

# FINANCIAL RESULTS, for the six months ended 31 December 2016

22<sup>nd</sup> of August, 2017

## Financial Highlights

	<i>H2 2016</i>
EBITDA*, USD thousand	9,378
EBITDA margin, %	14%
Gross margin, %	37%
Total principal amount of debt including guarantees, USD thousand	1,061,437

\*EBITDA before administrative costs relating to debt restructuring

- ❖ The company has taken the decision to change its financial year to calendar year and the presented audit financials for 6 months period as per 31 December 2016 represent the audit of transit period.
- ❖ Financial statements are presented under the IFRS 5, which is applicable to companies in liquidation according to the fact that Mriya Agro Holding PLC (the ultimate parent company of the group) is under liquidation.
- ❖ Debt is accounted for nominal value including accruals of all contractual interest, penalties and costs under existing defaulted credit agreements.

## Cash Flow Highlights, USD thousand

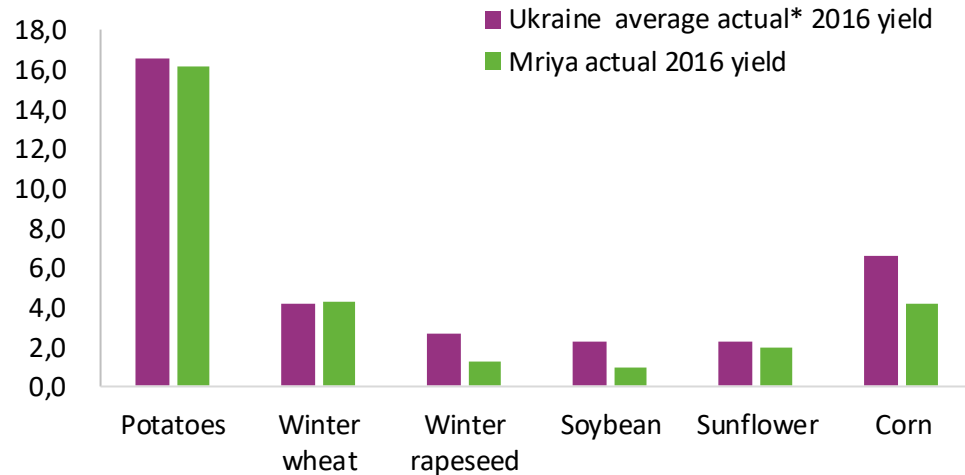
	<i>H2 2016</i>
Net cash from operating activities	1,889
Net cash used in investing activities	(2,346)
Net cash from financing activities	14,990
Effect of exchange rate fluctuations on cash and cash equivalents	(533)
Cash and cash equivalents at 30 June 2016	5,351
Cash and cash equivalents at 31 December 2016	19,351

## P&L Highlights, USD thousand

	<i>H2 2016</i>
<b>Revenue</b>	<b>66,942</b>
Costs of sales	(63,647)
Changes in fair value of biological assets and net gain on initial recognition of agricultural produce	21,250
<b>Gross profit</b>	<b>24,545</b>
<b>Results from operating activities before restructuring costs</b>	<b>9,378</b>
<b>Results from operating activities</b>	<b>5,602</b>
Finance income	606
WC and fin. lease interest expenses	(3,284)
Foreign exchange loss	(43,201)
Finance costs, excluding WC and fin. lease interest expenses	(121,517)
Income tax expense	(1,255)
<b>Loss for the period</b>	<b>(163,049)</b>
Foreign currency translation reserve	68,795
<b>Total comprehensive loss</b>	<b>(94,254)</b>

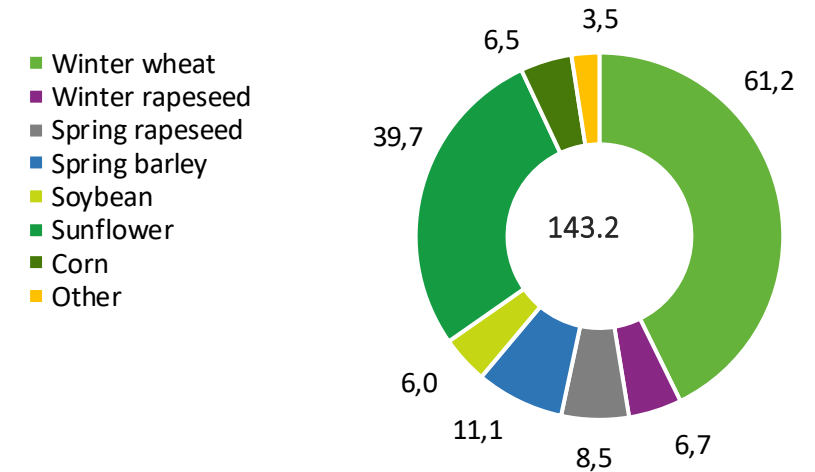
- ❖ In H2 2016 Mriya harvested crops on 143 kha, of which winter wheat and winter rapeseed accounted for 47% of total harvested area, followed by spring crops (sunflower and barley). For the next season company planted 54 kha of winter crops.
- ❖ Mriya’s actual yields for crops 2016 were lower than initially planned due to late harvesting because of bad weather conditions during October and early snow in November as well as unforeseen breakdowns of agricultural machinery. Another significant factors of delays were late arrival of WC financing and the illegal raid of the company’s logistics base in Khorostkiv in July 2016 by associates of previous management.

## Crop yield (net), mt/ha

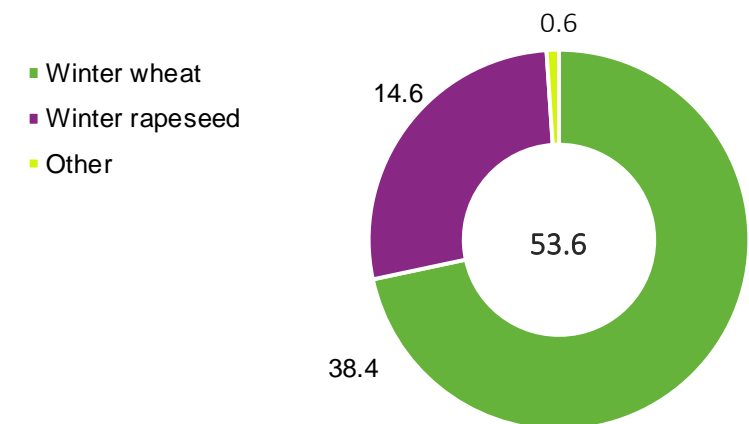


\*Source: State Statistics Service of Ukraine

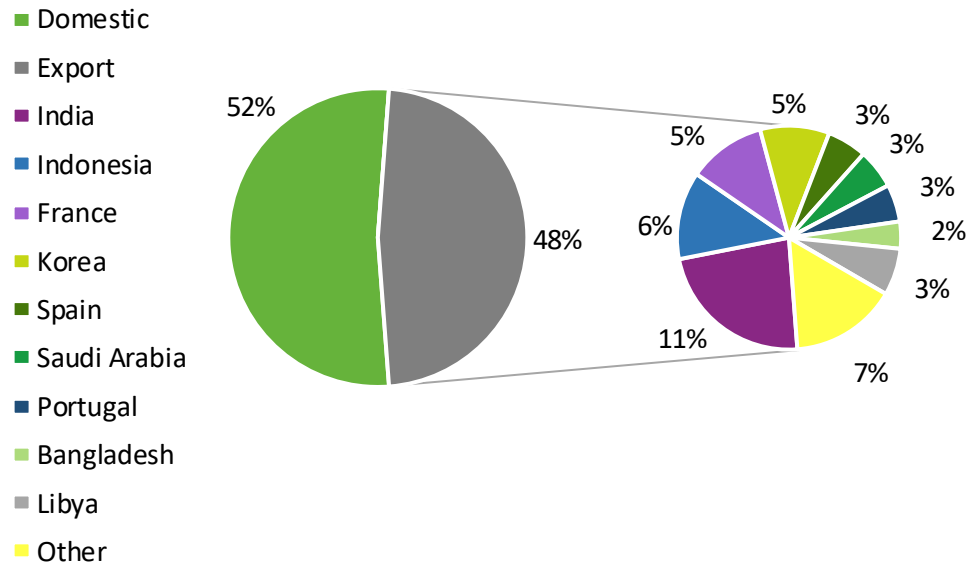
## Harvested area per crop, kha



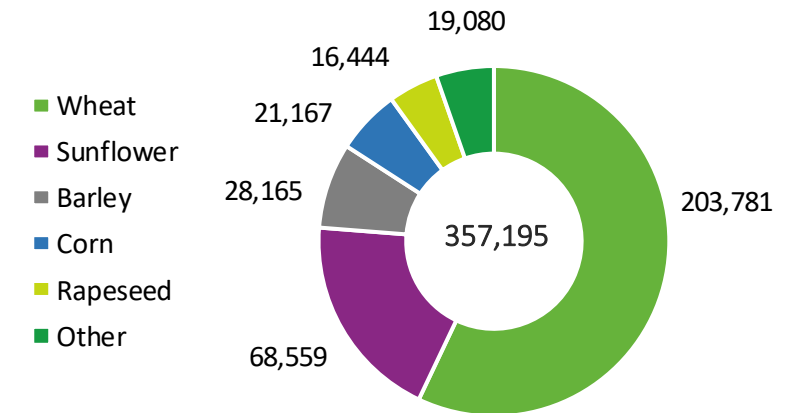
## Sown area per winter crop as of 31 Dec 2016, kha



## Revenue breakdown by sales destinations

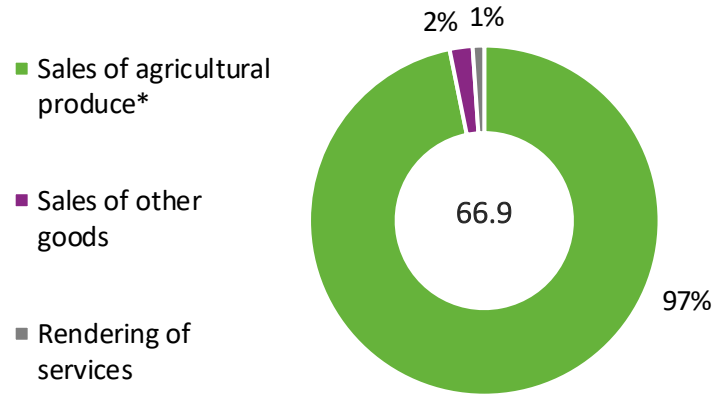


## Sales per crop, mt

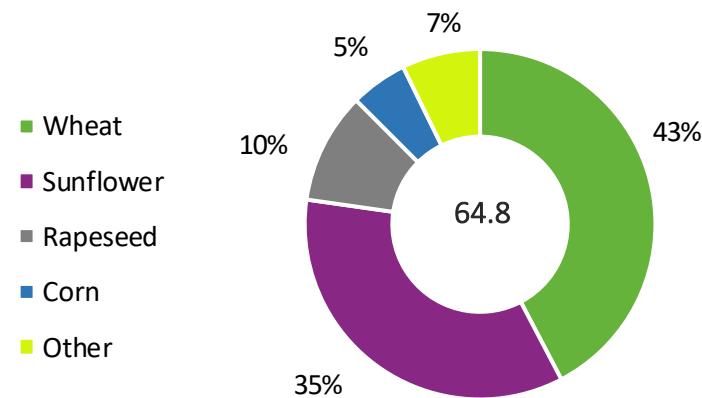


- ❖ In H2 2016 the company exported 185 kmt of corn, wheat, rapeseed and barley. The main export destinations were India, Indonesia France and Korea.
- ❖ Domestic market sales of agricultural produce totaled 173 kmt and consisted mainly of wheat and sunflower.

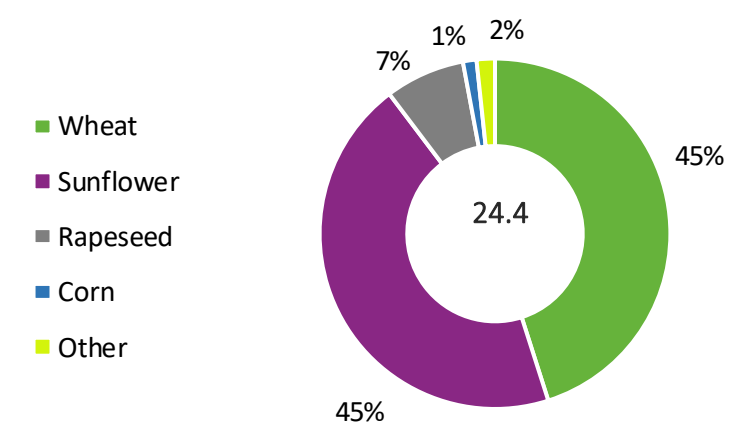
## Revenue breakdown per segment, USD million



## Revenue from sales of agricultural produce\* per crop, USD million



## Gross profit from sales of agricultural produce\* per crop, USD million



- ❖ Mriya's revenue in H2 2016 was mainly generated by sales of agricultural produce and amounted to USD 67 million. More than USD 4 million of the revenue consist of non-cash sale transactions, which are primarily sale of agricultural products in exchange for land lease services.
- ❖ Revenue from services provided by the company includes logistic transport's, elevators' and other services.
- ❖ Sales of other goods mainly represent sales of milk and sugar.

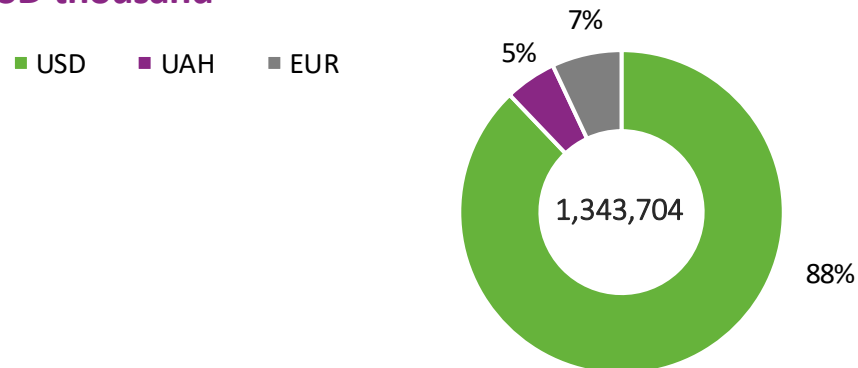
\*including livestock produce

## Debt Profile

	31 Dec 2016, USD thousand	31 Dec 2015*, USD thousand
Bonds issued principal amount	471,636	471,636
Bank loans and supplier credits principal amount	358,867	389,940
Working Capital loans principal amount	46,000	9,955
<b>Total principal amount debt</b>	<b>876,503</b>	<b>871,531</b>
Interest accrued	222,914	141,197
Interest accrued on Working Capital loan	395	36
Penalties on loans accrued	243,892	161,259
<b>Total debt</b>	<b>1,343,704</b>	<b>1,174,023</b>
Provision for guarantees principal amount	184,934	223,275
Interest and penalties on guarantees accrued amount	121,514	67,851
<b>Total debt including guarantees</b>	<b>1,650,152</b>	<b>1,465,150</b>

\*adjusted following reconciliation

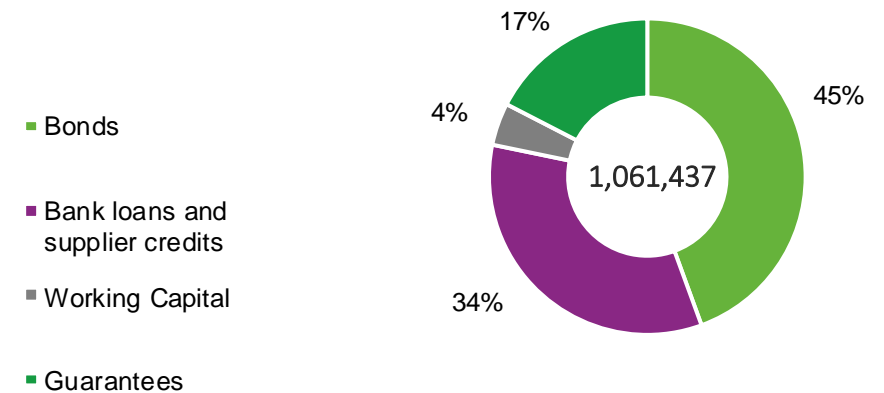
## Total debt breakdown by currency, USD thousand



## Comments

- ❖ In July – October 2016, Mriya obtained USD 19 million of additional Working Capital facility, provided by the company’s existing Bondholders. In total, Mriya obtained USD 46 million of Working Capital.
- ❖ Changes in loans and borrowings are mainly represented by accrued interest, fines and penalties.

## Principal amount debt including guarantees breakdown, USD thousand



## Balance Sheet Highlights, USD thousand

	<i>as of 31 Dec 2016</i>	<i>as of 31 Dec 2015</i>
Property, plant and equipment	123,812	145,369
Inventories	26,816	17,204
Biological assets	14,818	14,388
Cash and cash equivalents	19,351	14,629
Other assets	21,682	13,777
<b>Total assets</b>	<b>206,479</b>	<b>205,367</b>
Share capital	63	63
Share premium	86,245	86,245
Currency translation reserve	131,132	82,342
Revaluation reserve	76,172	
Retained earnings (accumulated deficit)	(1,767,120)	(1,456,784)
<b>Total equity (deficit)</b>	<b>(1,473,508)</b>	<b>(1,288,134)</b>
Bond issued	595,608	549,964
Loans and borrowings	701,701	614,067
Working Capital loans	46,396	9,992
Provision for guarantees	306,447	291,127
Other liabilities	29,835	28,351
<b>Total liabilities</b>	<b>1,679,987</b>	<b>1,493,501</b>
<b>Total equity and liabilities</b>	<b>206,479</b>	<b>205,367</b>

## Comments

- ❖ The cost of property, plant and equipment as of 31 December 2016 was calculated based on the fair value as of 30 June 2016, evaluated by an independent appraiser – BDO Consulting LLC. The appraiser used the depreciated replacement cost and market approach.
- ❖ Changes in the cost of property, plant and equipment in comparison to the value as of 31 December 2015 were related to changes in market conditions, currency exchange differences and write-offs due to the physical observation results and acquisition of new assets.
- ❖ The company haven't made any payments on its legacy debt, as the restructuring proposal is being developed and negotiated.

# Thank You

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