank NV, ING Belgium SA/NV, Belfius Bank NV/SA, ABN AMRO Bank N.V. and Coöperatieve Rabobank U.A. as arrangers, the financial institutions named therein as original lenders and ING Bank N.V. as agent and security agent;
- The Intercreditor Agreement originally dated 22 December 2016 between, of the one part, ING Bank N.V. as senior agent and security agent, the financial institutions listed therein as senior lenders, ING Belgium NV/SA, BNP Paribas Fortis NV/SA and KBC Bank NV as senior arrangers, Greenyard as company, de companies listed therein as intra-group lenders and certain of Greenyard's subsidiaries as original debtors; and
- The Subscription Agreement relating to € 125m 3,75% convertible bonds concluded on 8 December 2016 between Greenyard Fresh NV and Greenyard NV, of the one part, and Joh. Berenberg, Gossler & Co. KG, Frankfurt Branch and BNP Paribas Fortis SA/NV as Joint Global Coordinators and Bank Degroof Petercam SA/NV, KBC Bank NV, Daiwa Capital Markets Europe Limited as Joint Bookrunners, of the other part.

Lease liabilities

Following the implementation of IFRS 16 Leases as from AY 19/20 the lease liabilities increase with € 229,3m.

Lease liabilities	30 September 2019 €'000	31 March 2019 €'001
Non-current	204.277	190
Current	25.313	84
TOTAL	**229.590**	**274**

6.7. Assets classified as held for sale

Following the divestment of Greenyard Flowers UK in October 2019, the net assets are presented as assets classified as held for sale at the end of the accounting period. The total consideration amounts to € 9,7m, consisting of € 5,7m for the shares and € 4,0m for the debt settlement. Cumulative translation adjustments for an amount of € -2,2m will be recycled through other comprehensive income.

An impairment loss of € 21,9m was recognised as the carrying amounts exceeded the consideration received.

Assets classified as held for sale	30 September 2019 €'000
Biological assets	8.168
Deferred tax assets	181
Inventories	303
Trade and other receivables	4.003
Cash and cash equivalents	2
Total assets classified as held for sale	**12.658**
Interest-bearing loans	514
Lease liabilties	2.665
Deferred tax liabilities	414
Trade and other payables	1.452
Total liabilities associated with assets classified as held for sale	**5.044**
Net assets classified as held for sale	**7.614**

7. Other elements

7.1. 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 2019 are the same as presented in the annual report as per 31 March 2019, apart from:

- In May, Greenyard reached an agreement to increase the investment in Bardsley Fruit Enterprises (formerly known as Bardsley England). Greenyard now owns 51% of the shares.
- Greenyard acquired the remaining 50% of the shares in Lunasoft in May 2019.

7.2. Off-balance sheet commitments

Following the implementation of IFRS 16 Leases in AY 19/20 the rent and operating lease commitments have decreased significantly.

The multi-country syndicated factoring agreement remains in place with the same conditions as in March 2019. Nevertheless, we have engaged in a reversed factoring program with certain clients, excluding them from our own factoring agreement. This is the main explanation of the decrease in the amount factored from € 418,1m to € 283,8m.

Following the consent letter signed on 15 November 2019, an addition pledge being a mortgage mandate for an amount of € 42,0m has been granted to the syndicated banks.

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

7.3. Contingent liabilities

There are no significant changes in the contingent liabilities compared to the previous reporting period.

7.4. Related parties

During H1 19/20 there are no significant changes in related parties compared to the previous reporting period.

7.5. Risk management description

The principal risks and uncertainties for the remaining months of the financial year ending 31 March 2020 remain the same as those described in the previous annual report at 31 March 2019.

7.6. Litigations and claims

During H1 19/20 there are no new significant changes in the litigations and claims compared to the previous reporting period.

7.7. Events after balance sheet date

In October 2019 Greenyard divested Greenyard Flowers UK to Yellow Holdings Ltd for an amount of € 9,7m, consisting of € 5,7m for the shares and € 4,0m for the debt settlement.

On 15 November 2019 a new consent agreement with the lending banks was signed, the covenants for the Facilities Agreement have been waived until 22 December 2021. More information regarding this consent agreement can be found in note 3. *Going concern*.

STATEMENT OF RESPONSIBLE PERSONS

Declaration regarding the condensed consolidated interim financial statements for the 6 months period ended 30 September 2019.

Sint-Katelijne-Waver, 14 November 2019

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 2019, 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 2019 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, co-CEO and managing director

MZ-B BVBA, represented by Marc Zwaaneveld, co-CEO

Chilibri BVBA, represented by Mr Geert Peeters, CFO

REVIEW REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Greenyard NV | 30 September 2019

Report on the review of the consolidated interim financial information of Greenyard NV for the six-month period ended 30 September 2019

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 2019, 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 7.

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 1 955 196 (000) EUR and the consolidated condensed income statement shows a consolidated loss (group share) for the period then ended of 45 317 (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.

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.

Emphasis of matter

We draw attention to Note 3 "Going Concern" in the consolidated interim financial information, which indicates that the Company is facing ongoing operational challenges that put pressure on its financial position and triggered uncertainties related to liquidity. As stated in Note 3, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Ghent, 15 November 2019

The statutory auditor

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises CVBA/SCRL
Represented by Kurt Dehoorne

FINANCIAL DEFINITIONS

CAPEX	Capital expenditures
EBIT	Operating result
EPS	Earnings per share
Leverage	NFD/LTM adjusted EBITDA
Net financial debt (NFD)	Interest-bearing debt (at nominal value) before the impact of IFRS 16 as of AY 19/20, less derivatives, bank deposits, cash and cash equivalents and restricted cash
Net result	Profit/loss (-) for the period from continuing operations
Adjusting items	Adjusting items are one-off expenses and income that in management's judgement need to be disclosed by virtue of their size or incidence. Such items are included in the consolidated income statement in their relevant cost category, but separately disclosed in the chapter *Key financial information* reconciling EBIT to adjusted EBITDA. Transactions which may give rise to adjusting 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.
Adjusted EBITDA	EBIT corrected for depreciation, amortisation and impairments excluding adjusting items and as of AY 19/20 the impact of IFRS 16 and EBIT corrected for depreciation, amortisation and impairments from minor divested operations
LTM adjusted EBITDA	Last twelve months adjusted EBITDA, corrected 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 19/20	Accounting year ending 31 March 2020
AY 18/19	Accounting year ended 31 March 2019
H1 19/20	First half year of accounting year ending 31 March 2020
H1 18/19	First half year of accounting year ended 31 March 2019

ABOUT GREENYARD

Greenyard (Euronext Brussels: GREEN) is a global market leader of fresh, frozen and prepared fruit & vegetables, flowers and plants. Counting Europe's leading retailers amongst its customer base, Greenyard 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 ca. 9,000 employees operating in 25 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 ca. € 4 billion per annum.

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www.greenyard.group

for a healthier future