



ASTARTA
Holding N.V.

SEMIANNUAL REPORT

of the Board of Directors for
the six months period ended
30 June 2020

OVERVIEW

ASTARTA's consolidated revenues amounted to EUR172m in 1H20, 24% down y-o-y, as majority of the grain and oilseeds' 2019 harvest were sold by the end of 1Q20. As a result the Agricultural segment generated 32% of consolidated sales versus 46% a year ago.

The Sugar segment registered a 3% revenue growth to EUR57m on back of stable sales volumes and a 7% y-o-y increase in realized sugar price of EUR 354 per t. The Soybean Processing and the Cattle Farming segments generated EUR40m and EUR18m of revenues, correspondingly, vis-à-vis EUR46m and EUR17m in 1H19. Exports contributed EUR92m, or 53% of the Company's consolidated revenues.

The Gross profit amounted to EUR65m corresponding to the Gross profit margin of 38% (versus 31% in 1H19). EBITDA flat at EUR67m (EUR69m in 2019). Excluding the impact of IAS41, Gross Margin improved from 24% to 26% and EBITDA Margin – from 23% to 27%.

ASTARTA reported Operating Cash Flows of EUR46m versus EUR97m in 1H19. Operating Cash Flows before Working Capital changes increased from EUR19m to EUR31m.

Capex tightly controlled at EUR10m in 1H20.

These measures allowed the Company to pay down a further EUR20m of bank debt on a Cash Flow Basis. As a result, Net Debt reduced to EUR239m corresponding to Net debt/EBITDA (LTM) of 3.2x at the end of 1H20.

As at the end of 1H20 a breach of certain covenants was still in place, but the management believes that the banks will not accelerate repayment of the loans.

Summary P&L

EURk	1H19	1H20
Revenues, including	225 183	172 129
<i>Agriculture</i>	103 446	54 473
<i>Sugar production</i>	55 322	56 802
<i>Soybean processing</i>	45 978	40 422
<i>Cattle farming</i>	16 749	18 080
Cost of sales, including	(202 909)	(140 782)
<i>Effect of FV remeasurement of AP</i>	(30 847)	(13 630)
Changes in FV of BA and AP*	48 449	33 565
Gross profit	70 723	64 912
<i>Gross profit margin</i>	31%	38%
EBIT	39 785	35 856
Depreciation & Amortisation	29 533	30 736
EBITDA, including	69 318	66 592
<i>Agriculture</i>	57 260	52 847
<i>Sugar production</i>	3 961	8 109
<i>Soybean processing</i>	5 041	3 628
<i>Cattle farming</i>	3 453	3 899
<i>EBITDA margin</i>	31%	39%
Interest expense on lease liability	(11 515)	(12 880)
Other finance costs	(9 595)	(4 995)
Forex gain/loss	10 114	(12 626)
Net profit (loss)	29 403	7 370
<i>Net profit (loss) margin</i>	13%	4%

*FV – Fair Value, BA – Biological Assets, AP – Agricultural Produce

EURk	1H19	1H20
Gross Profit, ex BA & AP remeasurement	53 121	44 977
<i>Gross Margin, ex BA & AP remeasurement</i>	24%	26%
EBITDA, ex BA & AP remeasurement	51 716	46 657
<i>EBITDA margin, ex BA & AP remeasurement</i>	23%	27%

Summary Cash Flows

EURk	1H19	1H20
Pre-tax income	29 027	5 629
D&A	29 533	30 736
Financial interest expenses, net	9 117	4 790
Interest on lease liability	11 515	12 880
Changes in FV of BA and AP	(48 449)	(33 565)
Forex gain/loss	(10 114)	12 626
Income taxes paid	(1 418)	(2 007)
Working Capital changes	78 001	14 927
Other	(269)	381
Operating Cash Flows	96 943	46 397
Investing Cash Flows	(15 814)	(8 957)
Debt proceeds	46 745	68 590
Debt repayment	(95 461)	(88 468)
Finance interest paid	(9 132)	(4 866)
Land lease repayment	(19 914)	(20 681)
Financing Cash Flows	(77 762)	(45 425)

Summary Balance sheet

EURk	1H19	YE19	1H20
Right-of-use asset (mainly land)	126 529	142 035	120 695
Biological assets (non-current)	18 121	30 011	26 072
PP&E and other	288 658	300 193	253 548
Inventories, including RMI*	92 930	193 681	72 864
Biological assets (current)	160 973	16 109	133 183
AR and other	71 497	64 206	50 800
Cash and equivalents	17 989	13 033	2 443
Total Assets	776 697	759 268	659 605
Equity	419 361	438 755	394 296
Long-term loans	-	591	587
Land lease liability (mainly land)	90 569	103 391	89 601
Other	14 007	10 930	8 533
Non-current liabilities	104 576	114 912	98 721
ST debt and similar	189 843	148 811	121 378
Current lease liability (mainly land)	29 833	36 073	30 169
Other	33 084	20 717	15 041
Current liabilities	252 760	205 601	166 588
Total equity and liabilities	776 697	759 268	659 605
EBITDA LTM	77 486	77 923	75 197
Lease liability (mainly land)	120 402	139 464	119 770
RMI*	49 165	142 500	38 741
Net debt total	292 256	275 833	239 292
<i>ND total/EBITDA (x)</i>	3.8	3.5	3.2
Adjusted net debt = (ND-RMI)	243 091	133 333	200 551
<i>Adj ND/EBITDA (x)</i>	3.1	1.7	2.7

*RMI = Finished Goods

AGRICULTURE

Sales volumes of key crops and realized prices

	1H19	1H19	1H20	1H20
	kt	EUR/t	kt	EUR/t
Corn	493	153	335	158
Wheat	17	176	4	167
Sunseeds	18	290	0.1	270

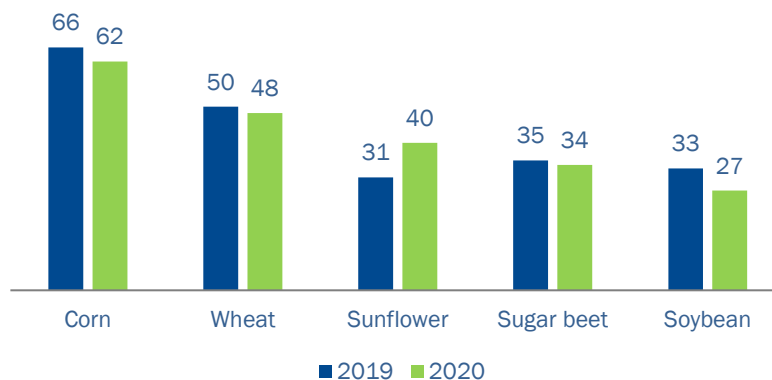
Financial results

EURk	1H19	1H20
Revenues, including	103 446	54 473
<i>Corn</i>	75 351	52 964
<i>Wheat</i>	2 920	740
<i>Sunseeds</i>	5 162	27
Cost of sales, including	(97 100)	(42 533)
<i>Land lease costs</i>	<i>n/a</i>	<i>n/a</i>
<i>Lease depreciation</i>	(9 868)	(9 451)
Changes in FV of BA & AP	48 220	32 660
Gross profit	54 566	44 600
<i>Gross profit margin</i>	53%	82%
G&A expenses	(6 878)	(5 948)
S&D expenses	(11 235)	(8 435)
Other operating expenses	(498)	(358)
EBIT	35 955	29 859
EBITDA	57 260	52 847
<i>EBITDA margin</i>	55%	97%
Interest on lease liability	(10 702)	(11 985)
CAPEX	(15 724)	(9 644)
CF land lease liability	(18 557)	(19 739)

Revenues decreased to EUR54m in 1H20 on lower sales of corn as majority of the grain and oilseeds' 2019 harvest were sold by the end of 1Q20. Exports accounted for 96% of the Agricultural segment revenues in 1H20 versus 91% in 1H19. Gross profit margin increased from 53% to 82% on reduced cost of sales due to lower share of FV measurement in Agricultural Produce. EBITDA declined from EUR57m in 1H19 to EUR53m in 1H20.

Ahead of the 2020 planting season the Company focused on agricultural machinery upgrade within its maintenance capex. Obsolete 47 tractors were replaced with 31 new John Deere units allowing for precision planting (within 3cm) and freeing up to 30 employees. In addition, other agricultural equipment such as sowers and sprayers were purchased. As of August 12, the Company harvested early crops such as winter wheat and rapeseeds in the amount of 230kt and 4kt with an average yield of 4.8 t/ha (versus 5.1t/ha in 2019) and 2.6 t/ha, correspondingly.

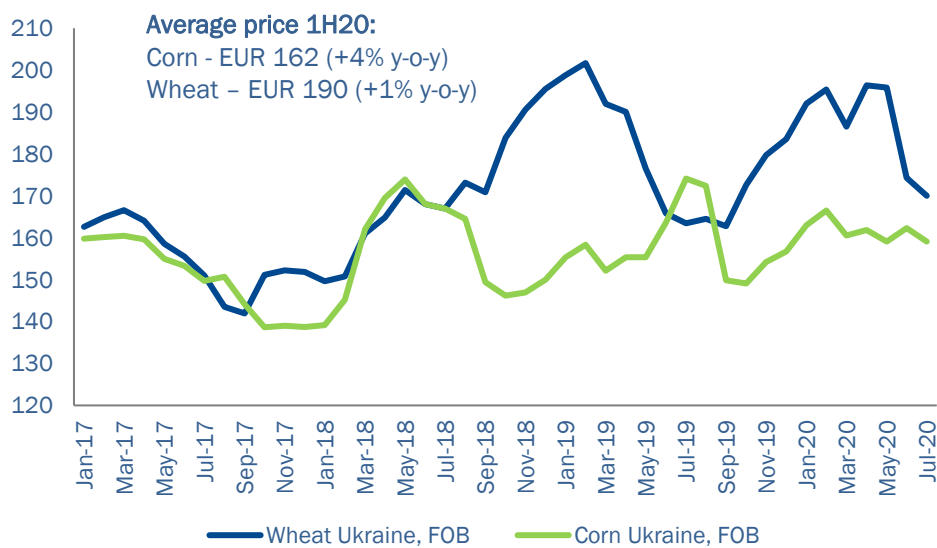
Key crops planting area - 2019 vs 2020, kha



In the 1H20 global corn prices were under pressure amid reduction in global demand for corn caused by COVID pandemic and increase in supply from South America. Near-record plantings of corn, barring adverse weather conditions, are expected to result in the largest crop in U.S. history which, together with high level of stocks may negatively impact global pricing. However, the Ukrainian corn prices largely held up at a good level on back of unfaltering demand from the EU and China.

Wheat export restrictions and weather fears in Europe and the Black Sea region supported wheat prices in 1H20. Later, the start of the new harvesting campaign in the region and relieve in export restrictions from Russia as well as global demand concerns put strong downward pressure on the prices.

Crop prices, EUR/t



Source: APK-inform

SUGAR PRODUCTION

Sugar and by-products sales volumes and realized prices

	1H19	1H20
Sugar, kt	153	152
Sugar-by products, kt*	44	25
Sugar prices, EUR/t	329	354

*Granulated sugar beet pulp and molasses

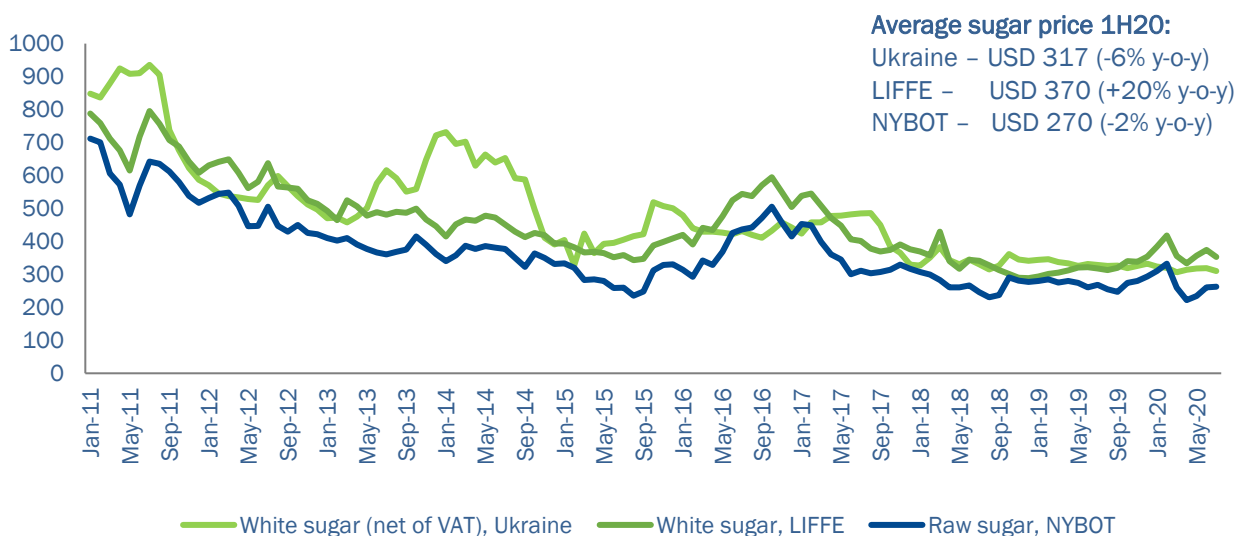
Financial results

EURk	1H19	1H20
Revenues	55 322	56 802
Cost of sales	(50 351)	(47 334)
Gross profit	4 971	9 468
Gross profit margin	9%	17%
G&A expenses	(2 915)	(3 396)
S&D expenses	(3 846)	(3 151)
Other operating expenses	(68)	(381)
EBIT	(1 858)	2 540
EBITDA	3 961	8 109
EBITDA margin	7%	14%
CAPEX	(75)	(346)

Revenues amounted to EUR 57m (up by 3% y-o-y) on improvement of realized prices to EUR354 per t compared to EUR 329 per t a year ago. Exports at 9kt (down by 36%) as global pricing did not encourage exports out of Ukraine. Gross margin doubled from 9% in 1H19 to 17% in 1H20 on price improvement. EBITDA increased correspondingly to EUR8.1m in 1H20 from EUR4.0m in 1H19.

The domestic market has been slowly adjusting to lower consumption volume by reducing sugar beet planting area to 209kha in 2020 (according to estimated data by the Economy Ministry) versus 220kha in 2019. Local sugar consumption dropped by 1/3 to 1.3-1.4mt since 2011, and by 2019 the local sugar output went down to 1.5mt. Ukraine's sugar exports plummeted to 63kt in 1H20 vs 205kt in 1H19 on unfavourable global conditions and domestic prices above international ones since YB20.

Global sugar prices, USD/t



Source: AAA

SOYBEAN PROCESSING

Soybean products sales volumes and realized prices

	1H19	1H19	1H20	1H20
	kt	EUR/t	kt	EUR/t
Soybean meal	93	326	83	330
Soybean oil	26	568	19	630

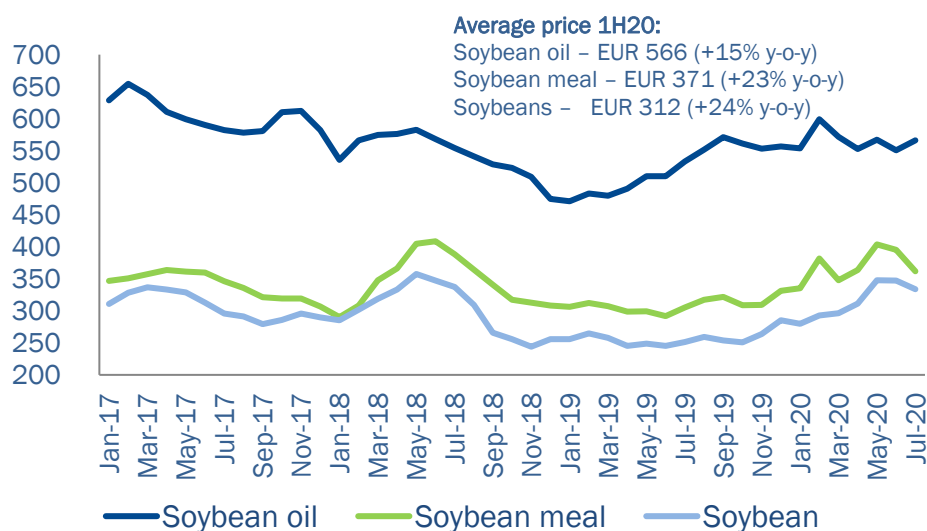
Financial results

EURk	1H19	1H20
Revenues, including	45 978	40 422
Soybean meal	30 277	27 392
Soybean oil	14 890	12 237
Cost of sales	(38 565)	(34 418)
Gross profit	7 413	6 004
Gross profit margin	16%	15%
G&A expenses	(248)	(293)
S&D expenses	(2 587)	(2 616)
Other operating expenses	(248)	(231)
EBIT	4 330	2 864
EBITDA	5 041	3 628
EBITDA margin	11%	9%
CAPEX	(76)	(103)

Revenues totaled EUR40m, down by 12% y-o-y on lower sales volumes. Exports contributed 86% of revenues. Gross margin went down from 16% in 1H19 to 15% 1H20 on higher cost of sales which resulted in the EBITDA margin decline from 11% in 1H19 to 9%.

Unfavourable regulatory changes in VAT refunds on soybean exports out of Ukraine created uncertainty for farmers which responded by reducing the planting area by 15% y-o-y to 3.6m ha in 2019. Coupled with strong demand from overseas consumers of soybeans, competition for raw materials intensified and pushed prices for soybeans, as well as soybean products up in 2020. The recent resolution of the VAT refunds issue paves the way to expansion of the soybean planning area to pre-2019 levels of 4.m ha.

Ukrainian prices for soybeans and soybean products, EUR/t



Source: APK-inform

CATTLE FARMING

Segment performance

	1H19	1H20
Milk production, kt	52	47
Herd, k heads	25	22
Milk yield, kg/day	20.7	21.7

Milk sales and realized prices

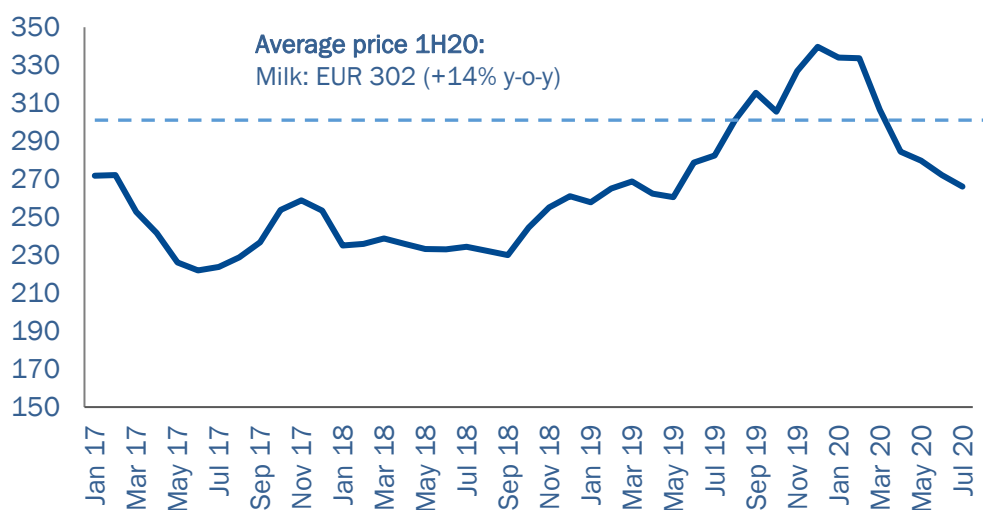
	1H19	1H20
Milk sales, kt	51	46
Milk price, EUR/t	297	350

Financial results

EURk	1H19	1H20
Revenues	16 749	18 080
Cost of sales	(13 374)	(14 243)
BA revaluation	229	905
Gross profit	3 604	4 742
<i>Gross profit margin</i>	22%	26%
G&A expenses	(726)	(1 152)
S&D expenses	(171)	(334)
Other operating expenses	(11)	(48)
EBIT	2 696	3 208
EBITDA	3 453	3 899
<i>EBITDA margin</i>	21%	22%
CAPEX	(101)	(95)

Slightly higher revenues of EUR18m in 1H20 were driven by higher milk prices offsetting lower sale volumes. Gross margin improved from 22% in 1H19 to 26% in 1H20. EBITDA margin stable at 22% vs 21% in 1H19.

Ukrainian premium quality milk price, EUR/t



Source: InfoAgro

STATEMENT OF THE BOARD OF DIRECTORS

Representation

of the Board of Directors of ASTARTA Holding N.V. on compliance of the condensed consolidated interim financial statements. The Board of Directors of ASTARTA Holding N.V. hereby represents that to the best of their knowledge the condensed consolidated interim financial statements of ASTARTA Holding N.V. for the period ended 30 June 2020 and the comparable information were prepared in accordance with the applicable accounting standards and that they give a true, fair and clear view of the assets, financial standing and financial results of ASTARTA Holding N.V., and that the interim statement for the six months ended 30 June 2020 gives a true view of the developments, achievements and situation of the Company, including a description of the key risks and threats.

Board of Directors of ASTARTA Holding N.V.

V. Ivanchyk _____

V. Gladkyi _____

M.M.L.J. van Campen _____

H.A Dahl _____

G.Mettetal _____

H.Arslan _____

12 August 2020

Amsterdam, The Netherlands

Disclaimer regarding forecasts. Certain statements contained in this report may constitute forecasts and estimates. Such predictions are subject to a number of risks, uncertainties and other factors that could cause actual results to differ from the anticipated results expressed or implied via forward-looking statements.

ASTARTA HOLDING N.V.

**CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE SIX MONTHS ENDED
30 JUNE 2020**

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

<i>(in thousands of Ukrainian hryvnias)</i>	Notes	30 June 2020 (unaudited)	31 December 2019 (audited)	30 June 2019 (unaudited)
ASSETS				
Non-current assets				
Property, plant and equipment	4	7 433 066	7 779 761	8 322 658
Right-of-use assets	5	3 614 824	3 752 857	3 761 749
Investment property		69 900	70 690	70 932
Intangible assets		34 961	35 378	35 218
Biological assets	6	780 849	792 939	538 717
Value added tax		-	-	117 074
Long-term receivables and prepayments	8	35 098	20 767	7 321
Deferred tax assets		20 724	25 095	28 674
Total non-current assets		11 989 422	12 477 487	12 882 343
Current assets				
Inventories	7	2 182 272	5 117 473	2 762 829
Biological assets	6	3 988 841	425 624	4 785 781
Trade accounts receivable	8	401 529	607 870	499 791
Other accounts receivable and prepayments	8	1 031 755	1 032 787	1 616 950
Current income tax		48 965	12 551	8 887
Short-term cash deposits		4 758	18 318	19 487
Cash and cash equivalents	9	68 395	326 046	515 358
Non-current assets held for sale		39 215	43 283	-
Total current assets		7 765 730	7 583 952	10 209 083
Total assets		19 755 152	20 061 439	23 091 426
EQUITY AND LIABILITIES				
Equity				
	<i>10</i>			
Share capital		1 663	1 663	1 663
Additional paid-in capital		369 798	369 798	369 798
Retained earnings		8 855 889	8 349 380	8 913 695
Revaluation surplus		2 219 985	2 482 363	2 788 165
Treasury shares		(119 260)	(119 260)	(119 260)
Currency translation reserve		481 083	508 868	513 666
Total equity		11 809 158	11 592 812	12 467 727
Non-current liabilities				
Loans and borrowings	11	17 589	15 608	-
Net assets attributable to non-controlling participants		23 803	24 909	44 649
Other long-term liabilities		4 116	4 093	2 945
Lease liability	5	2 683 556	2 731 803	2 692 648
Deferred tax liabilities		227 635	259 791	368 847
Total non-current liabilities		2 956 699	3 036 204	3 109 089
Current liabilities				
Loans and borrowings	11	3 541 845	3 874 935	5 564 543
Current portion of long-term loans and borrowings	11	93 401	56 943	79 514
Trade accounts payable		160 678	158 145	568 377
Current portion of lease liability	5	903 556	953 127	886 952
Current income tax		493	45 886	32 086
Other liabilities and accounts payable	12	289 322	343 387	383 138
Total current liabilities		4 989 295	5 432 423	7 514 610
Total equity and liabilities		19 755 152	20 061 439	23 091 426

The notes on pages 22 to 43 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

<i>(in thousands of Euros)</i>	Notes	30 June 2020 (unaudited)	31 December 2019 (audited)	30 June 2019 (unaudited)
ASSETS				
Non-current assets				
Property, plant and equipment	4	248 183	294 442	279 939
Right-of-use assets	5	120 695	142 035	126 529
Investment property		2 334	2 675	2 386
Intangible assets		1 167	1 340	1 185
Biological assets	6	26 072	30 011	18 121
Value added tax		-	-	3 938
Long-term receivables and prepayments	8	1 172	786	246
Deferred tax assets		692	950	964
Total non-current assets		400 315	472 239	433 308
Current assets				
Inventories	7	72 864	193 681	92 930
Biological assets	6	133 183	16 109	160 973
Trade accounts receivable	8	13 407	23 007	16 811
Other accounts receivable and prepayments	8	34 449	39 086	54 387
Current income tax		1 635	475	299
Short-term cash deposits		159	693	655
Cash and cash equivalents	9	2 284	12 340	17 334
Non-current assets held for sale		1 309	1 638	-
Total current assets		259 290	287 029	343 389
Total assets		659 605	759 268	776 697
EQUITY AND LIABILITIES				
Equity				
	<i>10</i>			
Share capital		250	250	250
Additional paid-in capital		55 638	55 638	55 638
Retained earnings		511 545	492 290	506 348
Revaluation surplus		100 565	112 451	127 386
Treasury shares		(5 527)	(5 527)	(5 527)
Currency translation reserve		(268 175)	(216 347)	(264 734)
Total equity		394 296	438 755	419 361
Non-current liabilities				
Loans and borrowings	11	587	591	-
Net assets attributable to non-controlling participants		795	943	1 502
Other long-term liabilities		137	155	99
Lease liability	5	89 601	103 391	90 569
Deferred tax liabilities		7 601	9 832	12 406
Total non-current liabilities		98 721	114 912	104 576
Current liabilities				
Loans and borrowings	11	118 259	146 656	187 168
Current portion of long-term loans and borrowings	11	3 119	2 155	2 675
Trade accounts payable		5 365	5 985	19 118
Current portion of lease liability	5	30 169	36 073	29 833
Current income tax		16	1 736	1 079
Other liabilities and accounts payable	12	9 660	12 996	12 887
Total current liabilities		166 588	205 601	252 760
Total equity and liabilities		659 605	759 268	776 697

The notes on pages 22 to 43 are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2020

<i>(in thousands of Ukrainian hryvnias)</i>	Notes	2020 (unaudited)	2019 (unaudited)
Revenues	13	4 894 068	6 856 371
Cost of revenues	14	(4 004 694)	(6 175 692)
Changes in fair value of biological assets and agricultural produce		972 813	1 452 722
Gross profit		1 862 187	2 133 401
Other operating income		60 600	46 037
General and administrative expense	15	(335 217)	(335 570)
Selling and distribution expense	16	(418 052)	(552 847)
Other operating expense	17	(131 910)	(102 758)
Profit from operations		1 037 608	1 188 263
Interest expense on lease liability	18	(368 472)	(348 606)
Other finance costs	18	(142 621)	(292 097)
Foreign currency exchange (loss)/gain		(337 959)	305 146
Finance income	18	6 963	14 878
Other income/(loss)		757	(7 520)
Profit before tax		196 276	860 064
Income tax credit	19	47 872	11 789
Net profit		244 148	871 853
Net profit/(loss) attributable to:			
Equity holders of the parent company		244 148	871 853
Weighted average basic and diluted shares outstanding (in thousands of shares)		24 310	24 310
Basic and diluted earnings per share attributable to shareholders of the company from continued operations (in Ukrainian hryvnias)		10,04	35,86

The notes on pages 22 to 43 are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2020

<i>(in thousands of Euros)</i>	<i>Notes</i>	2020	2019
		(unaudited)	(unaudited)
Revenues	13	172 129	225 183
Cost of revenues	14	(140 782)	(202 909)
Changes in fair value of biological assets and agricultural produce		33 565	48 449
Gross profit		64 912	70 723
Other operating income		2 101	1 520
General and administrative expense	15	(11 718)	(11 047)
Selling and distribution expense	16	(14 773)	(18 068)
Other operating expense	17	(4 666)	(3 343)
Profit from operations		35 856	39 785
Interest expense on lease liability	18	(12 880)	(11 515)
Other finance costs	18	(4 995)	(9 595)
Foreign currency exchange (loss)/gain		(12 626)	10 114
Finance income	18	244	489
Other income/(loss)		30	(251)
Profit before tax		5 629	29 027
Income tax credit	19	1 741	376
Net profit		7 370	29 403
Net profit/(loss) attributable to:			
Equity holders of the parent company		7 370	29 403
Weighted average basic and diluted shares outstanding (in thousands of shares)			
		24 310	24 310
Basic and diluted earnings per share attributable to shareholders of the company from continued operations (in Euros)			
		0,30	1,21

The notes on pages 22 to 43 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2020

<i>(in thousands of Ukrainian hryvnias)</i>	2020	2019
	(unaudited)	(unaudited)
Profit for the period	244 148	871 853
Other comprehensive (loss)/income		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Translation difference	(27 785)	(5 750)
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods	(27 785)	(5 750)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>		
Decrease of revaluation reserve	(21)	(123)
Income tax effect	4	22
Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods	(17)	(101)
Total other comprehensive loss	(27 802)	(5 851)
Total comprehensive income	216 346	866 002
Attributable to:		
Equity holders of the parent	216 346	866 002
Total comprehensive income for six months as at 30 June	216 346	866 002

The notes on pages 22 to 43 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2020

<i>(in thousands of Euros)</i>	2020	2019
	(unaudited)	(unaudited)
Profit for the period	7 370	29 403
Other comprehensive (loss)/income		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Translation difference	(51 828)	24 139
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods	(51 828)	24 139
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>		
Decrease of revaluation reserve	(1)	(4)
Income tax effect	0	1
Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods	(1)	(3)
Total other comprehensive loss	(51 829)	24 136
Total comprehensive income/(loss)	(44 459)	53 539
Attributable to:		
Equity holders of the parent	(44 459)	53 539
Total comprehensive income/(loss) for six months as at 30 June	(44 459)	53 539

The notes on pages 22 to 43 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2020

<i>(in thousands of Ukrainian hryvnias)</i>	<i>Notes</i>	2020	2019
		(unaudited)	(unaudited)
Operating activities			
Profit before tax		196 276	860 064
<i>Adjustments for:</i>			
Depreciation and amortization		879 331	898 621
Loss on disposal of property, plant and equipment	17	42 200	20 928
VAT written off	17	6 414	6 627
Interest income	18	(5 091)	(14 341)
Other finance income	18	(1 872)	(537)
Interest expense	18	135 037	278 477
Other finance costs	18	8 707	13 946
Interest expense on lease liability	5,18	368 472	348 606
Changes in fair value of biological assets and agricultural produce		(972 813)	(1 452 722)
Recovery of assets previously written off		(37 182)	(34 966)
Net (profit)/loss attributable to non-controlling participants in limited liability company subsidiaries		(1 123)	(326)
Foreign exchange loss/(gain) on loans and borrowings, deposits		337 959	(305 146)
<i>Working capital adjustments:</i>			
Decrease in inventories		2 972 894	4 721 929
Decrease in trade and other receivables		95 373	419 294
Increase in biological assets due to other changes		(2 578 825)	(2 821 915)
(Decrease)/Increase in trade and other payables		(62 389)	54 096
Income taxes paid		(57 414)	(43 137)
Cash flows provided by operating activities		1 325 954	2 949 498
Investing activities			
Purchase of property, plant and equipment, intangible assets and other non-current assets		(275 812)	(491 136)
Proceeds from disposal of property, plant and equipment		1 447	5 987
Interest received		5 091	14 341
Cash deposits placement		3 746	(20 587)
Cash deposits withdrawal		9 276	10 214
Cash flows used in investing activities		(256 252)	(481 181)
Financing activities			
Proceeds from loans and borrowings		1 962 287	1 422 352
Repayment of loans and borrowings		(2 530 985)	(2 904 647)
Payment of lease liabilities		(223 199)	(257 316)
Payment of interest on lease liabilities		(368 472)	(348 606)
Interest paid		(139 198)	(277 875)
Cash flows used in financing activities		(1 299 567)	(2 366 092)
Net increase/(decrease) in cash and cash equivalents		(229 865)	102 225
Cash and cash equivalents as at 1 January		326 046	418 882
Currency translation difference		(27 786)	(5 749)
Cash and cash equivalents as at 30 June		68 395	515 358

The notes on pages 22 to 43 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2020

<i>(in thousands of Euros)</i>	Notes	2020	2019
		(unaudited)	(unaudited)
Operating activities			
Profit before tax		5 629	29 027
<i>Adjustments for:</i>			
Depreciation and amortization		30 736	29 533
Loss on disposal of property, plant and equipment	17	1 493	681
VAT written off	17	227	216
Interest income	18	(178)	(471)
Other finance income	18	(66)	(18)
Interest expense	18	4 730	9 148
Other finance costs	18	304	458
Interest expense on lease liability	5,18	12 880	11 515
Changes in fair value of biological assets and agricultural produce		(33 565)	(48 449)
Recovery of assets previously written off		(1 300)	(1 155)
Net (profit)/loss attributable to non-controlling participants in limited liability company subsidiaries		(39)	(11)
Foreign exchange loss/(gain) on loans and borrowings, deposits		12 626	(10 114)
<i>Working capital adjustments:</i>			
Decrease in inventories		103 914	155 185
Decrease in trade and other receivables		3 334	13 780
Increase in biological assets due to other changes		(90 140)	(92 742)
(Decrease)/Increase in trade and other payables		(2 181)	1 778
Income taxes paid		(2 007)	(1 418)
Cash flows provided by operating activities		46 397	96 943
Investing activities			
Purchase of property, plant and equipment, intangible assets and other non-current assets		(9 641)	(16 141)
Proceeds from disposal of property, plant and equipment		51	197
Interest received		178	471
Cash deposits placement		131	(677)
Cash deposits withdrawal		324	336
Cash flows used in investing activities		(8 957)	(15 814)
Financing activities			
Proceeds from loans and borrowings		68 590	46 745
Repayment of loans and borrowings		(88 468)	(95 461)
Payment of lease liabilities		(7 801)	(8 399)
Payment of interest on lease liabilities		(12 880)	(11 515)
Interest paid		(4 866)	(9 132)
Cash flows used in financing activities		(45 425)	(77 762)
Net increase/(decrease) in cash and cash equivalents		(7 985)	3 367
Cash and cash equivalents as at 1 January		12 340	13 208
Currency translation difference		(2 071)	759
Cash and cash equivalents as at 30 June		2 284	17 334

The notes on pages 22 to 43 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2020

<i>(in thousands of Ukrainian hryvnias)</i>	Attributable to equity holders of the parent company						Total equity
	Share capital	Additional paid-in capital	Retained earnings	Revaluation surplus	Treasury shares	Currency translation reserve	
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	
As at 31 December 2019	1 663	369 798	8 349 380	2 482 363	(119 260)	508 868	11 592 812
Net profit	-	-	244 148	-	-	-	244 148
Share of non-controlling participants in LLC in revaluation surplus, net of deferred tax	-	-	-	(17)	-	-	(17)
Translation difference	-	-	-	-	-	(27 785)	(27 785)
Total other comprehensive loss, net of tax	-	-	-	(17)	-	(27 785)	(27 802)
Total comprehensive income	-	-	244 148	(17)	-	(27 785)	216 346
Realisation of revaluation surplus, net of tax	-	-	262 361	(262 361)	-	-	-
As at 30 June 2020	1 663	369 798	8 855 889	2 219 985	(119 260)	481 083	11 809 158

<i>(in thousands of Euros)</i>	Attributable to equity holders of the parent company						Total equity
	Share capital	Additional paid-in capital	Retained earnings	Revaluation surplus	Treasury shares	Currency translation reserve	
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	
As at 31 December 2019	250	55 638	492 290	112 451	(5 527)	(216 347)	438 755
Net profit	-	-	7 370	-	-	-	7 370
Share of non-controlling participants in LLC in revaluation surplus, net of deferred tax	-	-	-	(1)	-	-	(1)
Translation difference	-	-	-	-	-	(51 828)	(51 828)
Total other comprehensive income, net of tax	-	-	-	(1)	-	(51 828)	(51 829)
Total comprehensive loss	-	-	7 370	(1)	-	(51 828)	(44 459)
Realisation of revaluation surplus, net of tax	-	-	11 885	(11 885)	-	-	-
As at 30 June 2020	250	55 638	511 545	100 565	(5 527)	(268 175)	394 296

The notes on pages 22 to 43 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2019

Attributable to equity holders of the parent company

(in thousands of Ukrainian hryvnias)

	Share capital	Additional paid-in capital	Retained earnings	Revaluation surplus	Treasury shares	Currency translation reserve	Total equity
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
As at 1 January 2019	1 663	369 798	7 757 949	3 072 159	(119 260)	519 416	11 601 725
Net profit	-	-	871 853	-	-	-	871 853
Share of non-controlling participants in LLC in revaluation surplus, net of deferred tax	-	-	-	(101)	-	-	(101)
Exchange difference on translation	-	-	-	-	-	(5 750)	(5 750)
Total other comprehensive income, net of tax	-	-	-	(101)	-	(5 750)	(5 851)
Total comprehensive income	-	-	871 853	(101)	-	(5 750)	866 002
Realisation of revaluation surplus, net of tax	-	-	283 893	(283 893)	-	-	-
As at 30 June 2019	1 663	369 798	8 913 695	2 788 165	(119 260)	513 666	12 467 727

Attributable to equity holders of the parent company

(in thousands of Euros)

	Share capital	Additional paid-in capital	Retained earnings	Revaluation surplus	Treasury shares	Currency translation reserve	Total equity
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
As at 1 January 2019	250	55 638	465 473	138 861	(5 527)	(288 873)	365 822
Net profit	-	-	29 403	-	-	-	29 403
Share of non-controlling participants in LLC in revaluation surplus, net of deferred tax	-	-	-	(3)	-	-	(3)
Exchange difference on translation	-	-	-	-	-	24 139	24 139
Total other comprehensive income, net of tax	-	-	-	(3)	-	24 139	24 136
Total comprehensive income	-	-	29 403	(3)	-	24 139	53 539
Realisation of revaluation surplus, net of tax	-	-	11 472	(11 472)	-	-	-
As at 30 June 2019	250	55 638	506 348	127 386	(5 527)	(264 734)	419 361

The notes on pages 22 to 43 are an integral part of these consolidated financial statements.

1 BACKGROUND

Organisation and operations

These consolidated financial statements are prepared by ASTARTA Holding N.V. (the Company), a Dutch public company incorporated in Amsterdam, the Netherlands, on 9 June 2006 under the Dutch law.

The Company's legal address is Jan van Goyenkade 8, 1075 HP Amsterdam, the Netherlands.

On 4 July 2006 the shareholders of the Company contributed their shares in the Cyprus based company Ancor Investments Ltd to ASTARTA Holding N.V. After the contribution, ASTARTA Holding N.V. owns 100% of share capital of Ancor Investment Ltd.

Ancor Investments Ltd owns 99.99% of the capital of LLC "Firm "Astarta-Kyiv" (Astarta-Kyiv) registered in Ukraine, which in turn controls a number of subsidiaries in Ukraine (hereinafter the Company and its subsidiaries are collectively referred to as the "Group").

On 16 August 2006 the Company's shares were admitted for trading on the Warsaw Stock Exchange. The first quotation of the shares on the Warsaw Stock Exchange took place on 17 August 2006.

The Group specializes in sugar production, grain and oilseeds growing, soybean processing and cattle farming. The farmlands, sugar plants and cattle operations are mainly located in the Poltava, Vinnytsia, Khmelnytsky, Chernihiv, Cherkasy and Kharkiv oblasts (administrative regions) of Ukraine. The Group's business is vertically integrated because sugar is produced primarily using own-grown sugar beet, soybeans are processed at own crushing facility and cattle farming uses in-house agricultural produce as feedstock.

(a) Ukrainian business environment

In 2019, the Ukrainian economy was showing signs of stabilisation after years of political and economic tensions and demonstrated sound real GDP growth of around 4% (2018: 3%), modest annual inflation of 5% (2018: 10%), and strengthening of the national currency by 5% against USD and 10% against EUR compared to previous year averages. However, in 2020 the national currency weakened its position and at the date of issue of these consolidated financial statements, the exchange rate was 27.76 UAH per USD.

Sound fiscal and monetary management, including efforts to keep current public expenditures under control, helped to reduce inflation in 2019. Strong remittances and inflows of foreign capital into the domestic bond market also helped to lower the current account deficit and support international reserves.

Ukraine remains vulnerable to external shocks and commodity price cycles due to its reliance on commodity exports.

The National Bank of Ukraine ("NBU") continued the policy of monetary easing, on back of a sustainable trend of inflation deceleration. The NBU decreased its discount rate to 6% in June 2020.

Further economic growth depends, to a large extent, upon success of the Ukrainian government in realization of planned reforms, cooperation with the International Monetary Fund ("IMF"). The IMF announced plans to extend a new multi-billion Stand-By facility aimed at preserving financial stability 2020.

In 2020, Ukraine faces major public debt repayments, which will require mobilising substantial domestic and external financing in an increasingly challenging financing environment for emerging markets. The annexation of Crimea by the Russian Federation in February 2014 and the conflict in the East of Ukraine which started in spring 2014 have not been resolved to date. The relationships between Ukraine and the Russian Federation have remained strained.

2 BASIS OF PREPARATION

(a) Statement of compliance

These condensed consolidated interim financial statements for the six months ended 30 June 2020 have been prepared in accordance with IAS 34 Interim Financial Reporting.

These condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2019 which have been prepared in accordance with IFRS.

(b) Going Concern

These accompanying condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Group will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The Group operates a diversified business model that allows to balance primary agricultural activities, such as grain and oil seed growing, with processing of those crops into sugar, soybean and cattle farming products. In addition, it also has an ability to adjust its agricultural crop rotation process by focusing on the grain and oilseeds crops which have a higher profitability potential in each particular marketing year. Its sugar processing capacities are also adjusted on an annual basis depending on the market outlook, domestically and globally. The Group is constantly reviewing its variable and fixed costs and initiates projects aimed at raising its cost-efficiency. Last year it commissioned grain and oilseeds storage facilities which allow to not only store all harvest in-house but to also offer services to external parties. The Group maintains its outstanding reputation that enables it to cooperate with reputable partners.

For the six months ended 30 June 2020 the Group's net profits totalled to UAH 451 million (EUR 14 million). As at 30 June 2020 loans and borrowings amounted to UAH 3 652 million (EUR 122 million).

For the six months ended 30 June 2020 the Group achieved positive cash flows from operating activities of UAH 1 326 million (EUR 46 million). As at 30 June 2020 the Group had strong liquidity and its current assets exceed its current liabilities by UAH 2 983 million (EUR 100 million). This along with the other factors improved the Group's ability to service its loan portfolio.

There is a number of financial and non-financial covenants which are attached to the Group's loans and borrowings. As at 30 June 2020 the Group was in breach of certain financial covenants mostly due to continued downturn in the sugar markets caused by decreased sugar prices. Consequently the Group reclassified borrowings amounting to UAH 2 198 million (EUR 73 million) from non-current to current liabilities.

There is an expectation of a sugar deficit in the global market after three years of surpluses and a decrease in the sugar beets planting area in Ukraine in 2020, which can improve business conditions for the Group in the local market.

The Group optimised its sugar beet processing by reallocating input volumes between the plants and by reducing utilisation or period of utilisation of some of processing plants to achieve maximum efficiency. The Group plans to continue taking those measures in the future by idling another sugar mill in 2020 in addition to suspending of operations of two sugar processing plants in 2018 and 2019. Also, the Group continues to fine-tune crop rotation focusing on those crops where higher margins are expected. The Group also has optimised its CAPEX investments and aims to increase utilisation of its grain and oilseed storage facilities to generate external revenues from servicing the third parties.

Based on the Group's plans for next year, the management believes that the banks will not demand accelerated repayment of the loans because of breaches of covenants in 2020. On this basis, the Group deems appropriate to prepare the consolidated financial statements on a going concern basis.

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss

Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

As at 30 June 2020 Astarta Holding N.V. owns shares, directly and indirectly, in a number of subsidiaries and an associate with the following percentage of ownership:

Name	Activity	Place of business	30 June 2020 % of ownership	31 December 2019 % of ownership	30 June 2019 % of ownership
Subsidiaries:					
Ancor Investments Ltd	Trade and investment activities	Cyprus, Nicosia	100,00%	100,00%	100,00%
LLC Firm "Astarta-Kyiv"	Asset management	Ukraine, Kyiv	99,99%	99,99%	99,98%
LLC "APO "Tsukrovyyk Poltavshchyny"	Sugar production	Ukraine, Shyshaky region	99,73%	99,73%	99,72%
LLC "Agricultural company "Dovzhenko"	Agricultural	Ukraine, Shyshaky region	99,99%	99,99%	99,50%
LLC "Shyshaki combined forage factory"	Fodder production	Ukraine, Shyshaky region	90,57%	90,57%	90,56%
LLC "Agricultural company "Dobrobut"	Agricultural	Ukraine, Kozelschyna region	99,99%	99,99%	99,98%
LLC "Agricultural company "Musievske"	Agricultural	Ukraine, Khorol region	99,99%	99,99%	99,98%
LLC "Globinskiy processing factory"	Soybean processing	Ukraine, Globyne	99,99%	99,99%	99,98%
LLC "Investment company "Poltavazernoproduct"	Agricultural	Ukraine, Globyne	99,99%	99,99%	99,98%
LLC "List-Ruchky"	Agricultural	Ukraine, Hadiach region	74,99%	74,99%	74,99%
LLC "Agropromgaz"	Trade	Ukraine, Kyiv	99,97%	99,97%	99,95%
LLC "Khmilnitske"	Agricultural	Ukraine, Khmilnyk region	99,99%	99,99%	99,98%
LLC "Volochnysk-Agro"	Agricultural	Ukraine, Volochnysk region	99,99%	99,99%	99,98%
LLC "Kobelyatskiy combined forage factory" **	Fodder production	Ukraine, Kobeliaky region	0%	98,60%	98,59%
LLC "Agricultural company "Astarta Prykhorollia"	Agricultural	Ukraine, Khorol region	99,99%	99,99%	99,98%
LLC "Agricultural company "Lan" *	Agricultural	Ukraine, Kobeliaky region	99,99%	99,99%	99,98%
LLC "Nika"	Agricultural	Ukraine, Chutove region	99,99%	99,99%	99,98%
LLC "Zhytnytsya Podillya"	Agricultural	Ukraine, Krasyliv region	97,00%	97,00%	96,98%
LLC "Astarta Service" ***	Research and development	Ukraine, Shyshaky region	99,99%	99,99%	99,98%
LLC "Agrosvit Savyntsi"	Agricultural	Ukraine, Balakliia region	99,99%	99,99%	99,98%
ALC "Novoivanivskiy sugar plant"	Sugar production	Ukraine, Kolomak region	95,10%	95,10%	94,49%
LLC "Investpromgaz"	Trade	Ukraine, Kyiv	99,99%	99,99%	99,98%
LLC "Tsukragromprom"	Trade	Ukraine, Kyiv	99,99%	99,99%	99,98%
LLC "Zerno-Agrotrade"	Trade	Ukraine, Kyiv	99,99%	99,99%	99,98%
LLC "Novoorzhytskiy sugar plant"	Sugar production	Ukraine, Orzhytsia region	99,99%	99,99%	99,98%
LLC "APK Savynska"	Sugar production	Ukraine, Balakliia region	99,99%	99,99%	99,98%
LLC "Kochubeyivske" *	Trade	Ukraine, Dykanka region	0,00%	59,71%	59,71%
LLC "Globinskiy bioenergetichnyy complex"	Sugar production	Ukraine, Globyne	99,99%	99,99%	99,98%
PE "TMG"	Agricultural	Ukraine, Valky region	99,99%	99,99%	99,98%
LLC "Eco Energy"	Agricultural	Ukraine, Chernihiv region	99,99%	99,99%	99,98%
ALLC "Lyaschivka"	Agricultural	Ukraine, Chornobai region	99,99%	99,99%	99,98%
LLC "Agri Chain"	Research and development	Ukraine, Kyiv	99,99%	99,99%	99,98%
ALC "Narkevitskiy sugar plant"	Sugar production	Ukraine, Volochnysk region	99,99%	99,99%	99,98%
PJSC "Ukrainian Agro-Insurance Company"	Insurance	Ukraine, Cherkasy	99,99%	99,99%	99,98%
Astarta Trading GmbH	Trade	Switzerland, Zug	100,00%	100,00%	100,00%
LLC "Pochayna-Office"	Asset management	Ukraine, Kyiv	99,99%	99,99%	99,98%
LLC "Agricultural company "Yaroslavskaya" **	Agricultural	Ukraine, Kyiv	0,00%	0,00%	99,98%

* LLC "Kochubeyivske" as at 30 June 2020 was liquidated. LLC "Agricultural company "Lan" as at 30 June 2020 was under liquidation.

** In June 2019, the Group obtained control over LLC "Agricultural company "Yaroslavka". Upon acquisition the company had only land area under lease of 300 hectares and consideration was not significant. As at 30 June 2020 LLC "Agricultural company "Yaroslavka" was liquidated and their assets were transferred to LLC "Zhytnytsya Podillya".

As at 30 June 2020, LLC "Kobelyatskiy combined forage factory" was under liquidation, and their assets were transferred to LLC "Zerno-Agrotrade".

*** In February 2020, LLC "Astarta-Selektsiya" changed its legal name to LLC "Astarta Service".

All subsidiaries, joint operations and the associate, except for Ancor Investments Ltd and Astarta Trading GmbH, are incorporated in Ukraine. Ancor Investments Ltd is incorporated in Cyprus, Astarta Trading GmbH is incorporated in Switzerland.

(d) Basis of accounting

The consolidated financial statements are prepared on a historical cost basis, except for buildings and machines and equipment classified as property, plant and equipment, biological assets and available for sale investments stated at fair value and agricultural produce stated at cost which is determined as fair value less estimated costs to sell at the point of harvest.

(e) Functional and presentation currency

Each entity in the Group determines its own functional currency and items included in the separate financial statements of each entity are measured using that functional currency. The functional currency of the Company and its Cypriot subsidiary is Euro (EUR). The operating subsidiaries, joint venture and associate registered in Ukraine have the Ukrainian hryvnia (UAH) as their functional currency.

The consolidated financial statements are presented in UAH and all values are rounded to the nearest thousand, except when otherwise indicated. For the benefit of certain users, the Group also presents all numerical information in EUR. The translation of UAH denominated assets and liabilities into EUR in these consolidated financial statements does not necessarily mean that the Group could realize or settle in EUR the reported values of these assets and liabilities. Likewise, it does not necessarily mean that the Group could return or distribute the reported EUR value retained earnings to its shareholders. For the purposes of presenting financial information in EUR, assets and liabilities of the Ukrainian subsidiaries, joint venture and associate are translated from UAH to EUR using the closing rates at each reporting date. Income and expense items are translated at the average exchange rates for the period, unless the exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in Currency translation reserve.

The principal Ukrainian Hryvnia ("UAH") exchange rates used in the preparation of the consolidated financial statements are as follows:

Currency	Average reporting period rate		Reporting date rate		
	2020	2019	30 June 2020	31 December 2019	30 June 2019
EUR	28.61	30.43	29.95	26.42	29.73
USD	25.98	26.93	26.69	23.69	26.17

The average exchange rates for each period are calculated as the arithmetic mean of the exchange rates for all trading days during this period. The sources of exchange rates are the official rates set by the National Bank of Ukraine.

All foreign exchange gain or loss that occurs on revaluation of monetary balances, presented in foreign currencies, is allocated as a separate line in the Consolidated Income Statement.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed consolidated interim financial statements are the same as those applied by the Group in its annual financial statements for the year ended 31 December 2019.

(a) New and amended standards and interpretations adopted

The following standards and amendments became effective from 1 January 2020, but did not have any material impact on the Group:

- Amendments to References to Conceptual Framework in IFRS Standards
- Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest rate benchmark reform
- Amendments to IAS 1 and IAS 8 – Definition of Material

(b) New and amended standards and interpretations not yet adopted

The Group has not adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2021 or later:

<i>Effective for annual period beginning on or after in EU</i>	
International Financial Reporting Standards (“IFRS”)	
▪ IFRS 17 Insurance Contracts	not yet endorsed
Amendments to existing standards and interpretations	
▪ Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	not endorsed
▪ Amendments to IFRS 3 – Definition of a business	not yet endorsed
▪ Classification of liabilities as current or non-current – Amendments to IAS 1 (issued on 23 January 2020 and effective for annual periods beginning on or after 1 January 2022)	not yet endorsed

Unless otherwise described above, the new standards and interpretations are not expected to affect significantly the Group’s consolidated financial statements.

4 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2020, the Group acquired assets with a cost of UAH 297 514 thousand or EUR 10 399 thousand.

During the six months ended 30 June 2019, the Group acquired assets with a cost of UAH 489 275 thousand or EUR 16 080 thousand.

Assets with a carrying amount of UAH 71 574 thousand or EUR 2 502 thousand were disposed of during the six months ended 30 June 2020 (30 June 2019: UAH 27 191 thousand or EUR 893 thousand).

5 RIGHT-OF-USE ASSET AND LEASE LIABILITY

(i) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

<i>(in thousands of Ukrainian hryvnias)</i>	30 June 2020 (unaudited)	31 December 2019 (audited)	30 June 2019 (unaudited)
Right-of-use assets			
Land	3 340 232	3 488 418	3 553 140
Office premises	187 686	170 447	102 498
Agriculture equipment	74 619	81 159	87 198
Warehouse	12 287	12 833	18 913
	3 614 824	3 752 857	3 761 749
Lease liabilities			
Non-current	2 683 556	2 731 803	2 692 648
Current portion	903 556	953 127	886 952
	3 587 112	3 684 930	3 579 600

<i>(in thousands of Euros)</i>	30 June 2020 (unaudited)	31 December 2019 (audited)	30 June 2019 (unaudited)
Right-of-use assets			
Land	111 527	132 027	119 512
Office premises	6 267	6 451	3 448
Agriculture equipment	2 491	3 072	2 933
Warehouse	410	485	636
	120 695	142 035	126 529
Lease liabilities			
Non-current	89 601	103 391	90 569
Current portion	30 169	36 073	29 833
	119 770	139 464	120 402

Additions to the right-of-use assets during the 6 months 2020 financial year were UAH 180,005 thousand or EUR 6,292 thousand (6 months 2019: UAH 589,014 thousand or EUR 19,358 thousand).

(ii) Amounts recognised in the consolidated income statement

The consolidated income statement shows the following amounts relating to leases:

	Notes	(in thousands of Ukrainian hryvnias)		(in thousands of Euros)	
		2020 (unaudited)	2019 (unaudited)	2020 (unaudited)	2019 (unaudited)
Depreciation charge of right-of-use assets					
Land		274 945	295 877	9 451	9 868
Office premises		4 176	9 768	146	322
Agriculture equipment		4 520	5 494	155	183
Warehouse		5 313	5 190	188	170
<hr/>					
Interest expense on lease liabilities (cost of disposal included)	18	368 472	348 606	12 880	11 515
Expenses relating to short-term leases (included in operating expense)		8 189	7 011	282	234
Expenses relating to variable lease payments not included in the measurement of lease liabilities (included in operating expenses)		26 669	17 860	917	596

The total cash outflow for leases for 6 months 2020 was UAH 591,671 thousand (6 months 2019: UAH 605,922 thousand) or EUR 20,681 thousand (6 months 2019: EUR 19,914 thousand), including cash outflow for land lease in amount of UAH 564,727 thousand (6 months 2019: 564,641 thousand) or EUR 19,739 thousand (6 months 2019: EUR 18,557 thousand) and are classified as finance activities in the consolidated statement of cash flows.

(iii) The Group's leasing activities and how these are accounted for

The Group leases land, office premises and warehouses for operating activities. Land lease contracts are typically made for fixed periods of 1 to 49 years. Lease contracts for office premises are made for 3 years, but management considers usage period for office premises of 7 years. Warehouse lease contracts are typically made for fixed periods less than 12 months, management considers usage period for some warehouses of 3 years, other premises are used by the Group for current storage of finished goods and the Group has no intentions to extend the lease. Lease payment associated with short-term lease are recognized as an expense as occurred. Lease terms are negotiated on an individual basis and contain a range of different terms and conditions.

The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

6 BIOLOGICAL ASSETS

Biological assets consist of current biological assets (crops) and non-current biological assets (livestock).

Livestock include cattle and other livestock. Cattle consist of dairy livestock with an average yearly lactation period of six months, immature cattle and cattle intended for sale. Other livestock mainly represent pigs, horses and sheep. The valuation of the biological assets is within level 3 of the fair value hierarchy.

As at 30 June biological assets comprise the following groups:

<i>(in thousands of Ukrainian hryvnias)</i>	30 June 2020		31 December 2019		30 June 2019	
	Units	Amount	Units	Amount	Units	Amount
	<i>(unaudited)</i>		<i>(audited)</i>		<i>(unaudited)</i>	
Non-current biological assets:						
Cattle	21 889	780 614	23 266	792 603	25 228	538 264
Other livestock		235		336		453
		780 849		792 939		538 717
Current biological assets						
Crops:	Hectares		Hectares		Hectares	
Sugar beet	34 473	976 424	-	-	35 223	1 124 517
Corn	61 927	966 670	-	-	65 821	1 854 600
Winter wheat	47 678	776 331	47 678	425 624	49 730	841 493
Soy	27 100	463 837	-	-	33 015	384 282
Sunflower	40 293	765 085	-	-	30 580	556 225
Barley	1 296	15 922	-	-	1 376	13 366
Rapeseeds	1 404	19 348	-	-	-	-
Other	655	5 224	-	-	1 661	11 298
	214 826	3 988 841	47 678	425 624	217 406	4 785 781
Total biological assets		4 769 690		1 218 563		5 324 498

<i>(in thousands of Euros)</i>	30 June 2020		31 December 2019		30 June 2019	
	Units	Amount	Units	Amount	Units	Amount
	<i>(unaudited)</i>		<i>(audited)</i>		<i>(unaudited)</i>	
Non-current biological assets:						
Cattle	21 889	26 064	23 266	29 998	25 228	18 106
Other livestock		8		13		15
		26 072		30 011		18 121
Current biological assets						
Crops:	Hectares		Hectares		Hectares	
Sugar beet	34 473	32 602	-	-	35 223	37 824
Corn	61 927	32 276	-	-	65 821	62 381
Winter wheat	47 678	25 921	47 678	16 109	49 730	28 304
Soy	27 100	15 487	-	-	33 015	12 926
Sunflower	40 293	25 545	-	-	30 580	18 709
Barley	1 296	532	-	-	1 376	450
Rapeseeds	1 404	646	-	-	-	-
Other	655	174	-	-	1 661	379
	214 826	133 183	47 678	16 109	217 406	160 973
Total biological assets		159 255		46 120		179 094

7 INVENTORIES

Inventories as at 30 June are as follows:

<i>(in thousands of Ukrainian hryvnias)</i>	30 June 2020	31 December 2019	30 June 2019
	(unaudited)	(audited)	(unaudited)
Finished goods:			
Sugar products	772 792	2 091 348	1 110 712
Soybean processing	342 831	142 602	156 188
Agricultural produce	43 154	1 529 653	193 196
Cattle farming	1 495	1 525	1 565
	1 160 272	3 765 128	1 461 661
Raw materials and consumables for:			
Agricultural produce	384 175	149 113	337 974
Sugar production	321 676	49 275	412 236
Cattle farming	100 781	148 442	116 742
Consumables for joint utilization	96 875	90 998	206 174
Other production	19 814	14 322	15 303
	923 321	452 150	1 088 429
Investments into future crops	98 679	900 195	212 739
	2 182 272	5 117 473	2 762 829

<i>(in thousands of Euros)</i>	30 June 2020	31 December 2019	30 June 2019
	(unaudited)	(audited)	(unaudited)
Finished goods:			
Sugar products	25 803	79 152	37 360
Soybean processing	11 447	5 397	5 254
Agricultural produce	1 441	57 893	6 498
Cattle farming	50	58	53
	38 741	142 500	49 165
Raw materials and consumables for:			
Agricultural produce	12 827	5 644	11 368
Sugar production	10 740	1 865	13 866
Cattle farming	3 365	5 618	3 927
Consumables for joint utilization	3 235	3 444	6 935
Other production	661	542	515
	30 828	17 113	36 611
Investments into future crops	3 295	34 068	7 154
	72 864	193 681	92 930

All inventories are stated at historical cost, except of agricultural produce, which is measured at fair value less costs to sell at the point of harvest. The fair value of agricultural produce was estimated based on market price as at the date of harvest and is within level 1 of the fair value hierarchy.

8 TRADE AND OTHER ACCOUNTS RECEIVABLE AND PREPAYMENTS

Trade and other accounts receivable and prepayments are as follows:

<i>(in thousands of Ukrainian hryvnias)</i>	30 June 2020	31 December 2019	30 June 2019
	(unaudited)	(audited)	(unaudited)
Long-term receivables and prepayments			
Advances to suppliers	6 976	7 089	7 321
Other long-term receivables	28 122	13 678	-
	35 098	20 767	7 321
Current accounts receivable and prepayments			
Trade receivables	466 953	678 744	581 910
Less credit loss allowance	(65 424)	(70 874)	(82 119)
	401 529	607 870	499 791
Prepayments and other non-financial assets:			
VAT recoverable and prepaid	715 269	922 433	1 392 094
Advances to suppliers	370 764	146 954	227 692
Less allowance	(65 549)	(65 695)	(67 680)
	1 020 484	1 003 692	1 552 106
Other financial assets:			
Government bonds	585	12 827	20 662
Other receivables	14 383	18 386	47 224
Less credit loss allowance	(3 697)	(2 118)	(3 042)
	11 271	29 095	64 844
	1 031 755	1 032 787	1 616 950
	1 433 284	1 640 657	2 116 741

<i>(in thousands of Euros)</i>	30 June 2020	31 December 2019	30 June 2019
	(unaudited)	(audited)	(unaudited)
Long-term receivables and prepayments			
Advances to suppliers	233	268	246
Other long-term receivables	939	518	-
	1 172	786	246
Current accounts receivable and prepayments			
Trade receivables	15 591	25 689	19 573
Less credit loss allowance	(2 184)	(2 682)	(2 762)
	13 407	23 007	16 811
Prepayments and other non-financial assets:			
VAT recoverable and prepaid	23 882	34 912	46 824
Advances to suppliers	12 379	5 562	7 659
Less allowance	(2 189)	(2 486)	(2 276)
	34 072	37 988	52 207
Other financial assets:			
Government bonds	20	485	695
Other receivables	480	693	1 588
Less credit loss allowance	(123)	(80)	(103)
	377	1 098	2 180
	34 449	39 086	54 387
	47 856	62 093	71 198

9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are as follows:

(in thousands of Ukrainian hryvnias)

	30 June 2020 (unaudited)	31 December 2019 (audited)	30 June 2019 (unaudited)
Cash in banks in UAH	38 436	145 091	284 783
Cash in banks in USD	23 766	166 368	208 578
Cash in banks in PLN	3 381	3 171	3 665
Cash in banks in EUR	1 746	8 795	17 488
Cash in banks in CHF	246	684	93
	67 575	324 109	514 607
Cash on hand in UAH	820	613	751
Cash in transit in USD	-	1 324	-
	68 395	326 046	515 358

(in thousands of Euros)

	30 June 2020 (unaudited)	31 December 2019 (audited)	30 June 2019 (unaudited)
Cash in banks in UAH	1 284	5 491	9 579
Cash in banks in USD	794	6 297	7 015
Cash in banks in PLN	113	120	123
Cash in banks in EUR	58	333	588
Cash in banks in CHF	8	26	3
	2 257	12 267	17 308
Cash on hand in UAH	27	23	26
Cash in transit in USD	-	50	-
	2 284	12 340	17 334

10 SHARE CAPITAL

ASTARTA Holding N.V. has one class of common shares with par value of EUR 0.01 (UAH 0.28). All shares have equal voting rights. The number of authorized shares as of 30 June 2020 is 30,000 thousand (2019: 30,000 thousand) and the number of issued and fully paid-up shares is 25,000 thousand (2019: 25,000 thousand).

Share capital is as follows:

	30 June 2020 (unaudited)	31 December 2019 (audited)	30 June 2019 (unaudited)
Astarta Holding N.V.			
Viktor Ivanchyk	39,14%	38,39%	37,99%
Fairfax Financial Holdings LTD with subsidiaries	28,98%	28,98%	28,16%
Other shareholders	31,88%	32,63%	33,85%
	100,00%	100,00%	100,00%

The earnings and weighted average number of ordinary shares used in calculation of earnings per share are as follows:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	2020 (unaudited)	2019 (unaudited)	2020 (unaudited)	2019 (unaudited)
Net profit attributable to equity holders of the company	244 148	871 853	7 370	29 403
Weighted average basic and diluted shares outstanding (in thousands of shares)	24 310	24 310	24 310	24 310
Earnings per share attributable to shareholders of the company	10,04	35,86	0,30	1,21

11 LOANS AND BORROWINGS

Loans and borrowings are as follows:

<i>(in thousands of Ukrainian hryvnias)</i>	30 June 2020 (unaudited)	31 December 2019 (audited)	30 June 2019 (unaudited)
Long-term loans and borrowings:			
Bank loans	17 589	15 608	-
	17 589	15 608	-
Current portion of long-term loans and borrowings:			
Bank loans	-	14 939	33 511
Borrowings from non-financial institutions	93 401	42 161	46 773
Transaction costs	-	(157)	(770)
	93 401	56 943	79 514
Short-term loans and borrowings:			
Bank loans	3 568 510	3 893 957	5 594 620
Transaction costs	(26 665)	(19 022)	(30 077)
	3 541 845	3 874 935	5 564 543
	3 652 835	3 947 486	5 644 057

<i>(in thousands of Euros)</i>	30 June 2020 (unaudited)	31 December 2019 (audited)	30 June 2019 (unaudited)
Long-term loans and borrowings:			
Bank loans	587	591	-
	587	591	-
Current portion of long-term loans and borrowings:			
Bank loans	-	565	1 128
Borrowings from non-financial institutions	3 119	1 596	1 573
Transaction costs	-	(6)	(26)
	3 119	2 155	2 675
Short-term loans and borrowings:			
Bank loans	119 149	147 376	188 180
Transaction costs	(890)	(720)	(1 012)
	118 259	146 656	187 168
	121 965	149 402	189 843

Bank loans are secured as follows:

	30 June 2020 (unaudited)	31 December 2019 (audited)	30 June 2019 (unaudited)
<i>(in thousands of Ukrainian hryvnias)</i>			
Property, plant and equipment	4 069 304	3 909 463	3 308 554
Inventories	786 301	2 078 392	1 214 044
Biological assets	672 725	-	2 393 510
Rights of claim on future cash proceeds from sale contracts	466 246	286 801	340 791
Short-term deposits	-	-	10 000
	5 994 576	6 274 656	7 266 899
	30 June 2020 (unaudited)	31 December 2019 (audited)	30 June 2019 (unaudited)
<i>(in thousands of Euros)</i>			
Property, plant and equipment	135 870	147 962	111 286
Inventories	26 254	78 661	40 835
Biological assets	22 462	-	80 508
Rights of claim on future cash proceeds from sale contracts	15 567	10 855	11 463
Short-term deposits	-	-	336
	200 153	237 478	244 428

12 OTHER LIABILITIES AND ACCOUNTS PAYABLE

Other accounts payable as follows:

	30 June 2020 (unaudited)	31 December 2019 (audited)	30 June 2019 (unaudited)
<i>(in thousands of Ukrainian hryvnias)</i>			
Other liabilities:			
Advances received from customers	53 812	117 587	164 021
VAT payable	50 858	63 777	11 793
	104 670	181 364	175 814
Other accounts payable:			
Accrual for unused vacations	66 466	56 185	68 970
Other taxes and charges payable	30 506	37 636	30 470
Salaries payable	42 348	21 112	38 620
Payable to non-controlling participants	-	13 069	13 069
Social insurance payable	13 920	9 777	11 524
Accounts payable for property, plant and equipment	8 870	2 698	6 320
Other payables	22 542	21 546	38 351
	184 652	162 023	207 324
	289 322	343 387	383 138

<i>(in thousands of Euros)</i>	30 June 2020	31 December 2019	30 June 2019
	(unaudited)	(audited)	(unaudited)
Other liabilities:			
Advances received from customers	1 797	4 450	5 517
VAT payable	1 698	2 414	397
	3 495	6 864	5 914
Other accounts payable:			
Accrual for unused vacations	2 219	2 126	2 320
Other taxes and charges payable	1 019	1 424	1 025
Salaries payable	1 414	799	1 299
Payable to non-controlling participants	-	495	440
Social insurance payable	465	370	388
Accounts payable for property, plant and equipment	296	102	213
Other payables	752	816	1 288
	6 165	6 132	6 973
	9 660	12 996	12 887

13 REVENUES

Revenues for the six months ended 30 June are as follows:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	2020	2019	2020	2019
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Sugar production	1 615 039	1 684 020	56 802	55 322
Crops	1 548 797	3 150 649	54 473	103 446
Soybean processing products	1 149 309	1 399 579	40 422	45 978
Cattle farming	514 051	509 844	18 080	16 749
Other sales	66 872	112 279	2 352	3 688
	4 894 068	6 856 371	172 129	225 183

14 COST OF REVENUES

Cost of revenues for the six months ended 30 June by product is as follows:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	2020	2019	2020	2019
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Sugar production	1 346 465	1 532 062	47 334	50 351
Crops	1 209 901	2 956 194	42 533	97 100
Soybean processing products	979 052	1 173 433	34 418	38 565
Cattle farming	405 162	406 933	14 243	13 374
Other sales	64 114	107 070	2 254	3 519
	4 004 694	6 175 692	140 782	202 909

Cost of revenues include effect of fair value measurement of agricultural produce in amount of UAH 387,771 thousand or EUR 13,630 thousand (2019: UAH 938,675 thousand or EUR 30,847 thousand).

15 GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses for the six months ended 30 June are as follows:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	2020	2019	2020	2019
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Salary and related charges	228 401	203 961	7 984	6 711
Professional services	38 953	32 777	1 362	1 078
Depreciation	33 850	50 537	1 183	1 665
Fuel and other materials	7 593	8 829	265	291
Other	26 420	39 466	924	1 302
	335 217	335 570	11 718	11 047

16 SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses for the six months ended 30 June are as follows:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	2020	2019	2020	2019
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Transportation	221 352	341 634	7 822	11 167
Storage and logistics	112 985	115 621	3 993	3 779
Salary and related charges	37 039	40 779	1 309	1 333
Fuel and other materials	10 928	13 055	386	427
Depreciation	9 269	13 157	328	428
Professional services	5 552	8 075	196	264
Other	20 927	20 526	739	670
	418 052	552 847	14 773	18 068

17 OTHER OPERATING EXPENSES

Other operating expenses for the six months ended 30 June are as follows:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	2020	2019	2020	2019
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Loss on disposal of property, plant and equipment	42 200	20 928	1 493	685
Depreciation	34 175	35 703	1 209	1 168
Charity and social expenses	31 545	12 500	1 116	409
Other salary and related charges	8 545	15 138	302	495
VAT written off	6 414	6 627	227	217
Other	9 031	11 862	319	369
	131 910	102 758	4 666	3 343

18 FINANCE (COSTS) INCOME

Finance (costs) income for the six months ended 30 June is as follows:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	2020 (unaudited)	2019 (unaudited)	2020 (unaudited)	2019 (unaudited)
Finance costs				
Interest expense				
Bank loans	(133 270)	(276 894)	(4 668)	(9 096)
Borrowings from non-financial institutions	(1 767)	(1 583)	(62)	(52)
	(135 037)	(278 477)	(4 730)	(9 148)
Net profit attributable to non-controlling interests of limited liability company subsidiaries	1 123	326	39	11
Interest expense on lease liability	(368 472)	(348 606)	(12 880)	(11 515)
Other finance costs	(8 707)	(13 946)	(304)	(458)
Total finance costs	(511 093)	(640 703)	(17 875)	(21 110)
Finance income				
Interest income	5 091	14 341	178	471
Other finance income	1 872	537	66	18
Total finance income	6 963	14 878	244	489

19 INCOME TAX CREDIT

Certain companies in the Group are subject to income taxes. Income tax expense for these companies for the six months ended 30 June is as follows:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	2020 (unaudited)	2019 (unaudited)	2020 (unaudited)	2019 (unaudited)
Income tax credit / (Current tax expenses)	20 351	(41 053)	740	(1 309)
Deferred tax benefit	27 521	52 842	1 001	1 685
	47 872	11 789	1 741	376

In 2020, 11 subsidiaries elected to pay FAT in lieu of other taxes (2019: 13 companies). FAT expense is included to cost of revenues. The remaining companies were subject to the Ukrainian corporate income tax at 18% rate (2019: 18%), Dutch corporate income tax rate of 25%, Cypriot income tax rate of 12.5%, and Swiss income tax rate of 14.6%.

20 SEGMENT REPORTING

At 30 June 2020 and 2019, the group is organized into four main operating/ reportable segments:

- production and wholesale distribution of sugar (sugar production)
- growing and selling grain and oilseeds crops (agriculture)
- dairy cattle farming (cattle farming)
- soybean processing

Other Group operations mainly comprise the production and sales of fodder and gas. Neither of these constitutes a separately reportable segment.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker that makes strategic decisions is the management board.

Revenues from external customers are derived primarily from the sales of sugar, crops, soybean processing and cattle farming products and are measured in a manner consistent with that in the income statement. Transfer prices between operating segments are on arm's length basis in a manner similar to transactions with third parties.

The sugar segment is highly seasonal, as sugar plants normally operate during September – December processing sugar beets harvested in September-November.

The agriculture segment, in the first half of the Group's financial year due to seasonality and the implications of IAS 41, reflects the effects of the valuation of biological assets and the sale of carried forward agri produce, while financial performance during the second half of the financial year mainly reflects the sale of crops and the effects of the revaluation of agri produce carried forward.

The amounts provided to the Board of Directors with respect of total assets are measured in a manner consistent with that of the consolidated financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset. Investments classified as available-for-sale financial assets are not considered to be segment assets. The amounts of total liabilities are measured in a manner consistent with that of the consolidated financial statements. Liabilities are allocated based on the operations of the segment.

All unallocated items relate to overall Group's operational activity and may not be allocated to the identified reporting segments.

The segment information for the six months ended 30 June 2020 is as follows:

<i>(in thousands of Ukrainian hryvnias)</i>	Sugar production		Agriculture		Cattle farming		Soybean processing		Unallocated		Total	
	2020 (unaudited)	2019 (unaudited)	2020 (unaudited)	2019 (unaudited)	2020 (unaudited)	2019 (unaudited)	2020 (unaudited)	2019 (unaudited)	2020 (unaudited)	2019 (unaudited)	2020 (unaudited)	2019 (unaudited)
Revenues from external customers	1 615 039	1 684 020	1 548 797	3 150 649	514 051	509 844	1 149 309	1 399 579	66 872	112 279	4 894 068	6 856 371
Inter-segment revenues	-	-	211 996	457 112	-	-	-	-	-	-	211 996	457 112
Cost of revenues	(1 346 465)	(1 532 062)	(1 209 901)	(2 956 194)	(405 162)	(406 933)	(979 052)	(1 173 433)	(64 114)	(107 070)	(4 004 694)	(6 175 692)
Inter-segment cost of revenues	-	-	-	-	(211 996)	(457 112)	-	-	-	-	(211 996)	(457 112)
Changes in fair value of biological assets and agricultural produce	-	-	946 582	1 445 841	26 231	6 881	-	-	-	-	972 813	1 452 722
Gross profit	268 574	151 958	1 285 478	1 640 296	135 120	109 792	170 257	226 146	2 758	5 209	1 862 187	2 133 401
Other operating income	10 905	17 286	44 674	21 643	2 517	2 857	-	1	2 504	4 250	60 600	46 037
General and administrative expense	(97 145)	(88 560)	(170 165)	(208 941)	(32 948)	(22 044)	(8 369)	(7 528)	(26 590)	(8 497)	(335 217)	(335 570)
Selling and distribution expense	(89 172)	(117 687)	(238 709)	(343 758)	(9 454)	(5 240)	(74 035)	(79 168)	(6 682)	(6 994)	(418 052)	(552 847)
Other operating expense	(21 465)	(19 654)	(53 906)	(37 282)	(3 806)	(3 226)	(6 540)	(7 622)	(46 193)	(34 974)	(131 910)	(102 758)
Profit/(loss) from operations	71 697	(56 657)	867 372	1 071 958	91 429	82 139	81 313	131 829	(74 203)	(41 006)	1 037 608	1 188 263
Interest expense on lease liability	(8 989)	(11 862)	(342 867)	(324 007)	-	-	-	-	(16 616)	(12 737)	(368 472)	(348 606)
Foreign currency exchange (loss)/gain	(139 511)	120 280	(195 117)	118 166	-	-	(20 054)	58 645	16 723	8 055	(337 959)	305 146
Interest expense	(44 636)	(124 117)	(83 461)	(120 043)	-	-	(5 921)	(32 311)	(1 019)	(2 006)	(135 037)	(278 477)
Interest income	-	-	-	-	-	-	-	-	5 091	14 341	5 091	14 341
Other income/(expense)	-	-	-	-	-	-	-	-	(4 955)	(20 603)	(4 955)	(20 603)
Profit/(Loss) before tax	(121 439)	(72 356)	245 927	746 074	91 429	82 139	55 338	158 163	(74 979)	(53 956)	196 276	860 064
Income tax credit/(expense)	-	-	-	-	-	-	-	-	47 872	11 789	47 872	11 789
Net profit/(loss)	(121 439)	(72 356)	245 927	746 074	91 429	82 139	55 338	158 163	(27 107)	(42 167)	244 148	871 853
Consolidated total assets	3 415 447	4 536 916	13 375 029	14 994 147	1 249 327	1 074 089	875 198	1 023 683	840 151	1 462 591	19 755 152	23 091 426
Consolidated total liabilities	1 035 763	2 504 921	6 031 428	6 672 080	357	6 627	345 346	787 330	533 100	652 741	7 945 994	10 623 699
Other segment information:												
Depreciation and amortisation	159 310	177 054	657 670	648 395	19 758	23 041	21 861	21 631	20 732	28 500	879 331	898 621
Additions to non-current assets:												
Property, plant and equipment	9 912	1 905	275 508	478 018	2 725	3 079	2 930	2 297	7 421	1 504	298 496	486 803
Intangible assets	-	350	393	426	-	-	29	16	1 724	3 773	2 146	4 565
Right-of-use asset	4 457	26 122	153 993	562 892	-	-	-	-	21 555	-	180 005	589 014

(in thousands of Euros)	Sugar production		Agriculture		Cattle farming		Soybean processing		Unallocated		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenues from external customers	56 802	55 322	54 473	103 446	18 080	16 749	40 422	45 978	2 352	3 688	172 129	225 183
Inter-segment revenues	-	-	7 456	15 016	-	-	-	-	-	-	7 456	15 016
Cost of revenues	(47 334)	(50 351)	(42 533)	(97 100)	(14 243)	(13 374)	(34 418)	(38 565)	(2 254)	(3 519)	(140 782)	(202 909)
Inter-segment cost of revenues	-	-	-	-	(7 456)	(15 016)	-	-	-	-	(7 456)	(15 016)
Changes in fair value of biological assets and agricultural produce	-	-	32 660	48 220	905	229	-	-	-	-	33 565	48 449
Gross profit	9 468	4 971	44 600	54 566	4 742	3 604	6 004	7 413	98	169	64 912	70 723
Other operating income	378	571	1 549	715	87	94	-	-	87	140	2 101	1 520
General and administrative expense	(3 396)	(2 915)	(5 948)	(6 878)	(1 152)	(726)	(293)	(248)	(929)	(280)	(11 718)	(11 047)
Selling and distribution expense	(3 151)	(3 846)	(8 435)	(11 235)	(334)	(171)	(2 616)	(2 587)	(237)	(229)	(14 773)	(18 068)
Other operating expense	(759)	(639)	(1 907)	(1 213)	(135)	(105)	(231)	(248)	(1 634)	(1 138)	(4 666)	(3 343)
Profit/(loss) from operations	2 540	(1 858)	29 859	35 955	3 208	2 696	2 864	4 330	(2 615)	(1 338)	35 856	39 785
Interest expense on lease liability	(314)	(392)	(11 985)	(10 702)	-	-	-	-	(581)	(421)	(12 880)	(11 515)
Foreign currency exchange (loss)/gain	(5 212)	3 987	(7 289)	3 917	-	-	(749)	1 944	624	266	(12 626)	10 114
Interest expense	(1 563)	(4 078)	(2 923)	(3 942)	-	-	(207)	(1 062)	(37)	(66)	(4 730)	(9 148)
Interest income	-	-	-	-	-	-	-	-	178	471	178	471
Other income/(expense)	-	-	-	-	-	-	-	-	(169)	(680)	(169)	(680)
Profit/(Loss) before tax	(4 549)	(2 341)	7 662	25 228	3 208	2 696	1 908	5 212	(2 600)	(1 768)	5 629	29 027
Income tax credit/(expense)	-	-	-	-	-	-	-	-	1 741	376	1 741	376
Net profit/(loss)	(4 549)	(2 341)	7 662	25 228	3 208	2 696	1 908	5 212	(859)	(1 392)	7 370	29 403
Consolidated total assets	114 038	152 603	446 579	504 340	41 714	36 128	29 222	34 432	28 052	49 194	659 605	776 697
Consolidated total liabilities	34 583	84 255	201 383	224 421	12	223	11 531	26 482	17 800	21 955	265 309	357 336
Other segment information:												
Depreciation and amortisation	5 569	5 819	22 988	21 305	691	757	764	711	724	941	30 736	29 533
Additions to non-current assets:												
Property, plant and equipment	346	63	9 630	15 710	95	101	102	75	259	49	10 432	15 998
Intangible assets	-	12	14	14	-	-	1	1	60	124	75	151
Right-of-use asset	156	858	5 383	18 500	-	-	-	-	753	-	6 292	19 358

21 RELATED PARTY TRANSACTIONS

The Group enters into transactions with related parties in the ordinary course of business. Related parties comprise the Group's associates, joint ventures, the shareholders, companies that are under control of the Group's shareholders, key management personnel and their close family members and companies that are controlled or significantly influenced by shareholders. Prices for related party transactions are determined on an ongoing basis. The terms of related party transactions may differ from market terms.

The following table summarises transactions that have been entered into with related parties for the six months ended 30 June 2020 as well as balances with related parties as at 30 June 2020:

<i>(in thousands of Ukrainian hryvnias)</i>	Sales to related parties: (unaudited)	Purchases from related parties: (unaudited)	Amounts owed by related parties: (unaudited)	Amounts owed to related parties: (unaudited)
Companies under control of one of the shareholders with significant influence over the Group	775	17 491	6 182	96 919
	775	17 491	6 182	96 919

<i>(in thousands of Euros)</i>	Sales to related parties: (unaudited)	Purchases from related parties: (unaudited)	Amounts owed by related parties: (unaudited)	Amounts owed to related parties: (unaudited)
Companies under control of one of the shareholders with significant influence over the Group	27	611	206	3 236
	27	611	206	3 236

The following table summarises transactions that have been entered into with related parties for the six months ended 30 June 2019 as well as balances with related parties as at 30 June 2019:

<i>(in thousands of Ukrainian hryvnias)</i>	Sales to related parties: (unaudited)	Purchases from related parties: (unaudited)	Amounts owed by related parties: (unaudited)	Amounts owed to related parties: (unaudited)
Companies under control of one of the shareholders with significant influence over the Group	1 504	18 966	5 793	51 318
	1 504	18 966	5 793	51 318

<i>(in thousands of Euros)</i>	Sales to related parties: (unaudited)	Purchases from related parties: (unaudited)	Amounts owed by related parties: (unaudited)	Amounts owed to related parties: (unaudited)
Companies under control of one of the shareholders with significant influence over the Group	49	623	195	1 726
	49	623	195	1 726

Other transactions

As at 30 June 2020, the Group had a USD denominated loan from the entity under control of a shareholder of UAH 93,401 thousand (2019: UAH 46,774 thousand) or EUR 3,119 thousand (2019: EUR 1,573 thousand) bearing an interest of 4.5% p.a.

The Group rents an office premises from related party under control of the shareholder with significant influence over the Group and has accounted these lease agreements according IFRS 16. As at 30 June 2020, the Group had the lease liability in amount of UAH 195,490 thousand or EUR 6,527 thousand and respective right-of-use asset in amount of UAH 187,686 thousand or EUR 6,267 thousand (2019: UAH 128,556 thousand or EUR 4,324 thousand and UAH 102,498 thousand or EUR 3,448 thousand respectively) (Note 5). During 6 months 2020 the Group recognized depreciation charge of right-of-use asset in amount of UAH 4,176 thousand or EUR 146 thousand as General and administrative expenses (2019: UAH 9,768 thousand or EUR 322 thousand) (Note 5 and Note 15). During 6 months 2020 the interest expense was charged in amount of UAH 16,506 thousand or EUR 577 thousand (2019: UAH 12,627 thousand or EUR 417 thousand) (Note 5 and Note 18).

22 EVENTS SUBSEQUENT TO THE REPORTING DATE

There are no subsequent events to mention.

Board of Directors of ASTARTA Holding N.V.

V. Ivanchyk _____

V. Gladkyi _____

M.M.L.J. van Campen _____

H.Dahl _____

G.Mettetal _____

H.Arslan _____

12 August 2020

Amsterdam, the Netherlands



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