

DEBT RESTRUCTURING UPDATE

August 2017

October 2016

- ❑ Discussions about lock-up agreement (subsequently abandoned)

November 2016

- ❑ Update on 2016 harvesting results (below expectations) and indication of potential working capital needs for 2017

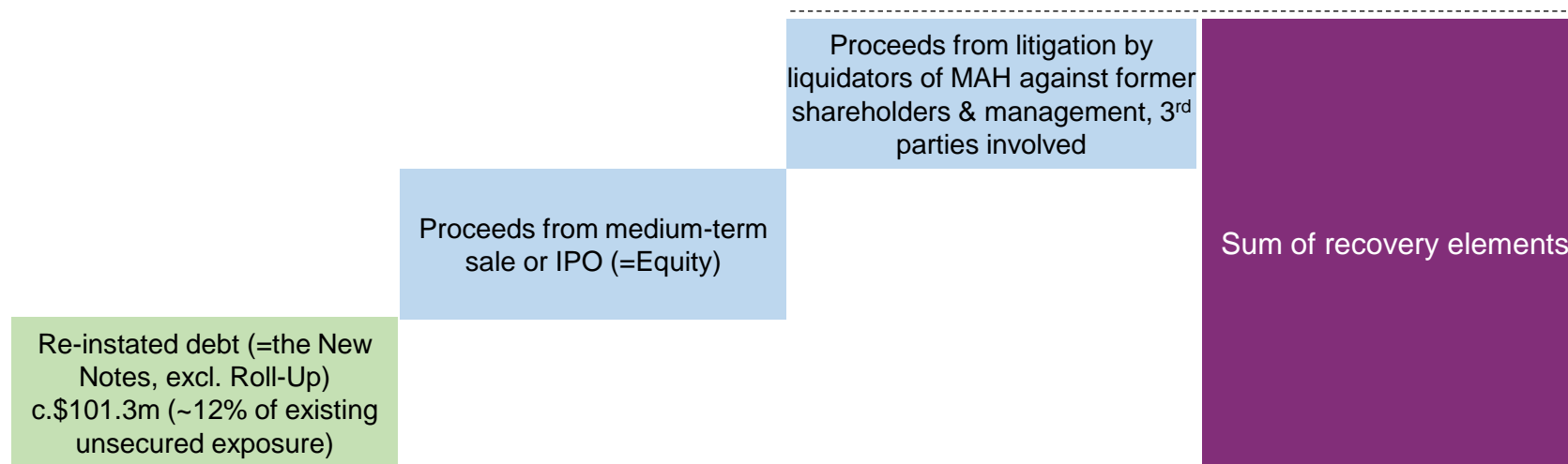
Dec 2016 – Feb 2017

- ❑ Discussions with potential buyers regarding acquisition of Mriya's assets (suspended at least until after the summer harvest or later). Decision to focus on stand-alone restructuring route.
- ❑ Discussions with key secured creditors on restructuring terms of their secured debt

March – August 2017

- ❑ Agreement on updated restructuring head of terms ("HoT") between Bank Lender and Noteholder Committees
- ❑ Discussions with the NBU
- ❑ Agreement with secured creditors on key terms reached; discussions on term sheet ongoing
- ❑ Operational and financing solutions allowed to eliminate additional WC needs for 2017
- ❑ Credit approvals from members of the informal Bank Lender Committee for the updated HoT
- ❑ Development of implementation steps for the overall restructuring

- ❑ The revised HoT has been agreed between the Company and the Noteholder and Bank Lender Committees, and reflects commercial terms agreed between the Company and secured creditors
- ❑ Total post restructuring sustainable debt of max. US\$330m
- ❑ All existing unsecured claims to Mriya Agroholding (“MAH”) and its subsidiaries (the “Group”) will be converted into:
 - ❑ New Notes: registered listed note instrument equal to US\$101.3m
 - ❑ Equity: shares in a newly incorporated holding company of the Group post restructuring (“NewCo”)
- ❑ The quantum of the New Notes has been increased relative to the previously published HoT by c. \$8m due to some headroom created through the settlement of secured creditors and now stands at c.12% of total unsecured debt
- ❑ Due to the delays in the restructuring process, the payment of interest is effectively delayed by 1 year and interest rates in FY 2017/18 and FY2019/18 are lower compared to the previous version of the HoT
- ❑ Total recovery element for unsecured creditors are as follows:



- 1 Existing Secured creditors** have agreed that their claims will be restructured based on the value of their collateral. Each secured claim will be split into:
 - Covered portion* corresponding to the value of pledged assets under any rent- or lease-back transactions concluded as part of the settlement with Secured Creditors. This will be reinstated as either a direct claim or as a part of term payment¹
 - The total aggregate amount of the Covered Portion that will be reinstated as secured debt will not exceed US\$ 62m, a decrease from the c. US\$ 75m previously contemplated mostly due to the settlements with secured creditors
 - Non-Covered Portion* (if the Covered Portion is lower than the amount of the secured creditors total claim)
 - To be restructured on the same terms as unsecured creditors

- 2 Working Capital Financing 2016** remains fully secured by ring fenced collateral (different from that securing legacy secured debt) and will not be restructured

- 3 Roll-up Notes** of US\$ 112m will be exchanged at par for New Notes

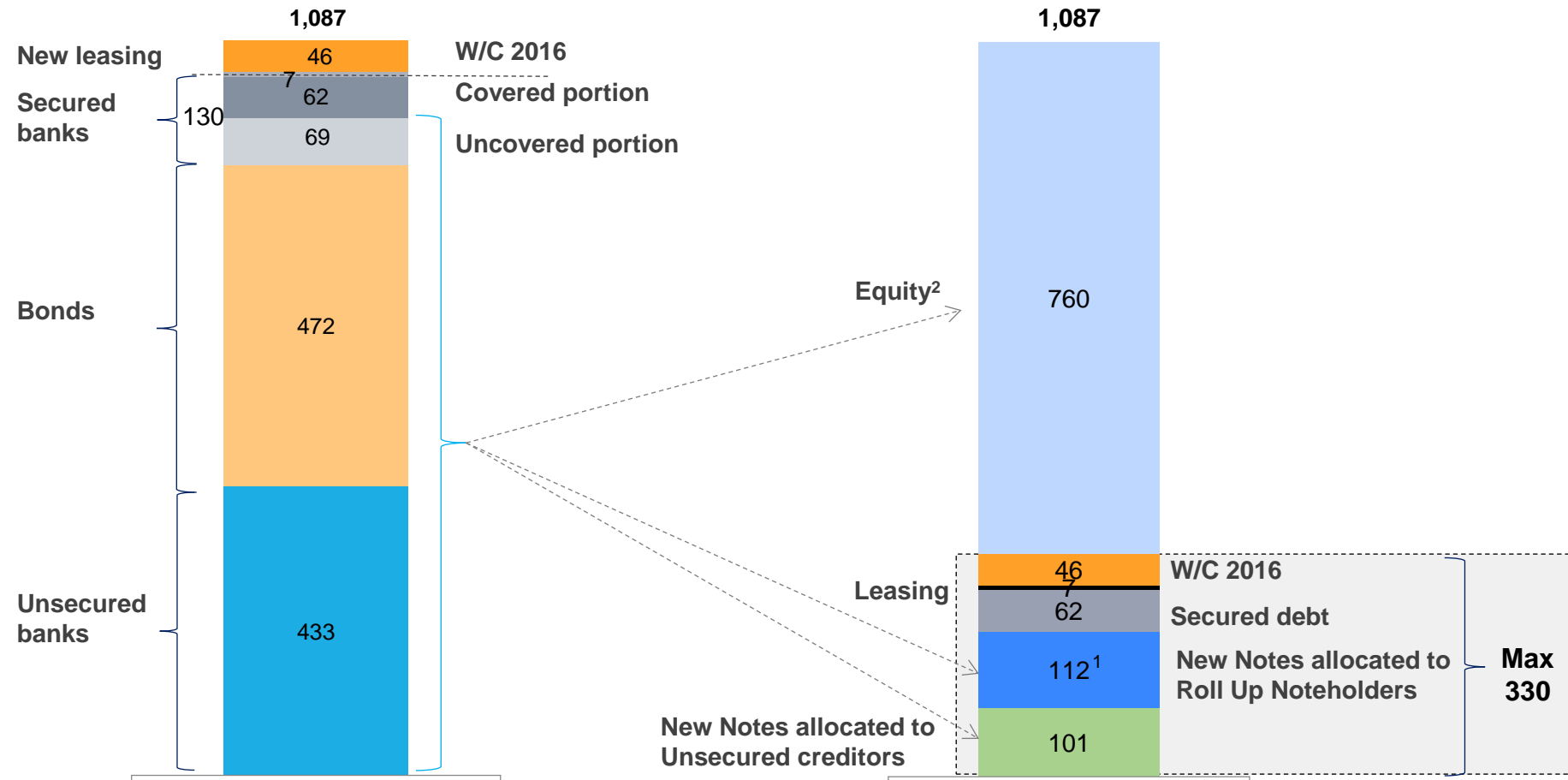
- 4 Unsecured debt**
 - Each unsecured creditor and any secured creditor with respect to its non-covered portion shall receive in exchange for its nominal claim 1) its *pro rata portion* of US\$ 99.3m of Restructuring Notes 2) its *pro rata portion* of US\$ 1.986m of Restructuring Notes (a consent fee allocated to unsecured creditors that support the restructuring) 3) its pro rata allocation of 54.05% of the Equity in NewCo 4) its pro rata portion of Recovery Notes, which shall give the creditors the right to receive proceeds of any litigation launched by the liquidators of MAH
 - Equal and pari passu treatment of all unsecured creditors and non-covered portion of secured debt

Notes

1) The settlement with one of the creditors includes a rent transaction with a purchase option

Debt structure overview

All in US\$m



Notes

- 1) Roll-up Amount: \$25m of 2015 WC * 2 + \$46m of 2016 WC * 1.35 = \$112m
- 2) Amount of unsecured debt to be restructured via equity instrument
- 3) All amounts based on FX rates as of July 1, 2017. Amounts do not include accrued and unpaid interest

On operating group's balance debt

3. Key restructuring terms agreed between the CoComs (2/3)

/06



Items, US\$m	HoT Aug 2016	HoT April 2017
Post-restructuring on-balance debt	330	330
Secured debt	max. 75	max. 62
Leasing	5	6.5
W/C	41-46	46
New Notes	Roll-up principal amount	50
	Times W/C 2015	2.0x
	Roll-up principal amount	55-62
	Times W/C 2016	1.35x
	Principal amount	93
% of total unsecured debts	11%	101.3
Instrument	<ul style="list-style-type: none"> Loan, Ukrainian borrower 	<ul style="list-style-type: none"> Registered listed note instrument (Loan A and Roll Up consolidated); offshore issuer
Interest rate	<ul style="list-style-type: none"> 2015/16 – 0.1% 2016/17 – 0.5% 2017/18 – 0.5% prior to closing ≥2019/20 – 10% 	<ul style="list-style-type: none"> 2015/16 – 0.1% 2016/17 – 0.5% 2017/18 – 0.5% prior to closing 2.5% starting from closing 2018/19 – 5% ≥2019/20 – 10%
New Notes Repayment	<ul style="list-style-type: none"> Grace period: until Dec 2018 <i>Semi-annual repayments</i> fixed as part of the restructuring agreement with any remaining amount payable at the date of the final maturity 	<ul style="list-style-type: none"> Grace period: until Dec 2019 <i>Quarterly repayments</i> fixed as part of the Notes documentation with any remaining amount payable at the date of the final maturity
Security	<ul style="list-style-type: none"> Suretyships, share pledges and, 2nd lien asset pledges 	<ul style="list-style-type: none"> Security over the unencumbered assets, incl. share pledges, 2nd lien asset pledges
Upfront Fee		<ul style="list-style-type: none"> Interest accrued for the period from 1 July 2015 till the Closing of Restructuring to be paid to all New Noteholders in cash pro rata on the date that the Restructuring becomes effective
Cash sweep	<ul style="list-style-type: none"> Excess cash flow above US\$5-8m to be applied annually 	<ul style="list-style-type: none"> Excess cash flow above US\$3m to be applied annually¹
Consent fee for supporting creditors	<ul style="list-style-type: none"> 2% of New Notes (non-cash, but paid in form of New Notes) 	<ul style="list-style-type: none"> 2% of New Notes (non-cash, but paid in form of New Notes)
Loan B/ Equity	<ul style="list-style-type: none"> Subordinated debt instrument: nominal claim less Loan A, final maturity 2065, interest rate 0.01% 	<ul style="list-style-type: none"> Equity in a newly incorporated holding company for MAH subsidiaries
Split of Loan B / equity post restructuring (fully diluted basis)		
	<ul style="list-style-type: none"> 2015 W/C providers: 7.5% 2016 W/C providers: 35% 	<ul style="list-style-type: none"> Other unsecured creditors: 50% Management: 7.5%²

Notes

- 1) Waterfall: WC, any reimbursement of advisor's fee carried by current or former member of the noteholder and bank CoComs between Dec 14 and Feb 15; the New Notes (at par, pari passu and pro rata); distribution to shareholders
- 2) Part of the Management Incentive Plan will include 7.5% of equity, exercisable via warrants upon exit and upon exercising of which equity share of unsecured creditors and WC providers will be diluted to 92.5%. At the same time management will have no voting rights

Unique and transparent post restructuring ownership and corporate governance

- 1** Company will be 100% controlled (through equity) by unsecured creditors
- 2** Corporate governance structure in full compliance with Western standards:
 - Shareholders (creditors) representation in 5 member independent Board of Directors appointed by New Noteholders / shareholders
 - Board meetings
 - Board decision mechanism
 - Remuneration of Board members
 - Board Reserved Matters
 - New Notes Reserved Matters
 - Equity Reserved Matters
 - Shareholders / New Noteholders approval for exit
- 3** Full equity upside will be distributed to shareholders in NewCo, whether in the form of dividends or through a sale of the equity, and increase their recovery

August 2017

- HoT update shared with non-CoCom lenders
- New Notes term sheet agreed between CoComs (to be shared with non-CoCom creditors as part of the broad implementation documentation)
- Outlines of the agreements on Restructuring implementation and Corporate governance under review and to be shared with CoComs

Sept 2017 onwards

- Implementation of restructuring procedures for certain Ukrainian operating companies
- Approval of the terms of the restructuring by unsecured creditors
- New Notes, Equity and Recovery Notes offer to unsecured creditors
- Closing of the Restructuring in Cyprus

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