

ASTARTA HOLDING N.V.

SEMIANNUAL REPORT

of the Board of Directors
for the six months period ended 30 June 2018



ASTARTA Holding N.V.
agri-industrial holding

Introduction

The current reporting period has been strongly influenced by the changed market situation, the correction of sugar price, reduced sales volumes and a volatile performance of the EUR to USD exchange rate. Consequently, ASTARTA finished the first half of 2018 generating revenues of EUR 175 million (less 30% y-o-y), while the EBITDA stood at EUR 60 million, which is 37% less y-o-y. Both local and global sugar markets are still under pressure of oversupply. However, strong deliveries of sugar outside Ukraine successfully draw down large inventories bringing stock levels at the start of the new sugar production season in Ukraine to a minimum.

As of the date of report publication, ASTARTA's farming units had finished the harvest of early grain crops. This year, the company harvested over 250 000 tons of early grain crops, less 7% y-o-y, due to stressful weather conditions during spring vegetation; in particular, a prolonged cold period and lack of precipitation in spring and rainy summer. Nevertheless, the company managed to complete the harvesting campaign with minimum risk to loss of wheat quality. Reduced volume of wheat harvest is already compensated by crop price recovery. Late crops are developing smoothly and we have an optimistic view on the harvest of corn, sunflower, soya and sugar beet.

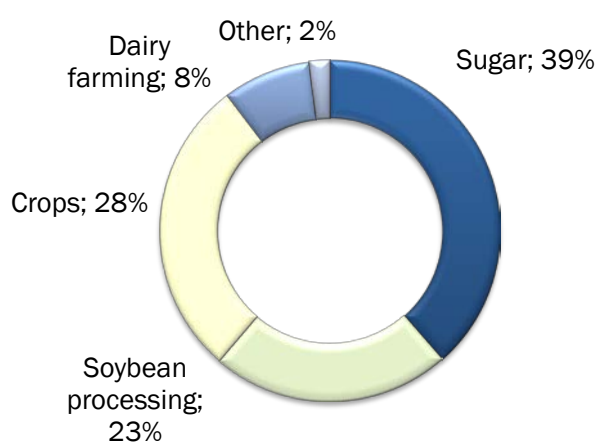
The company continues to invest in the modernisation of sugar production processes and the expansion of grain storage infrastructure. In July, the group commissioned three grain storage complexes in the Poltava region and added another 230 000 tons of storage capacity. Till the end of the marketing year 2018/19 the company is to commission another silo with the installed storage capacity of 120 000 tons. New facilities are aimed to cover both ASTARTA subsidiaries and the needs of local partners. We believe this extensive investment will bring an impulse for the strong growth of ASTARTA in the future.

Key financial results 1H2018

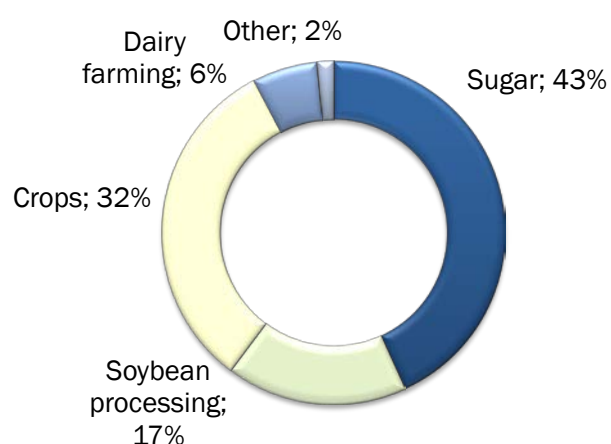
- The group's revenue of EUR 175 million is 30% less from that of last year. As the comparison base of 2017 is overstated due to logistical delays in the last quarter of 2016, it would be more representative to compare results from the first half of 2018 with that of 2016, which amounted to EUR 148 million.
- EBITDA stood at EUR 60 million in the first six months of 2018, a decline of 37% from results a year ago on lowered revenues. Both general/administrative and selling/distribution expenses corrected by 7% and 1% respectively. Other operating expenses declined by 28%. The crops segment was the major contributor to the group's EBITDA of 86%, followed by the sugar, soybean processing and dairy segments.
- Net income for the period was EUR 37 million, less 49% y-o-y. On adoption of IFRS 16, the company reported an interest expense on lease liability of EUR 7 million.
- The group's balance sheet remained strong with total assets standing at EUR 705 million, while total equity amounted to EUR 418 million. Net debt as of 30 June 2018 stood at EUR 226 million, up by EUR 96 million from the 2017 year-end level. The key reason for the increase is the early adoption of IFRS 16 standard and subsequently adding EUR 76 million as lease liabilities in the calculation of the net debt. Another reason for the growth in debt is the extensive grain storage investment program and preparations for the upcoming sugar season. Accordingly, the gearing ratio rose modestly to 0.54 as of the semiannual end balance sheet date (30 June 2017: 0.24).
- In July 2018 the company, acting pursuant to Resolution No. 8 adopted by the Annual General Meeting of Shareholders of the Company on 25 May 2018 during trading sessions on the main market of the Warsaw Stock Exchange, purchased its own shares in the quantity of 12 950.

Segment performance

1H2018



1H2017



Key financial data

(in EUR thousands)	1H 2018	1H 2018 (without IFRS 16)	1H 2017
Revenues	175 115	175 115	250 317
Cost of sales	(154 192)	(154 192)	(184 119)
Revaluation of biological assets	47 478	42 382	42 992
Gross profit	68 401	63 305	109 190
<i>Gross profit margin</i>	39%	36%	44%
EBIT	40 871	35 659	77 842
<i>EBIT margin</i>	23%	20%	31%
EBITDA	60 104	49 328	96 155
<i>EBITDA margin</i>	34%	28%	38%
Financial costs including FOREX	(3 539)	3 351	(4 347)
Net profit (loss)	37 252	38 946	72 570
<i>Net profit (loss) margin</i>	21%	22%	29%
<i>Cash flows provided by operating activities</i>	32 864	13 185	66 253
<i>Cash flows used in investing activities</i>	(20 464)	(20 464)	(23 732)
<i>Cash flows provided by financing activities</i>	(4 873)	14 698	(24 141)
NET DEBT	225 987	150 108	99 209
EBITDA (LTM)	84 189	73 413	139 113
NET DEBT/EBITDA (LTM)	2,68	2,04	0,68
DEBT/EQUITY	0,54	0,36	0,24

No breach of covenants for the reporting period

Sugar segment

KEY HIGHLIGHTS

Share in consolidated revenues: 39%

Segment sales: EUR 67.5 million

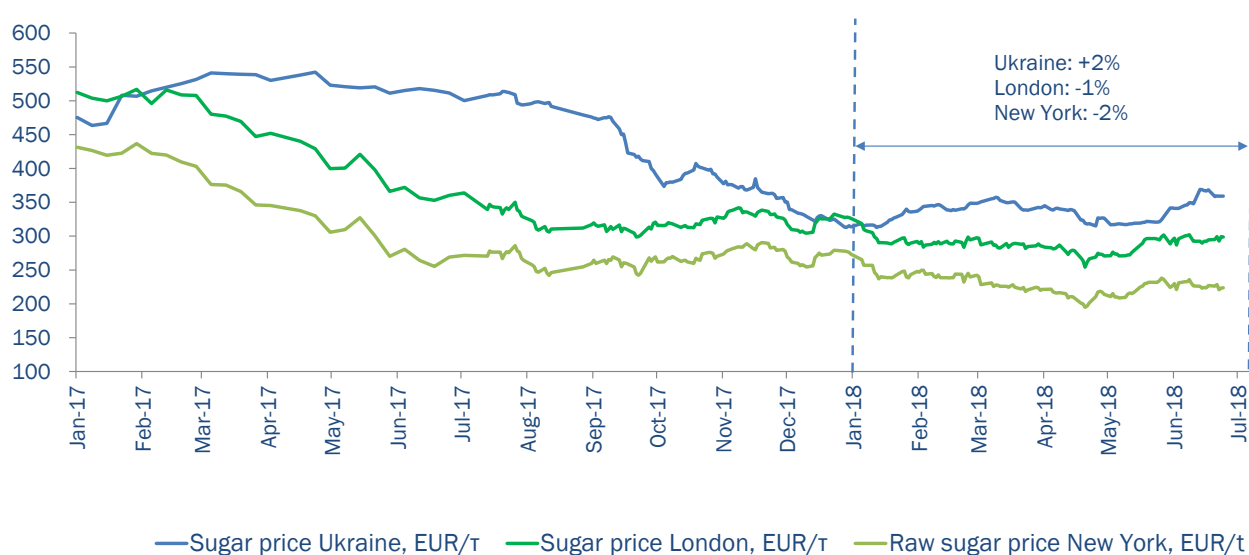
Export sales of sugar (volumes): 50%

Sugar sales and price performance

	1H2018	1H2017
Sugar sales volumes, ths tons	185	223
Price, EUR/t	340	466

In the reporting period, ASTARTA generated revenues of EUR 67.5 million in the sugar segment on sales volumes of sugar of 185 000 tons (-17% y-o-y on lower stocks level) with a correction of the selling price by almost 27%. This has been the most significant contributor to the group's revenues of 39%. Molasses sales volumes amounted to 28 000 tons, less 10% y-o-y, while granulated pulp sales improved by 97% to 22 000 tons. The company delivered decent sugar exports – 92 000 tons, providing for half of the total sales volume.

Sugar price performance



Source: AAA

The Ukrainian sugar price during the first six months of 2018 corrected by almost 27% y-o-y on the strong production season of 2017/18 MY and global overproduction. At the same time, solid volumes of Ukraine’s sugar export of 332 000 tons, that is only 15% less y-o-y, significantly depleted closing inventories of sugar in the country, meaning that the start of the 2018/19 season will be at the minimum stock level. Since the start of the year and till the end of the reporting period the local price increased 2% (monthly compounded) unlike the negative dynamics for the global price.

There is still a bearish sentiment in the global sugar market. Experts predict a second season of production surpluses and abundant supplies buffering global stocks after good growing conditions for key producers, especially in India and Thailand. With this, the local market will be a focus for the company’s sales strategy.

Farming segment

Share in consolidated revenues: 28%
Segment sales: EUR 49.8 million
Export sales of grains (volumes): 80%

Crops sales and price performance

	1H2018	1H2018	1H2017	1H2017
	<i>thousand tons</i>	<i>EUR/t</i>	<i>thousand tons</i>	<i>EUR/t</i>
Wheat	52	150	181	153
Corn	189	143	270	148
Sunflower	46	303	32	330

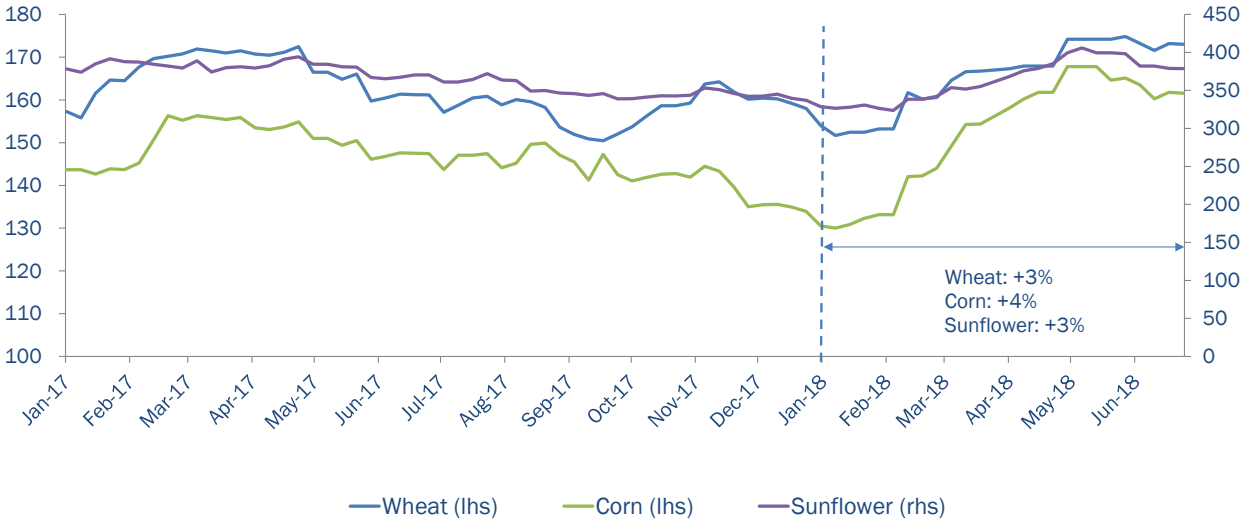
The farming segment in the reporting period generated revenues of EUR 49.8 million, that is 38% lower y-o-y. Sales volumes of key crops (wheat, corn, rye, and sunflower) dropped 41% y-o-y to 290 000 tons – an overstated comparison base stemming from logistical delays at the end of 2016. The selling price tracked international commodities quotes, where export, high as usual, stood at 80%.

In August 2018, ASTARTA’s farming units had finished the harvest of early grain crops. The total area under early grain crops accounted for 53 000 hectares. The average yield of winter wheat was 4.6 tons per hectare, less 8% y-o-y, bringing the

total harvest of winter wheat to 242 000 tons as a result of stressful weather patterns during spring vegetation; in particular, a prolonged cold period and the lack of precipitation followed by Ukrainian dynamics of yield correction.

At the same time, late crops are developing optimally. Most of our sugar beet, corn, sunflower, and soybean fields are in excellent condition and we have an optimistic view on the 2018 harvest.

Ukrainian crops price performance



Source: APK-inform

Soybean processing products segment

Share in consolidated revenues: 23%
Segment sales: EUR 39.7 million
Export sales of soybean products (volumes): 75%

For the first half of 2018, the soybean processing segment accounted for 23% of the group’s revenues, generating revenues of EUR 39.7 million. This is less 7% y-o-y on flat sales volumes with a mixed price performance – a decrease for the price of oil but a stronger soymeal price on boosted export of soybean meal. Export stood at 75% in terms of volumes.

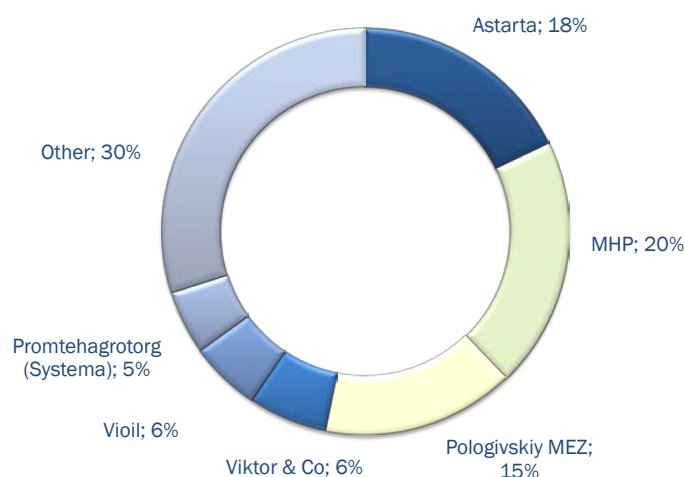
The Globyno processing plant started the first half of the year having processed over 121 000 tons of soybean, that is 3% higher y-o-y, and produced 89 000 tons of meal (+6% y-o-y) and 23 000 tons of oil (+6% y-o-y).

Soybean products sales and price performance

	1H2018	1H2018	1H2017	1H2017
	<i>thousand tons</i>	<i>EUR/t</i>	<i>thousand tons</i>	<i>EUR/t</i>
Soybean oil	22	621	22	719
Soybean meal	78	329	79	337
Soybean husk	5	99	5	88

Soybean prices in Ukraine increased by 11% in the reporting period providing for some pressure on the processing margin hit by US-Chinese trade tensions from the global perspective and a 13% correction on that which has been planted for the 2018 harvest from a local perspective.

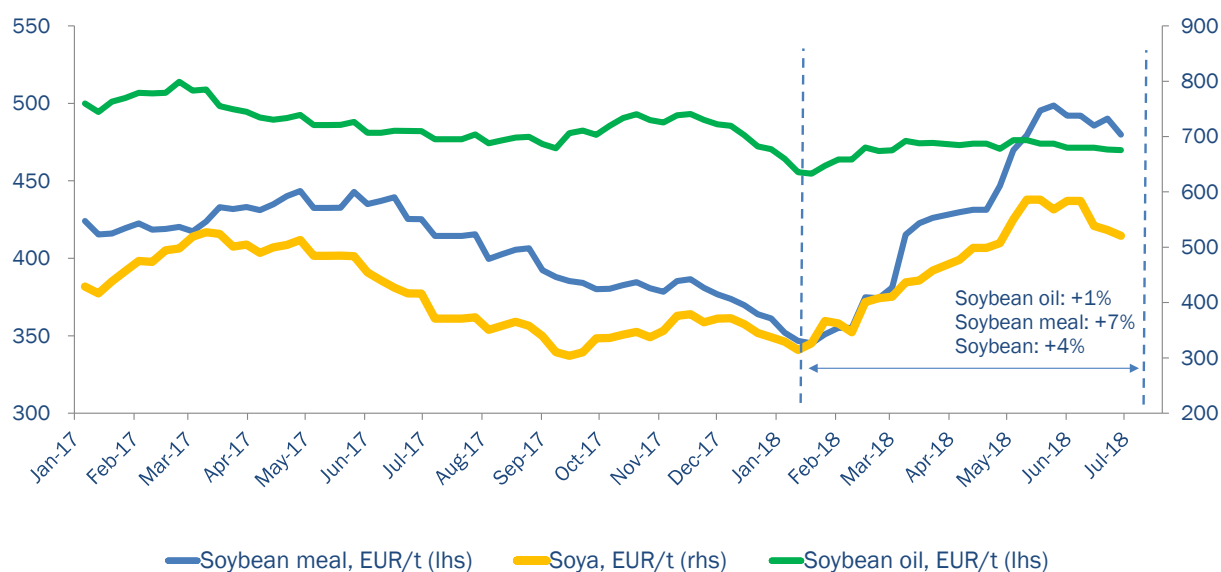
Key players in the Ukrainian soybean processing in first half 2018



Source: Agrochart

Price performance on soybean products remain mixed in the reporting period. On the one hand, soybean meal prices globally advanced over 11% y-o-y fuelled by record domestic feed in the US and drought in Argentina, and almost flat prices for soybean oil on higher inventories level.

Ukrainian price for soybean and soybean products



Source: APK-inform

Dairy segment

Share in consolidated revenues: 8%
Segment sales: EUR 14.7 million

Milk sales and price performance

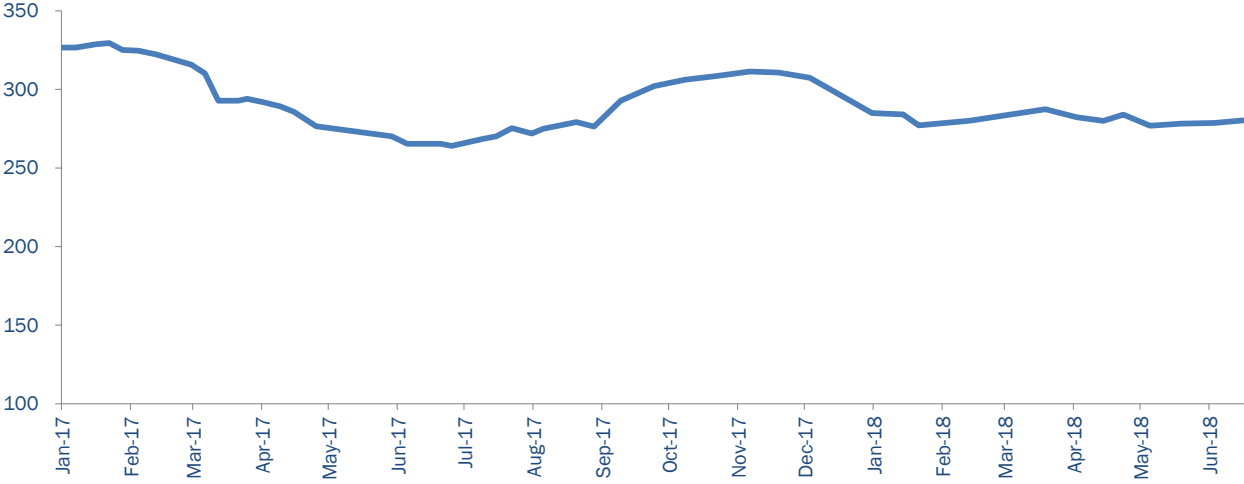
	1H2018	1H2017
Milk sales volumes, ths tons	54	52
Price, EUR/t	244	264

For the first half of 2018, the dairy segment contributed 8% of the group's revenues, that is about EUR 14.7 million (4% less y-o-y) on the lowered by 7% realised price and almost flat sales volumes. Total milk production increased to 55 000 tons (2% increase y-o-y). Milking cows productivity came to 20 kg per day.

In the reporting period, milk collection in Ukraine corrected by 1.3% to 5 million tons compared to the first half of 2018. The local milk price improved insignificantly

due to seasonal factors and sluggish local demand which meant additional pressure.

Local milk price performance, EUR/t



Source: Milk.Ua

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 2018 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 STARTA Holding N.V., and that the interim statement for the six months ended 30 June 2018 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 _____

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 2018**

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

<i>(in thousands of Ukrainian hryvnias)</i>	Notes	30 June 2018 (unaudited)	31 December 2017 (audited)	30 June 2017 (unaudited)
ASSETS				
Non-current assets				
Property, plant and equipment	7	7 573 437	7 332 799	7 299 924
Intangible assets	8	113 022	120 008	79 480
Biological assets	9	751 162	751 534	693 791
Value added tax		790 073	570 925	163 669
Financial instruments available-for-sale		3	2	1 511
Long-term receivables and prepayments	11	20 290	154 258	140 005
Right-of-use asset	5	2 501 803	-	-
		11 749 790	8 929 526	8 378 380
Current assets				
Inventories	10	2 948 280	6 522 474	2 481 398
Biological assets	9	5 050 696	572 899	4 392 282
Trade accounts receivable	11	328 451	490 873	302 515
Other accounts receivable and prepayments	11	765 292	803 998	1 496 716
Current income tax		2 811	27 273	1 051
Short-term cash deposits		25 867	36 043	77 652
Cash and cash equivalents	12	676 363	479 990	856 267
		9 797 760	8 933 550	9 607 881
Total assets		21 547 550	17 863 076	17 986 261
EQUITY AND LIABILITIES				
Equity				
Share capital		1 663	1 663	1 663
Additional paid-in capital		369 798	369 798	369 798
Retained earnings		9 430 081	8 036 911	8 064 320
Revaluation surplus		2 623 042	2 842 286	3 493 903
Treasury shares		(95 934)	(95 934)	(95 934)
Currency translation reserve		444 179	495 066	380 872
Total equity		12 772 829	11 649 790	12 214 622
Non-current liabilities				
Loans and borrowings	14	2 230 800	1 499 141	1 078 366
Non-controlling interests in limited liability companies		56 532	112 307	286 747
Other long-term liabilities		3 466	17 430	14 364
Lease liability	5	1 935 118	-	-
Deferred tax liabilities		316 039	345 264	451 880
		4 541 955	1 974 142	1 831 357
Current liabilities				
Loans and borrowings	14	2 272 852	2 361 524	1 688 256
Current portion of long-term loans and borrowings	14	787 094	1 019 857	1 122 415
Trade accounts payable		179 108	235 654	313 927
Current portion of lease liability	5	384 360	-	-
Current income tax		25 522	28 849	33 644
Other liabilities and accounts payable	15	583 830	593 260	782 040
		4 232 766	4 239 144	3 940 282
Total equity and liabilities		21 547 550	17 863 076	17 986 261

The notes on pages 24 to 48 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

<i>(in thousands of Euros)</i>	Notes	30 June 2018 (unaudited)	31 December 2017 (audited)	30 June 2017 (unaudited)
ASSETS				
Non-current assets				
Property, plant and equipment	7	247 757	218 920	245 073
Intangible assets	8	3 698	3 582	2 668
Biological assets	9	24 574	22 437	23 292
Value added tax		25 846	17 045	5 495
Financial instruments available-for-sale		-	-	51
Long-term receivables and prepayments	11	664	4 605	4 700
Right-of-use asset	5	81 844	-	-
		384 383	266 589	281 279
Current assets				
Inventories	10	96 450	194 727	83 306
Biological assets	9	165 228	17 104	147 457
Trade accounts receivable	11	10 745	14 655	10 156
Other accounts receivable and prepayments	11	25 037	24 002	50 248
Current income tax		92	814	35
Short-term cash deposits		846	1 076	2 607
Cash and cash equivalents	12	22 127	14 330	28 747
		320 525	266 708	322 556
Total assets		704 908	533 297	603 835
EQUITY AND LIABILITIES				
Equity				
Share capital		250	250	250
Additional paid-in capital		55 638	55 638	55 638
Retained earnings		515 308	468 135	465 509
Revaluation surplus		127 102	137 003	166 864
Treasury shares		(4 801)	(4 801)	(4 801)
Currency translation reserve		(275 645)	(308 425)	(273 390)
Total equity		417 852	347 800	410 070
Non-current liabilities				
Loans and borrowings	14	72 978	44 757	36 203
Non-controlling interests in limited liability companies		1 849	3 353	9 627
Other long-term liabilities		113	520	482
Lease liability	5	63 305	-	-
Deferred tax liabilities		10 339	10 308	15 170
		148 584	58 938	61 482
Current liabilities				
Loans and borrowings	14	74 354	70 503	56 678
Current portion of long-term loans and borrowings	14	25 749	30 448	37 682
Trade accounts payable		5 859	7 035	10 539
Current portion of lease liability	5	12 574	-	-
Current income tax		835	861	1 129
Other liabilities and accounts payable	15	19 101	17 712	26 255
		138 472	126 559	132 283
Total equity and liabilities		704 908	533 297	603 835

The notes on pages 24 to 48 are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2018

<i>(in thousands of Ukrainian hryvnias)</i>	<i>Notes</i>	2018 (unaudited)	2017 (unaudited)
Revenues	16	5 683 417	7 237 478
Cost of revenues	17	(5 001 047)	(5 323 959)
Changes in fair value of biological assets and agricultural produce		1 498 990	1 247 019
Gross profit		2 181 360	3 160 538
Other operating income	18	76 069	28 253
General and administrative expense	19	(348 892)	(339 510)
Selling and distribution expense	20	(504 190)	(451 891)
Other operating expense	21	(116 762)	(143 908)
Profit from operations		1 287 585	2 253 482
Finance costs	22	(198 580)	(176 647)
Interest expense on lease liability	22	(221 829)	-
Foreign currency exchange gain	22	308 428	45 486
Finance income	22	24 845	5 629
Other income		8 845	2 131
Profit before tax		1 209 294	2 130 081
Income tax expense	23	(36 019)	(28 720)
Net profit		1 173 275	2 101 361
Net profit attributable to:			
Equity holders of the parent company		1 173 275	2 101 361
Weighted average basic and diluted shares outstanding (in thousands of shares)		24 405	24 405
Basic and diluted earnings per share attributable to shareholders of the company from continued operations (in Ukrainian hryvnias)		48,08	86,10

The notes on pages 24 to 48 are an integral part of these consolidated financial statements.

CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2018

<i>(in thousands of Euros)</i>	Notes	2018 (unaudited)	2017 (unaudited)
Revenues	16	175 115	250 317
Cost of revenues	17	(154 192)	(184 119)
Changes in fair value of biological assets and agricultural produce		47 478	42 992
Gross profit		68 401	109 190
Other operating income	18	2 394	974
General and administrative expense	19	(10 865)	(11 723)
Selling and distribution expense	20	(15 466)	(15 632)
Other operating expense	21	(3 593)	(4 967)
Profit from operations		40 871	77 842
Finance costs	22	(6 276)	(6 117)
Interest expense on lease liability	22	(7 011)	-
Foreign currency exchange gain	22	9 748	1 575
Finance income	22	785	195
Other income		279	73
Profit before tax		38 396	73 568
Income tax expense	23	(1 144)	(998)
Net profit		37 252	72 570
Net profit attributable to:			
Equity holders of the parent company		37 252	72 570
Weighted average basic and diluted shares outstanding (in thousands of shares)		24 405	24 405
Basic and diluted earnings per share attributable to shareholders of the company from continued operations (in Euros)		1,53	2,97

The notes on pages 24 to 48 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2018

<i>(in thousands of Ukrainian hryvnias)</i>	2018	2017
Profit for the period	1 173 275	2 101 361
Other comprehensive income		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Exchange difference on transactions of foreign operations	(63 460)	67 494
Income tax effect	-	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	(63 460)	67 494
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>		
Exchange difference on transactions of foreign operations (the parent company)	12 573	(6 584)
Income tax effect	-	-
Revaluation of property, plant and equipment	-	-
Income tax effect	-	-
Share of non-controlling participants in LLC in revaluation of property, plant and equipment	794	-
Income tax effect	(143)	-
	651	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	13 224	(6 584)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income	1 123 039	2 162 271
Attributable to:		
Non-controlling interests in joint stock companies	-	-
Equity holders of the parent	1 123 039	2 162 271
Total comprehensive income as at 30 June	1 123 039	2 162 271

The notes on pages 24 to 48 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2018

<i>(in thousands of Euros)</i>	2018	2017
Profit for the period	37 252	72 570
Other comprehensive income		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>		
Exchange difference on transactions of foreign operations	32 780	(16 149)
Income tax effect	-	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods	32 780	(16 149)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>		
Exchange difference on transactions of foreign operations (the parent company)	-	-
Income tax effect	-	-
Revaluation of property, plant and equipment	-	-
Income tax effect	-	-
Share of non-controlling participants in LLC in revaluation of property, plant and equipment	24	-
Income tax effect	(4)	-
	20	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	20	-
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income (loss)	70 052	56 421
Attributable to:		
Non-controlling interests in joint stock companies	-	-
Equity holders of the parent	70 052	56 421
Total comprehensive income as at 30 June	70 052	56 421

The notes on pages 24 to 48 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2018

<i>(in thousands of Ukrainian hryvnias)</i>	Notes	2018 (unaudited)	2017 (unaudited)
Operating activities			
Profit before tax		1 209 294	2 130 081
<i>Adjustments for:</i>			
Depreciation and amortization		623 332	529 932
Allowance for impairment of trade and other accounts receivable		1 651	15 192
Loss on disposal of property, plant and equipment	21	3 218	12 024
Write down of inventories	21	42 138	44 475
VAT written off	21	16 632	27 758
Interest income	22	(11 022)	(5 629)
Gain on non-controlling interest purchase	22	(13 823)	-
Interest expense	22	165 196	129 674
Other finance costs	22	16 758	12 309
Interest expense on lease liability	5	221 829	-
Changes in fair value of biological assets and agricultural produce		(1 498 990)	(1 247 019)
Recovery of assets previously written off	18	(46 801)	(20 277)
Non-controlling interests in limited liability companies	22	16 626	34 664
Foreign exchange gain(loss) on loans and borrowings, deposits	22	(308 428)	(45 486)
<i>Working capital adjustments:</i>			
Decrease (increase) in inventories		3 578 857	3 821 688
Increase in trade and other receivables		(2 547 322)	(534 668)
Decrease in biological assets due to other changes		(2 978 435)	(3 016 241)
Decrease (increase) in trade and other payables		2 621 289	41 775
Income taxes paid		(43 311)	(15 027)
Cash flows provided by operating activities		1 068 688	1 915 225
Investing activities			
Purchase of property, plant and equipment, intangible assets and other non-current assets		(679 403)	(669 168)
Proceeds from disposal of property, plant and equipment		(456)	3 837
Interest received	22	11 022	5 629
Acquisition of subsidiaries net of cash acquired	6	-	16
Cash deposits placement		(3 212 551)	(1 589 798)
Cash deposits withdrawal		3 217 910	1 562 715
Cash flows used in investing activities		(663 478)	(686 769)
Financing activities			
Proceeds from loans and borrowings		2 891 896	1 762 621
Repayment of loans and borrowings		(2 209 490)	(2 319 787)
Payment of lease liabilities	5	(634 295)	-
Acquisition of non-controlling interest		(56 014)	-
Interest paid		(150 048)	(141 405)
Cash flows used in financing activities		(157 951)	(698 571)
Net decrease in cash and cash equivalents		247 259	529 886
Cash and cash equivalents as at 1 January		479 990	315 896
Currency translation difference		(50 886)	10 485
Cash and cash equivalents as at 30 June		676 363	856 267

The notes on pages 24 to 48 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2018

<i>(in thousands of Euros)</i>	Notes	2018 (unaudited)	2017 (unaudited)
Operating activities			
Profit before tax		38 396	73 568
<i>Adjustments for:</i>			
Depreciation and amortization		19 233	18 313
Allowance for impairment of trade and other accounts receivable		50	525
Loss on disposal of property, plant and equipment	21	99	415
Write down of inventories	21	1 297	1 535
VAT written off	21	512	959
Interest income	22	(348)	(195)
Gain on non-controlling interest purchase	22	(437)	-
Interest expense	22	5 221	4 490
Other finance costs	22	531	426
Interest expense on lease liability	5	7 011	-
Changes in fair value of biological assets and agricultural produce		(47 478)	(42 992)
Recovery of assets previously written off	18	(1 473)	(699)
Non-controlling interests in limited liability companies	22	525	1 200
Foreign exchange gain(loss) on loans and borrowings, deposits	22	(9 748)	(1 575)
<i>Working capital adjustments:</i>			
Decrease (increase) in inventories		110 427	132 069
Increase in trade and other receivables		(78 598)	(18 477)
Decrease in biological assets due to other changes		(91 901)	(104 234)
Decrease (increase) in trade and other payables		80 881	1 444
Income taxes paid		(1 336)	(519)
Cash flows provided by operating activities		32 864	66 253
Investing activities			
Purchase of property, plant and equipment, intangible assets and other non-current assets		(20 963)	(23 125)
Proceeds from disposal of property, plant and equipment		(14)	133
Interest received	22	348	195
Acquisition of subsidiaries net of cash acquired	6	-	1
Cash deposits placement		(99 125)	(54 940)
Cash deposits withdrawal		99 290	54 004
Cash flows used in investing activities		(20 464)	(23 732)
Financing activities			
Proceeds from loans and borrowings		89 231	60 912
Repayment of loans and borrowings		(68 175)	(80 166)
Payment of lease liabilities	5	(19 571)	-
Acquisition of non-controlling interest		(1 728)	-
Interest paid		(4 630)	(4 887)
Cash flows used in financing activities		(4 873)	(24 141)
Net decrease in cash and cash equivalents		7 527	18 380
Cash and cash equivalents as at 1 January		14 330	11 114
Currency translation difference		270	(747)
Cash and cash equivalents as at 30 June		22 127	28 747

The notes on pages 24 to 48 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2018

Attributable to equity holders of the parent company

<i>(in thousands of Ukrainian hryvnias)</i>	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 2018	1 663	369 798	8 036 911	2 842 286	(95 934)	495 066	11 649 790
Net profit	-	-	1 173 275	-	-	-	1 173 275
Exchange difference on translation	-	-	-	-	-	(50 887)	(50 887)
Total other comprehensive income, net of tax	-	-	-	651	-	(50 887)	(50 236)
Total comprehensive income	-	-	1 173 275	651	-	(50 887)	1 123 039
Realisation of revaluation surplus, net of tax	-	-	219 895	(219 895)	-	-	-
Impairment, net of tax	-	-	-	-	-	-	-
As at 30 June 2018	1 663	369 798	9 430 081	2 623 042	(95 934)	444 179	12 772 829

Attributable to equity holders of the parent company

<i>(in thousands of Euros)</i>	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 2018	250	55 638	468 135	137 003	(4 801)	(308 425)	347 800
Net profit	-	-	37 252	-	-	-	37 252
Exchange difference on translation	-	-	-	-	-	32 780	32 780
Total other comprehensive income, net of tax	-	-	-	20	-	32 780	32 800
Total comprehensive income	-	-	37 252	20	-	32 780	70 052
Realisation of revaluation surplus, net of tax	-	-	9 921	(9 921)	-	-	-
Impairment, net of tax	-	-	-	-	-	-	-
As at 30 June 2018	250	55 638	515 308	127 102	(4 801)	(275 645)	417 852

The notes on pages 24 to 48 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2017

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	Subtotal	Non-controlling interests	Total equity
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
As at 1 January 2017	1 663	369 798	5 653 075	3 789 642	(95 934)	319 962	10 038 206	-	10 038 206
Net profit (loss)	-	-	2 101 362	-	-	-	2 101 362	-	2 101 362
Acquisitions of entities under common control	-	-	14 144	-	-	-	14 144	-	14 144
Exchange difference on translation	-	-	-	-	-	60 910	60 910	-	60 910
Total other comprehensive income, net of tax	-	-	14 144	-	-	60 910	75 054	-	75 054
Total comprehensive income	-	-	2 115 506	-	-	60 910	2 176 416	-	2 176 416
Realisation of revaluation surplus, net of tax	-	-	295 739	(295 739)	-	-	-	-	-
As at 30 June 2017	1 663	369 798	8 064 320	3 493 903	(95 934)	380 872	12 214 622	-	12 214 622

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	Subtotal	Non-controlling interests	Total equity
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
As at 1 January 2017	250	55 638	376 304	183 025	(4 801)	(257 241)	353 175	-	353 175
Net profit (loss)	-	-	72 570	-	-	-	72 570	-	72 570
Acquisitions of entities under common control	-	-	474	-	-	-	474	-	474
Exchange difference on translation	-	-	-	-	-	(16 149)	(16 149)	-	(16 149)
Total other comprehensive income, net of tax	-	-	474	-	-	(16 149)	(15 675)	-	(15 675)
Total comprehensive income	-	-	73 044	-	-	(16 149)	56 895	-	56 895
Realisation of revaluation surplus, net of tax	-	-	16 161	(16 161)	-	-	-	-	-
As at 30 June 2017	250	55 638	465 509	166 864	(4 801)	(273 390)	410 070	-	410 070

The notes on pages 24 to 48 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 99.98% of the capital of LLC «Firm «Astarta-Kyiv» (Astarta-Kyiv) registered in Ukraine, which in turn controls 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, crop growing, soybean processing and cattle farming. The croplands, sugar plants and cattle operations are mainly located in the Poltava, Vinnytsia, Khmelnytsky, Chernihiv, Cherkasy, Ternopil, Zhytomyr and Kharkiv oblasts (administrative regions) of Ukraine. The Group's business is vertically integrated because sugar is produced primarily using own-grown sugar beet.

(a) Ukrainian business environment

In the recent years, Ukraine has been in a political and economic turmoil. Crimea, an autonomous republic of Ukraine, was effectively annexed by the Russian Federation. In 2017-2016, an armed conflict with separatists continued in certain parts of Luhansk and Donetsk regions. These events resulted in higher inflation, devaluation of the national currency against major foreign currencies, decrease of GDP, illiquidity and volatility of financial markets. In January 2016, the agreement on the free trade area between Ukraine and the EU came into force. As a result, the Russian Federation implemented a trade embargo or import duties on key Ukrainian export products. In response, Ukraine implemented similar measures against Russian products.

During six months ended 30 June 2018 annual inflation rate decreased to 9,9% (2017: 14%). The economic situation began to stabilize in 2016, which resulted in GDP growth for the year ended 31 December 2017 by 2% and stabilization of Ukrainian hryvnia. This allowed the National Bank of Ukraine to ease some foreign exchange restrictions imposed during 2014-2015, including decrease of the required share of foreign currency proceeds sale to 50% and permission of dividends remittance. However, certain other restrictions were prolonged. Significant external financing is required to support the economy.

Further stabilization of the economic and political situation depends, to a large extent, upon success of the Ukrainian government's efforts, yet further economic and political developments are currently difficult to predict.

2 BASIS OF PREPARATION

(a) Statement of compliance

These condensed consolidated interim financial statements for the six months ended 30 June 2018 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 2017 which have been prepared in accordance with IFRS.

(b) Going Concern

These consolidated financial statements are prepared on a going-concern basis, under which assets are sold and liabilities are repaid in the ordinary course of business. The accompanying consolidated financial statements do not include adjustments that would need to be made in case if the Group was unable to continue as a going concern.

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2018. 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 2018 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	30 June 2018	31 December 2017	30 June 2017
		% of ownership	% of ownership	% of ownership
Subsidiaries:				
Ancor Investments Ltd	Trade and investment activities	100,00%	100,00%	100,00%
LLC Firm "Astarta-Kyiv"	Asset management	99,98%	99,98%	99,98%
LLC "APO "Tsukrovyk Poltavshchyny"	Sugar production	99,72%	99,72%	99,72%
LLC "Agricultural company "Dovzhenko"	Agricultural	99,48%	97,53%	97,53%
LLC "Shyshaki combined forage factory"	Fodder production	90,56%	90,56%	90,56%
LLC "Agricultural company "Dobrobut"	Agricultural	99,98%	99,06%	98,24%
LLC "Agricultural company "Musievske"	Agricultural	99,98%	99,98%	89,98%
LLC "Globinskiy processing factory"	Soybean processing	99,98%	99,98%	99,98%
LLC "Dobrobut" (Novo-Sanzharskiy region)**	Agricultural	99,88%	99,88%	99,98%
LLC "Investment company "Poltavazernoproduct"	Agricultural	99,98%	99,98%	98,68%
LLC "List-Ruchky"	Agricultural	74,99%	74,99%	74,99%
LLC "Agropromgaz"	Trade	99,95%	89,98%	89,98%
LLC "Khmilnitske"	Agricultural	99,98%	99,80%	99,12%
LLC "Volochysk-Agro"	Agricultural	99,98%	99,98%	97,57%
LLC "Agricultural company "Mirgorodska"	Agricultural	99,98%	99,98%	89,98%
LLC "Kobelyatskiy combined forage factory"	Fodder production	98,59%	98,57%	98,56%
LLC "Agricultural company "Khorolska"	Agricultural	99,98%	99,98%	98,95%
LLC "Agricultural company "Lan" **	Agricultural	99,98%	99,98%	99,98%
LLC "Nika"	Agricultural	99,98%	99,98%	98,98%
LLC "Zhytnytsya Podillya"	Agricultural	96,98%	96,98%	96,98%
LLC "Astarta-Selektsiya"	Research and development	74,98%	74,98%	74,98%
LLC "Agrosvit Savyntsi"	Agricultural	99,98%	99,98%	99,98%
LLC "Khorolskiy combined forage factory" **	Fodder production	0,00%	99,56%	99,23%
ALC "Novoivanivskiy sugar plant"	Sugar production	94,49%	94,49%	94,49%
LLC "Investpromgaz"	Trade	99,98%	99,93%	99,93%
LLC "Tsukragromprom"	Trade	99,98%	99,98%	99,98%
LLC "Zerno-Agrotrade"	Trade	99,98%	99,98%	99,98%
LLC "Novoorzhytskiy sugar plant"	Sugar production	99,98%	99,98%	99,97%
LLC "APK Savynska"	Sugar production	99,98%	99,96%	99,96%
LLC "Globinskiy bioenergetichniy complex"	Sugar production	99,98%	99,98%	99,98%
LLC "Savynsi agro"	Agricultural	99,98%	99,98%	99,98%
PE "TMG"	Agricultural	99,98%	98,98%	98,98%
LLC "Eco Energy"	Agricultural	99,98%	99,98%	99,98%
ALLC "Lyaschivka"	Agricultural	99,98%	99,98%	99,98%
PLC "Agrotechnika Kobelyaki"	Agricultural	51,64%	51,39%	51,17%
LLC "Agri Chain"	Research and development	99,98%	99,98%	0,00%
LLC "Kronos-Agro 2015" *	Agricultural	0,00%	99,98%	0,00%
ALC "Narkevitskiy sugar plant"	Sugar production	99,98%	99,98%	99,98%
PJSC "Ukrainian Agro-Insurance Company"	Insurance	99,98%	99,19%	98,37%
Astarta Trading GmbH	Trade	100,00%	100,00%	0,00%
LLC AC "Agro-Ka Poltava" *	Agricultural	0,00%	99,98%	0,00%
LLC "Zlagoda Plus" *	Agricultural	0,00%	99,98%	0,00%
LLC "Agro-region" *	Agricultural	0,00%	99,98%	0,00%
LLC "Jerdia Agro" *	Agricultural	0,00%	99,98%	0,00%
LLC "Pochayna-Office" *	Asset management	99,98%	0,00%	0,00%
LLC "Pochayna-Nerukhomist" **	Asset management	99,98%	0,00%	0,00%

Associate:

LLC "Agricultural company "Pokrovska"***	Agricultural	0,00%	49,99%	49,99%
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* In April-May 2018, LLC "Kronos-Agro 2015" and LLC "Jerdia Agro" were merged with LLC "Volochnytsk-Agro".

In May 2018, the Group obtained control over LLC "Pochayna-Office" and LLC "Pochayna-Nerukhomist".

In June 2018, LLC "Agro-region" was merged with LLC "Khmilnitske".

As at 30 June 2018 LLC "Zlagoda Plus" and LLC AC "Agro-Ka Poltava" were in a process of merging with LLC "Agricultural company "Dovzhenko".

*** LLC "Dobrobut" (Novo-Sanzharskiy region), LLC "Agricultural company "Lan" and LLC "Pochayna-Nerukhomist" as at 30 June 2018 were on the liquidation stage.

LLC "Khorolskiy combined forage factory" and LLC "Agricultural company "Pokrovska" as at 30 June 2018 were liquidated.

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		
	2018	2017	30 June 2018	31 December 2017	30 June 2017
EUR	32.41	28.94	30.57	33.50	29.79
USD	26.75	26.76	26.19	28.07	26.10

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.

(f) New and amended standards adopted by the group

This is the first set of the Group's financial statements where IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments have been applied. The adoption of IFRS 9 have not material effect on the classification and measurement of the Group's financial assets and liabilities. The adoption of IFRS 15 have not significant effect on Group's revenues measurement and recognition. Changes to significant accounting policies are described in Note 4.

The Group has elected to apply IFRS 16 Leases for the first time in the 2018 interim financial report (initial application date: 1 January 2018). In accordance with the transition provisions in IFRS 16 the new rules have been adopted retrospectively with the cumulative effect of initially applying the new standard recognised on 1 January 2018 as permitted under IFRS 16 (C5)(b)). And therefore, the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. See Note 4 below for further details on the impact of the change in accounting policy. The new policy is described in Note 5.

In preparing these interim financial statements, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements, except for new significant judgements and key sources of estimation uncertainty related to the application of IFRS 16, which are described in Note 4.

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 2017 except for the adoption of new Standards and Interpretations noted below.

(a) 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 2019:

	<i>Effective for annual period beginning on or after</i>
International Financial Reporting Standards ("IFRS")	
<ul style="list-style-type: none"> ▪ IFRS 17 Insurance Contracts 	1 January 2021
Amendments to existing standards and interpretations	
<ul style="list-style-type: none"> ▪ Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture 	Deferred indefinitely
<ul style="list-style-type: none"> ▪ Amendments to IAS 28 – Long-term Interests in Associates and Joint Ventures 	1 January 2019
<ul style="list-style-type: none"> ▪ Amendments to IFRS 9 – Prepayment Features with Negative Compensation 	1 January 2019
<ul style="list-style-type: none"> ▪ IFRIC Interpretation 23 – Uncertainty over Income Tax Treatment 	1 January 2019

- Annual Improvements to IFRS Standards
2015-2017 Cycle

1 January 2019

4 CHANGES IN ACCOUNTING POLICIES

Except for the changes described below, the Group has consistently applied the accounting policies in these interim consolidated financial statements as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2017. The changes in accounting policies are also expected to be reflected in the Group's consolidated financial statements as at and for the year ending 31 December 2018.

The Group has initially adopted IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments from 1 January 2018. The adoption of IFRS 9 have not material effect on the classification and measurement of the Group's financial assets and liabilities. The adoption of IFRS 15 have not significant effect on Group's revenues measurement and recognition.

As indicated in note 2 above, the Group has applied IFRS 16 Leases using the modified retrospective approach with the cumulative effect of initially applying IFRS 16 recognised in retained earnings at the date of initial application on 1 January 2018, as permitted under the specific transition provisions in the standard. Comparatives for the 2017 financial year have therefore not been restated.

On adoption of IFRS 16, the group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. Contracts that were not identified as leases under IAS 17 and IFRIC4 were not reassessed for whether there is lease. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 January 2018.

On transition to IFRS 16 the Group recognized UAH 2,571,695 thousand or EUR 76,777 thousand of right-of-use assets and UAH 2,450,529 thousand or EUR 73,160 thousand of lease liabilities with no effect to retained earnings.

These liabilities were measured at the present value of the remaining lease payments, discounted using the borrowing rate as published by NBU as of 1 January 2018. The weighted average borrowing rate applied to the lease liabilities on 1 January was 16.61% for short-term borrowings and 18.96% for long-term borrowings.

	<i>(in thousands of Ukrainian hryvnias)</i>	<i>(in thousands of Euro)</i>
	1 January 2018	1 January 2018
Operating lease commitments disclosed as at 31 December 2017	3 953 672	118 036
Discounted using the borrowing rate of 16.61% - 18.96%	2 188 703	65 343
Add: adjustments as a result of a different treatment of liability and advances for land lease	84 462	2 522
Add: adjustments as a result of a different treatment of extension and termination options	11 964	357
Add: adjustments relating to new leases as at 01/01/2018	165 400	4 938
Lease liability recognised as at 1 January 2018	2 450 529	73 160

The associated rights-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2017.

Long-term receivables and prepayments reduced by UAH 130,198 thousand or EUR 3,887 thousand, other accounts receivable and prepayments reduced by UAH 72,469 thousand or EUR 2,163 thousand, trade payables by UAH 117 thousand or EUR 3 thousand and other liabilities and accounts payable by UAH 81,384 thousand or EUR 2,432 thousand on 1 January 2018. The net impact on retained earnings on 1 January 2018 was nil.

Adoption of IFRS 16 has no impact on the Group's finance leases. Leases of property, plant and equipment where the group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases.

In applying IFRS 16 for the first time, the group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2018 as short-term leases;
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has chosen to present the right-of-use assets and the lease liabilities as separate lines in the statement of financial position. The related detailed information is provided in one single Note 5.

5 RIGHT-OF-USE ASSET AND LEASE LIABILITY

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

<i>(in thousands of Ukrainian hryvnias)</i>	30 June 2018	1 January 2018	30 June 2017
Right-of-use assets			
Land	2 337 717	2 394 448	-
Office premises	154 274	165 400	-
Warehouse	9 812	11 847	-
	2 501 803	2 571 695	-
Lease liabilities			
Non-current	1 935 118	1 957 657	-
Current portion	384 360	492 872	-
	2 319 478	2 450 529	-
<i>(in thousands of Euro)</i>	30 June 2018	1 January 2018	30 June 2017
Right-of-use assets			
Land	76 476	71 486	-
Office premises	5 047	4 938	-
Warehouse	321	353	-
	81 844	76 777	-
Lease liabilities			
Non-current	63 305	58 446	-
Current portion	12 574	14 714	-
	75 879	73 160	-

Additions to the right-of-use assets during the 6 months 2018 financial year were UAH 67,449 thousand or EUR 2,081 thousand.

(ii) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

	Notes	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euro)</i>	
		30 June 2018	30 June 2017	30 June 2018	30 June 2017
Depreciation charge of right-of-use assets					
Land		169 614	-	5 234	-
Office premises		8 075	-	249	-
Warehouse		2 035	-	63	-
<hr/>					
Interest expense on lease liabilities (included in finance cost)		221 841	-	6 845	-
Expenses relating to short-term leases (included in operating expense)		3 551	-	110	-
Expenses relating to variable lease payments not included in the measurement of lease liabilities (included in operating expenses)		177 102	-	5 465	-

The total cash outflow for leases for 6 months 2018 was UAH 634,295 thousand or EUR 19,571 thousand and are classified as finance activities in the consolidated cash flow statements.

(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 35 months, but management considers usage period for office premises of 10 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.

Leases are recognised as a right-of-use asset and corresponding liability at the date of which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The Group has applied the cost model to right-of-use assets. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the present value of the following lease payments that are not paid as the commencement date:

- fixed payments (including in-substance fixed payments);
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date.

The lease payments are discounted using borrowing cost as published by National Bank of Ukraine on its official web-site (www.bank.gov.ua) as the interest rate implicit in the lease could not be determined.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's assessment of whether it will exercise extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of machinery and other assets that have a lease term of 12 months or less and leases of low-value assets. Payments associated with short-term leases of other assets are recognised on a straight-line basis as an expense in profit or loss.

(iv) Extension and termination options

Extension and termination options are included in a number of leases across the group. These terms are used to maximise operational flexibility in terms of managing contracts.

In determining the land lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The majority of extension and termination options held are exercisable by Group or by the respective Lessor that's why they are not included in measurement of assets and liabilities arising from land lease. Extension option is considered exercisable by the Group and is included in measurement of assets and liabilities arising from warehouse and office premises lease, lease term for office premises considered as 10 years and for warehouses as 3 years.

6 BUSINESS COMBINATIONS

Acquisition of new entities in 2018

During the reporting period the Group acquired LLC "Pochayna-Office" and LLC "Pochayna-Nerukhomist" which are non-listed companies located in Ukraine with the purpose to acquire office premises. Purchase of these entities are recognised as asset acquisition within acquisition of Property, plant and equipment (Note 7).

Acquisition of new entities in 2017

During the reporting period the Group completed acquisition of Private JSC "Ukrainian Agro-Insurance Company" which is private joint stock insurance company located in Ukraine with the purpose to develop Ukrainian insurance and reinsurance market of risks in agricultural production. On 30 June 2017, the Group acquired 100% ownership interest in Private JSC "Ukrainian Agro-Insurance Company" for consideration payable of UAH 10,458 thousand or EUR 351 thousand.

The excess of net assets acquired over the consideration payable is recognized in other comprehensive income statement as a gain on acquisition of subsidiaries. This gain arises because the fair value of the acquired monetary assets exceeds the amount payable for the subsidiaries. This situation is due to the significant risks involved in insurance business in Ukraine.

The purchase consideration will be settled by setting-off of mutual settlements, and the direct costs related to this acquisition are not significant.

The acquisition of the company had the following effect on assets and liabilities, which are stated at their fair values, as at the date they were acquired.

	Recognised fair value at acquisition	
	(in thousands of Ukrainian hryvnias) (unaudited)	(in thousands of Euros) (unaudited)
Non-current assets		
Property, plant and equipment	68	2
Financial instruments available-for-sale	1 509	51
Current assets		
Inventories	2	-
Trade accounts receivable	71	2
Other accounts receivable and prepayments	18 668	627
Short-term cash deposits	16 431	552
Cash and cash equivalents	16	1
Non-current liabilities		
Other long-term liabilities	(10 820)	(363)
Current liabilities		
Trade accounts payable	(25)	(1)
Current income tax	(825)	(28)
Other liabilities and accounts payable	(493)	(17)
<hr/>		
Net identifiable assets, liabilities and contingent liabilities	24 602	826
<hr/>		
Non-controlling interest	-	-
<hr/>		
Net assets acquired	24 602	826
<hr/>		
Excess of net assets acquired over consideration paid :		
acquisitions from third parties	-	-
acquisitions from entities under common control	14 144	474
Consideration payable	(10 458)	(352)
Cash acquired	16	1
<hr/>		
Net cash outflow	16	1

7 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2018, the Group acquired assets with a cost of UAH 700 020 thousand or EUR 21 599 thousand.

During the six months ended 30 June 2017, the Group acquired assets with a cost of UAH 643 911 thousand or EUR 22 252 thousand. Property, plant and equipment of UAH 68 thousand or EUR 2 thousand were acquired through a business combination (see Note 6)

Assets with a carrying amount of UAH 26 541 thousand or EUR 819 thousand were disposed of during the six months ended 30 June 2018 (2017: UAH 47 908 thousand or EUR 1 656 thousand).

8 INTANGIBLE ASSETS

During the six months ended 30 June 2018 the Group acquired intangible assets of UAH 3,026 thousand or EUR 93 thousand.

During the six months ended 30 June 2017 the Group acquired intangible assets of UAH 3,037 thousand or EUR 105 thousand.

Disposals for six months ended 30 June 2017 amounted to UAH 15 thousand or EUR 500. Disposals for six months ended 30 June 2016 amounted to UAH 4 908 thousand or EUR 173 thousand.

9 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 2018		31 December 2017		30 June 2017	
	Units	Amount (unaudited)	Units	Amount (audited)	Units	Amount (unaudited)
Non-current biological assets:						
Cattle	26 035	748 905	26 618	749 337	29 884	690 546
Other livestock		2 257		2 197		3 245
		751 162		751 534		693 791
Current biological assets						
Crops:	Hectares		Hectares		Hectares	
Sugar beet	40 239	1 178 981	-	-	46 467	1 278 746
Corn	65 335	1 606 659	-	-	58 683	1 226 787
Winter wheat	51 638	909 010	52 266	568 846	50 121	843 579
Soy	23 092	458 648	-	-	32 027	498 695
Sunflower	40 791	853 033	-	-	31 923	513 152
Barley	716	10 592	-	-	1 591	15 863
Winter rye	833	8 195	1 421	4 053	1 556	9 432
Other	2 005	25 578	-	-	605	6 028
	224 649	5 050 696	53 687	572 899	222 973	4 392 282
Total biological assets		5 801 858		1 324 433		5 086 073

<i>(in thousands of Euros)</i>	30 June 2018		31 December 2017		30 June 2017	
	Units	Amount (unaudited)	Units	Amount (audited)	Units	Amount (unaudited)
Non-current biological assets:						
Cattle	26 035	24 500	26 618	22 371	29 884	23 183
Other livestock		74		66		109
		24 574		22 437		23 292
Current biological assets						
Crops:	Hectares		Hectares		Hectares	
Sugar beet	40 239	38 569	-	-	46 467	42 930
Corn	65 335	52 560	-	-	58 683	41 186
Winter wheat	51 638	29 737	52 266	16 983	50 121	28 321
Soy	23 092	15 004	-	-	32 027	16 742
Sunflower	40 791	27 906	-	-	31 923	17 228
Barley	716	347	-	-	1 591	533
Winter rye	833	268	1 421	121	1 556	317
Other	2 005	837	-	-	605	200
	224 649	165 228	53 687	17 104	222 973	147 457
Total biological assets		189 802		39 541		170 749

10 INVENTORIES

Inventories as at 30 June are as follows:

<i>(in thousands of Ukrainian hryvnias)</i>	30 June 2018	31 December 2017	30 June 2017
	(unaudited)	(audited)	(unaudited)
Finished goods:			
Sugar products	976 778	2 261 262	767 751
Agricultural produce	250 554	2 348 637	348 227
Soybean processing	344 037	287 395	191 574
Cattle farming	1 736	1 824	1 607
	1 573 105	4 899 118	1 309 159
Raw materials and consumables for:			
Sugar production	404 125	129 016	271 929
Cattle farming	119 060	167 461	129 144
Agricultural produce	262 931	156 795	286 155
Other production	10 356	2 337	1 120
Consumables for joint utilization	480 089	368 338	379 663
	1 276 561	823 947	1 068 011
Investments into future crops	98 614	799 409	104 228
	2 948 280	6 522 474	2 481 398

<i>(in thousands of Euros)</i>	30 June 2018	31 December 2017	30 June 2017
	(unaudited)	(audited)	(unaudited)
Finished goods:			
Sugar products	31 954	67 510	25 775
Agricultural produce	8 197	70 118	11 691
Soybean processing	11 255	8 580	6 431
Cattle farming	57	54	54
	51 463	146 262	43 951
Raw materials and consumables for:			
Sugar production	13 221	3 852	9 129
Cattle farming	3 895	4 999	4 336
Agricultural produce	8 602	4 681	9 607
Other production	339	70	38
Consumables for joint utilization	15 706	10 996	12 746
	41 763	24 598	35 856
Investments into future crops	3 224	23 867	3 499
	96 450	194 727	83 306

Inventories as at 30 June include the following goods in transit:

(in thousands of Ukrainian hryvnias)

	30 June 2018	31 December 2017	30 June 2017
	(unaudited)	(audited)	(unaudited)
Goods in transit:			
Agricultural produce	48 009	387 582	87 652
Soybean processing	159 144	120 953	50 164
Sugar products	-	66 789	17 447
Consumables for joint utilization	-	1 560	-
	207 153	576 884	155 263

(in thousands of Euros)

	30 June 2018	31 December 2017	30 June 2017
	(unaudited)	(audited)	(unaudited)
Goods in transit:			
Agricultural produce	1 612	11 571	2 943
Soybean processing	5 343	3 611	1 684
Sugar products	-	1 994	586
Consumables for joint utilization	-	47	-
	6 955	17 223	5 213

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.

11 TRADE AND OTHER ACCOUNTS RECEIVABLE AND PREPAYMENTS

Trade and other accounts receivable and prepayments are as follows:

(in thousands of Ukrainian hryvnias)

	30 June 2018	31 December 2017	30 June 2017
	(unaudited)	(audited)	(unaudited)
Non-current accounts receivable and prepayments			
Advances to suppliers	19 784	131 228	138 545
Other long-term receivables	506	23 030	1 460
	20 290	154 258	140 005
Current accounts receivable and prepayments			
Trade receivables	373 694	547 477	355 851
Less allowance	(45 243)	(56 604)	(53 336)
	328 451	490 873	302 515
Prepayments and other non-financial assets:			
VAT recoverable and prepaid	495 605	589 785	829 338
Advances to suppliers	264 588	206 170	631 336
Less allowance	(32 221)	(34 290)	(13 480)
	727 972	761 665	1 447 194
Other financial assets:			
Financial aid	138	1 271	9 847
Other receivables	52 709	59 622	55 496
Less allowance	(15 527)	(18 560)	(15 821)
	37 320	42 333	49 522
	1 093 743	1 294 871	1 799 231

<i>(in thousands of Euros)</i>	30 June 2018 (unaudited)	31 December 2017 (audited)	30 June 2017 (unaudited)
Non-current accounts receivable and prepayments			
Advances to suppliers	647	3 918	4 651
Other long-term receivables	17	687	49
	664	4 605	4 700
Current accounts receivable and prepayments			
Trade receivables	12 225	16 345	11 947
Less allowance	(1 480)	(1 690)	(1 791)
	10 745	14 655	10 156
Prepayments and other non-financial assets:			
VAT recoverable and prepaid	16 213	17 608	27 842
Advances to suppliers	8 657	6 155	21 196
Less allowance	(1 054)	(1 024)	(453)
	23 816	22 739	48 585
Other financial assets:			
Financial aid	5	38	331
Other receivables	1 724	1 779	1 863
Less allowance	(508)	(554)	(531)
	1 221	1 263	1 663
	35 782	38 657	60 404

12 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are as follows:

<i>(in thousands of Ukrainian hryvnias)</i>	30 June 2018 (unaudited)	31 December 2017 (audited)	30 June 2017 (unaudited)
Cash in banks in USD	395 503	380 118	593 795
Cash in banks in UAH	272 512	95 185	260 827
Cash in banks in EUR	7 841	4 226	1 166
Cash in banks in PLN	120	-	214
Cash in banks in CHF	107	156	-
	676 083	479 685	856 002
Cash on hand in UAH	280	305	265
	676 363	479 990	856 267

<i>(in thousands of Euros)</i>	30 June 2018 (unaudited)	31 December 2017 (audited)	30 June 2017 (unaudited)
Cash in banks in USD	12 938	11 348	19 936
Cash in banks in UAH	8 915	2 842	8 756
Cash in banks in EUR	257	126	39
Cash in banks in PLN	4	-	7
Cash in banks in CHF	4	5	-
	22 118	14 321	28 738
Cash on hand in UAH	9	9	9
	22 127	14 330	28 747

13 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 2018 is 30,000 thousand (2017: 30,000 thousand) and the number of issued and fully paid-up shares is 25,000 thousand (2017: 25,000 thousand). For amount of shares pledged to secure bank loans refer to note 14.

Share capital is as follows:

	30 June 2018 (unaudited)	31 December 2017 (audited)	30 June 2017 (unaudited)
Astarta Holding N.V.			
Ivanchyk V.P.	36,26%	36,26%	36,10%
Fairfax Financial Holdings LTD with subsidiaries	28,06%	28,06%	28,01%
Other shareholders	35,68%	35,68%	35,89%
	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>	
	2018 (unaudited)	2017 (unaudited)	2018 (unaudited)	2017 (unaudited)
Net profit attributable to equity holders of the company	1 173 275	2 101 361	37 252	72 570
Weighted average basic and diluted shares outstanding (in thousands of shares)	24 405	24 405	24 405	24 405
Earnings per share attributable to shareholders of the company	48,08	86,10	1,53	2,97

14 LOANS AND BORROWINGS

Loans and borrowings are as follows:

<i>(in thousands of Ukrainian hryvnias)</i>	30 June 2018 (unaudited)	31 December 2017 (audited)	30 June 2017 (unaudited)
Long-term loans and borrowings:			
Bank loans	2 147 079	1 315 295	1 030 488
Borrowings from non-financial institutions	65 473	145 669	-
Finance lease liabilities	40 484	49 523	58 528
Transaction costs	(22 236)	(11 346)	(10 650)
	2 230 800	1 499 141	1 078 366
Current portion of long-term loans and borrowings:			
Bank loans	780 873	1 010 119	1 113 568
Finance lease liabilities	18 322	19 630	21 313
Transaction costs	(12 101)	(9 892)	(12 466)
	787 094	1 019 857	1 122 415
Short-term loans and borrowings:			
Bank loans	2 274 926	2 365 970	836 701
Borrowings from non-financial institutions	-	-	855 786
Transaction costs	(2 074)	(4 446)	(4 231)
	2 272 852	2 361 524	1 688 256
	5 290 746	4 880 522	3 889 037

<i>(in thousands of Euros)</i>	30 June 2018 (unaudited)	31 December 2017 (audited)	30 June 2017 (unaudited)
Long-term loans and borrowings:			
Bank loans	70 239	39 268	34 596
Borrowings from non-financial institutions	2 142	4 349	-
Finance lease liabilities	1 324	1 479	1 965
Transaction costs	(727)	(339)	(358)
	72 978	44 757	36 203
Current portion of long-term loans and borrowings:			
Bank loans	25 546	30 157	37 384
Finance lease liabilities	599	586	716
Transaction costs	(396)	(295)	(418)
	25 749	30 448	37 682
Short-term loans and borrowings:			
Bank loans	74 422	70 636	28 090
Borrowings from non-financial institutions	-	-	28 730
Transaction costs	(68)	(133)	(142)
	74 354	70 503	56 678
	173 081	145 708	130 563

Bank loans are secured as follows:

<i>(in thousands of Ukrainian hryvnias)</i>	30 June 2018 (unaudited)	31 December 2017 (audited)	30 June 2017 (unaudited)
Rights of claim on future cash proceeds from sale contracts	274 513	302 146	740 278
Inventories (Note 10)	1 391 664	2 580 488	1 593 806
Property, plant and equipment (Note 7)	2 886 056	2 823 087	2 848 745
Biological assets (Note 9)	979 122	-	2 768 385
Short-term deposits	-	-	7 569
Cash and cash equivalents (Note 12)	187 982	368 978	715
	5 719 337	6 074 699	7 959 498

<i>(in thousands of Euros)</i>	30 June 2018 (unaudited)	31 December 2017 (audited)	30 June 2017 (unaudited)
Rights of claim on future cash proceeds from sale contracts	8 980	9 021	24 853
Inventories (Note 10)	45 527	77 040	53 507
Property, plant and equipment (Note 7)	94 414	84 283	95 638
Biological assets (Note 9)	32 031	-	92 940
Short-term deposits	-	-	254
Cash and cash equivalents (Note 12)	6 150	11 016	24
	187 102	181 360	267 216

15 OTHER LIABILITIES AND ACCOUNTS PAYABLE

Other accounts payable as follows:

<i>(in thousands of Ukrainian hryvnias)</i>	30 June 2018 (unaudited)	31 December 2017 (audited)	30 June 2017 (unaudited)
Other liabilities:			
Advances received from customers	276 174	129 687	368 525
VAT payable	-	55 808	-
	276 174	185 495	368 525
Other accounts payable:			
Accrual for unused vacations	84 303	80 917	66 471
Interest payable	52 230	50 438	40 925
Salaries payable	39 632	77 528	38 513
Other taxes and charges payable	29 188	39 220	26 346
Accounts payable for property, plant and equipment	22 069	8 311	46 724
Payable to non-controlling interests	36 057	34 133	-
Social insurance payable	9 054	8 200	7 293
Settlements with land and fixed assets lessors	-	82 644	159 651
Other payables	35 123	26 374	27 592
	307 656	407 765	413 515
	583 830	593 260	782 040

<i>(in thousands of Euros)</i>	30 June 2018 (unaudited)	31 December 2017 (audited)	30 June 2017 (unaudited)
Other liabilities:			
Advances received from customers	9 035	3 872	12 372
VAT payable	-	1 666	-
	9 035	5 538	12 372
Other accounts payable:			
Accrual for unused vacations	2 758	2 416	2 232
Interest payable	1 709	1 506	1 374
Salaries payable	1 297	2 315	1 293
Other taxes and charges payable	955	1 171	884
Accounts payable for property, plant and equipment	722	248	1 569
Payable to non-controlling interests	1 180	1 019	-
Social insurance payable	296	245	245
Settlements with land and fixed assets lessors	-	2 467	5 360
Other payables	1 149	787	926
	10 066	12 174	13 883
	19 101	17 712	26 255

16 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>	
	2018 (unaudited)	2017 (unaudited)	2018 (unaudited)	2017 (unaudited)
Sugar and related sales:				
Sugar	2 037 432	2 997 393	62 776	103 669
Molasses	69 699	83 655	2 148	2 893
Pulp	83 193	43 869	2 563	1 517
	2 190 324	3 124 917	67 487	108 079
Crops	1 617 200	2 322 560	49 828	80 329
Soybean processing products	1 289 105	1 233 354	39 719	42 657
Cattle farming	475 616	442 791	14 654	15 314
Other sales	111 172	113 856	3 427	3 938
	3 493 093	4 112 561	107 628	142 238
	5 683 417	7 237 478	175 115	250 317

17 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>	
	2018 (unaudited)	2017 (unaudited)	2018 (unaudited)	2017 (unaudited)
Sugar and related sales:				
Sugar	1 752 898	1 825 337	54 045	63 126
Molasses	48 831	53 483	1 506	1 850
Pulp	46 281	22 829	1 427	789
	1 848 010	1 901 649	56 978	65 765
Crops	1 478 974	1 899 478	45 600	65 690
Soybean processing products	1 181 614	1 084 608	36 431	37 509
Cattle farming	394 703	335 481	12 169	11 602
Other sales	97 746	102 743	3 014	3 553
	3 153 037	3 422 310	97 214	118 354
	5 001 047	5 323 959	154 192	184 119

18 OTHER OPERATING INCOME

Other operating income for the six months ended 30 June is as follows:

	<i>(in thousands of Ukrainian hryvnias)</i>		<i>(in thousands of Euros)</i>	
	2018 (unaudited)	2017 (unaudited)	2018 (unaudited)	2017 (unaudited)
Government subsidies relating to:				
VAT refunds	-	2 004	-	69
Cattle farming	3 486	-	110	-
Recovery of assets previously written off	46 801	20 277	1 473	699
Other operating income	25 782	5 972	811	206
	76 069	28 253	2 394	974

19 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>	
	2018 (unaudited)	2017 (unaudited)	2018 (unaudited)	2017 (unaudited)
Salary and related charges	234 798	242 450	7 312	8 372
Depreciation	28 877	24 447	899	844
Professional services	26 540	19 650	826	679
Fuel and other materials	9 595	9 004	299	311
Office expenses	5 092	4 389	159	152
Bank charges	4 891	4 510	152	156
Rent	4 677	11 870	146	410
Taxes other than corporate income tax	4 540	11 051	141	382
Insurance	4 207	2 248	131	78
Communication	2 774	2 331	86	80
Maintenance	941	832	29	29
Transportation	359	224	11	8
Other	21 601	6 504	674	222
	348 892	339 510	10 865	11 723

20 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>	
	2018 (unaudited)	2017 (unaudited)	2018 (unaudited)	2017 (unaudited)
Transportation	296 822	258 940	9 105	8 957
Storage and logistics	84 556	84 869	2 594	2 936
Salary and related charges	59 233	50 966	1 817	1 763
Fuel and other materials	14 160	25 602	434	886
Depreciation	9 524	8 455	292	292
Professional services	6 917	6 192	212	214
Allowance for trade accounts receivable	6 750	2 453	207	85
Other	26 228	14 414	805	499
	504 190	451 891	15 466	15 632

21 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>	
	2018	2017	2018	2017
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Write down of inventories	42 138	44 475	1 297	1 535
Charity and social expenses	20 765	20 032	639	691
VAT written off	16 632	27 758	512	959
Other salary and related charges	11 063	6 476	340	224
Depreciation	4 951	1 930	152	67
Loss on disposal of property, plant and equipment	3 218	12 024	99	415
Penalties paid	914	795	28	27
Representative expenses	62	23	2	1
Allowance for other accounts receivable	(5 099)	12 739	(157)	440
Other	22 118	17 656	681	608
	116 762	143 908	3 593	4 967

22 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>	
	2018	2017	2018	2017
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Finance costs				
Foreign currency exchange loss, net	308 428	45 486	9 748	1 575
Interest expense				
Bank loans	(157 679)	(94 128)	(4 983)	(3 259)
Finance lease liabilities	(4 734)	(4 915)	(150)	(170)
Borrowings from non-financial institutions	(2 783)	(30 631)	(88)	(1 061)
	(165 196)	(129 674)	(5 221)	(4 490)
Net profit attributable to non-controlling interests of limited liability company subsidiaries	(16 626)	(34 664)	(525)	(1 200)
Interest expense on land lease liability	(221 829)	-	(7 011)	-
Other finance costs	(16 758)	(12 309)	(531)	(426)
	(255 213)	(46 973)	(8 066)	(1 626)
	(111 981)	(131 161)	(3 540)	(4 541)
Finance income				
Interest income	11 022	5 629	348	195
Income from non-controlling interest acquisition	13 823	-	437	-
	24 845	5 629	785	195

23 INCOME TAX EXPENSE

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>	
	2018	2017	2018	2017
Current tax expenses	(65 244)	(63 233)	(2 072)	(2 189)
Deferred tax benefit	29 225	34 513	928	1 191
	(36 019)	(28 720)	(1 144)	(998)

In 2018, 16 subsidiaries elected to pay FAT in lieu of other taxes (2017: 15 companies). FAT expense is included to cost of revenues. The remaining companies were subject to the Ukrainian corporate income tax at 18% rate (2017:18%), Dutch corporate income tax rate of 25% and Cypriot income tax rate of 12.5%, Swiss income tax rate of 14.6%.

24 SEGMENT REPORTING

At 30 June 2018 and 2017, the group is organized into four main business segments:

- production and wholesale distribution of sugar and sugar by-products
- growing and selling grain and oilseeds crops (agriculture)
- processing and wholesale distribution of soybean products: soybean meal, soybean hydrated oil and granulated soybean husks
- dairy cattle farming.

Other group operations mainly comprise the sales of gas.

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

Revenues from external customers 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 agricultural 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 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 financial statements. Liabilities are allocated based on the operations of the segment.

The segment information for the six months ended 30 June 2018 is as follows:

<i>(in thousands of Ukrainian hryvnias)</i>	Sugar production		Agriculture		Cattle farming		Soybean processing		Unallocated		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Total revenues	2 190 324	3 124 917	1 870 702	2 516 792	475 616	442 791	1 289 105	1 233 354	111 172	113 856	5 936 919	7 431 710
Inter-segment revenues	-	-	253 502	194 232	-	-	-	-	-	-	253 502	194 232
Revenues from external customers	2 190 324	3 124 917	1 617 200	2 322 560	475 616	442 791	1 289 105	1 233 354	111 172	113 856	5 683 417	7 237 478
Total cost of revenues	(1 848 010)	(1 901 649)	(1 732 476)	(2 093 710)	(394 703)	(335 481)	(1 181 614)	(1 084 608)	(97 746)	(102 743)	(5 254 549)	(5 518 191)
Inter-segment cost of revenues	-	-	(253 502)	(194 232)	-	-	-	-	-	-	(253 502)	(194 232)
Cost of revenues	(1 848 010)	(1 901 649)	(1 478 974)	(1 899 478)	(394 703)	(335 481)	(1 181 614)	(1 084 608)	(97 746)	(102 743)	(5 001 047)	(5 323 959)
Changes in fair value of biological assets and agricultural produce	-	-	1 532 296	1 012 143	(33 306)	234 876	-	-	-	-	1 498 990	1 247 019
Gross profit	342 314	1 223 268	1 670 522	1 435 225	47 607	342 186	107 491	148 746	13 426	11 113	2 181 360	3 160 538
Other operating income	25 146	4 346	22 064	19 659	6 162	3 804	242	238	22 455	206	76 069	28 253
General and administrative expense	(88 800)	(60 031)	(180 092)	(102 530)	(41 494)	(13 720)	(7 321)	(6 091)	(31 185)	(157 138)	(348 892)	(339 510)
Selling and distribution expense	(164 270)	(128 092)	(256 948)	(247 276)	(6 828)	(26 973)	(51 411)	(39 069)	(24 733)	(10 481)	(504 190)	(451 891)
Other operating expense	(13 274)	(22 919)	(41 599)	(52 044)	(1 875)	(12 850)	(5 452)	(7 990)	(54 562)	(48 105)	(116 762)	(143 908)
Profit (loss) from operations	101 116	1 016 572	1 213 947	1 053 034	3 572	292 447	43 549	95 834	(74 599)	(204 405)	1 287 585	2 253 482
Foreign currency exchange gain (loss)	-	-	-	-	-	-	-	-	308 428	45 486	308 428	45 486
Interest expense	(51 424)	(32 039)	(51 808)	(68 524)	(3)	(10)	(25 446)	(26 460)	(36 515)	(2 641)	(165 196)	(129 674)
Interest income	-	-	-	-	-	-	-	-	11 022	5 629	11 022	5 629
Other income (expense)	-	-	-	-	-	-	-	-	(10 716)	(44 842)	(10 716)	(44 842)
Interest expense on lease liability	-	-	-	-	-	-	-	-	(221 829)	-	(221 829)	-
Profit (loss) before tax	49 692	984 533	1 162 139	984 510	3 569	292 437	18 103	69 374	(24 209)	(200 773)	1 209 294	2 130 081
Taxation	-	-	-	-	-	-	-	-	(36 019)	(28 720)	(36 019)	(28 720)
Net profit (loss)	49 692	984 533	1 162 139	984 510	3 569	292 437	18 103	69 374	(60 228)	(229 493)	1 173 275	2 101 361
Consolidated total assets	5 070 872	4 573 422	12 081 753	9 310 386	1 502 863	1 420 729	1 036 032	1 016 415	1 856 030	1 665 309	21 547 550	17 986 261
Consolidated total liabilities	2 175 611	1 173 292	4 464 766	3 010 208	18 647	67 796	1 158 620	628 779	957 077	891 564	8 774 721	5 771 639
Other segment information:												
Depreciation and amortisation	139 819	192 765	427 050	283 785	23 860	28 880	17 775	18 697	14 828	5 805	623 332	529 932
Additions to non-current assets:												
Property, plant and equipment	56 483	114 902	422 220	432 522	21 413	23 583	10 821	2 686	189 083	22 209	700 020	595 902
Intangible assets	-	-	2 528	-	128	-	-	-	370	3 037	3 026	3 037

(in thousands of Euros)	Sugar production		Agriculture		Cattle farming		Soybean processing		Unallocated		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Total revenues	67 487	108 079	57 639	87 046	14 654	15 314	39 719	42 657	3 425	3 939	182 924	257 035
Inter-segment revenues	-	-	7 809	6 718	-	-	-	-	-	-	7 809	6 718
Revenues from external customers	67 487	108 079	49 830	80 328	14 654	15 314	39 719	42 657	3 425	3 939	175 115	250 317
Total cost of revenues	(56 978)	(65 765)	(53 409)	(72 408)	(12 169)	(11 602)	(36 431)	(37 509)	(3 014)	(3 553)	(162 001)	(190 837)
Inter-segment cost of revenues	-	-	(7 809)	(6 718)	-	-	-	-	-	-	(7 809)	(6 718)
Cost of revenues	(56 978)	(65 765)	(45 600)	(65 690)	(12 169)	(11 602)	(36 431)	(37 509)	(3 014)	(3 553)	(154 192)	(184 119)
Changes in fair value of biological assets and agricultural produce	-	-	48 533	34 894	(1 055)	8 098	-	-	-	-	47 478	42 992
Gross profit	10 509	42 314	52 763	49 532	1 430	11 810	3 288	5 148	411	386	68 401	109 190
Other operating income	791	150	694	678	194	131	8	8	707	7	2 394	974
General and administrative expense	(2 765)	(2 073)	(5 608)	(3 540)	(1 292)	(474)	(228)	(210)	(972)	(5 426)	(10 865)	(11 723)
Selling and distribution expense	(5 039)	(4 431)	(7 882)	(8 554)	(209)	(933)	(1 577)	(1 351)	(759)	(363)	(15 466)	(15 632)
Other operating expense	(408)	(791)	(1 280)	(1 796)	(58)	(444)	(168)	(276)	(1 679)	(1 660)	(3 593)	(4 967)
Profit (loss) from operations	3 088	35 169	38 687	36 320	65	10 090	1 323	3 319	(2 292)	(7 056)	40 871	77 842
Foreign currency exchange gain (loss)	-	-	-	-	-	-	-	-	9 748	1 575	9 748	1 575
Interest expense	(1 625)	(1 109)	(1 637)	(2 373)	-	-	(804)	(916)	(1 155)	(92)	(5 221)	(4 490)
Interest income	-	-	-	-	-	-	-	-	348	195	348	195
Other income (expense)	-	-	-	-	-	-	-	-	(339)	(1 554)	(339)	(1 554)
Interest expense on lease liability	-	-	-	-	-	-	-	-	(7 011)	-	(7 011)	-
Profit (loss) before tax	1 463	34 060	37 050	33 947	65	10 090	519	2 403	(701)	(6 932)	38 396	73 568
Taxation	-	-	-	-	-	-	-	-	(1 144)	(998)	(1 144)	(998)
Net profit (loss)	1 463	34 060	37 050	33 947	65	10 090	519	2 403	(1 845)	(7 930)	37 252	72 570
Consolidated total assets	165 888	153 539	395 242	312 568	49 165	47 697	33 893	34 123	60 720	55 908	704 908	603 835
Consolidated total liabilities	71 173	39 390	146 060	101 059	610	2 276	37 903	21 109	31 310	29 931	287 056	193 765
Other segment information:												
Depreciation and amortisation	4 314	6 662	13 177	9 807	736	998	548	646	458	200	19 233	18 313
Additions to non-current assets:												
Property, plant and equipment	1 743	3 971	13 028	14 947	661	815	334	93	5 833	765	21 599	20 591
Intangible assets	-	-	78	4	4	-	-	105	11	-	93	109

25 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 2018 as well as balances with related parties as at 30 June 2018:

<i>(in thousands of Ukrainian hryvnias)</i>	Sales to related parties:	Purchases from related parties:	Amounts owed by related parties:	Amounts owed to related parties:
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Companies under common control	8	15 296	33 683	103 753
	8	15 296	33 683	103 753

<i>(in thousands of Euros)</i>	Sales to related parties:	Purchases from related parties:	Amounts owed by related parties:	Amounts owed to related parties:
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Companies under common control	-	472	1 102	3 394
	-	472	1 102	3 394

The following table summarises transactions that have been entered into with related parties for the six months ended 30 June 2017 as well as balances with related parties as at 30 June 2017:

<i>(in thousands of Ukrainian hryvnias)</i>	Sales to related parties:	Purchases from related parties:	Amounts owed by related parties:	Amounts owed to related parties:
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Companies under common control	2 699	23 857	42 084	874 066
Associate	-	-	1 022	171
	2 699	23 857	43 106	874 237

<i>(in thousands of Euros)</i>	Sales to related parties:	Purchases from related parties:	Amounts owed by related parties:	Amounts owed to related parties:
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Companies under common control	93	824	1 413	29 344
Associate	-	-	34	6
	93	824	1 447	29 350

26 EVENTS SUBSEQUENT TO THE REPORTING DATE

In July 2018, the Company, acting pursuant to Resolution No. 8 adopted by the Annual General Meeting of Shareholders of the Company on 25 May 2018 during trading sessions on the main market of the Warsaw Stock Exchange, purchased its own shares in the quantity of 12 950 shares.

16 August 2018

Amsterdam, the Netherlands

Board of Directors of ASTARTA Holding N.V.

V. Ivanchyk _____

V. Gladkyi _____

M.M.L.J. van Campen _____

H.Dahl _____

G.Mettetal _____