

# OPERATIONAL UPDATE, February 2016

29 March, 2016

- ❖ During February Mriya Agro Holding was actively preparing for the new season fieldwork and sowing campaign. The company's equipment underwent repairs with some delays in critical spare parts pushed into March. Key cluster infrastructure (offices, workshops) was created following the Q415 organizational restructuring. Extensive training for agronomists and mechanics was conducted, as well as cluster management to reflect the new operating model.
- ❖ The company began the tender processes for seeds and crop protection, and successfully negotiated credit terms from suppliers. Fertilizer purchasing was postponed until the spring, and will be applied in liquid form in April/May.
- ❖ The company launched the new 1C8 accounting ERP system, which will allow for timely and transparent book keeping for the 2016 season. The implementation is scheduled to continue during the whole of 2016, and will eventually provide management accounts and planning tools.
- ❖ Mriya has repaid almost \$16 million of the \$25 million of Working Capital facility that it raised in June 2015. The repayment period of the c. \$9 million balance approved by the Working Capital providers has been extended till 30 April 2016. The available cash of up to c. \$9 million is pledged to the Working Capital providers on a ring fenced account with the agent bank and will be used during March and April for operational expenses.
- ❖ Currently, the company is in negotiations to obtain working capital for the 2016 season. A proposal for a \$ 50 million working capital has been received from a group of international investors and the company has requested the approval from its creditors as the conditions of the proposal will change the overall debt restructuring parameters.

## Winter crops 2015/16 - Sowing

Crop	In ground as of 29/02/16, kha	Total planned and sown*, kha	Completion, %
Wheat	61,4	60,6	101%
Rapeseed	8,6**	20,6	42%
<b>Total</b>	<b>69,9</b>	<b>81,3</b>	<b>86%</b>

\* Total planned area reduced from 97,4 kha to 81,3 kha due to the land bank rationalization

\*\*Taking into account the loss of 8,5 kha of rapeseed in November due to weather conditions and loss of 3,6 kha of rapeseed in February revealed by the field inspection

## Comments

- At the end of February Mriya Agro Holding began its field inspections to determine the condition of winter crops.
- The field inspection of winter rapeseed has revealed a loss of 3,6 kha of the crop and consequently this area will be planted with spring rapeseed.
- The field inspection of winter wheat is scheduled for the end of March.
- Mriya is planning to launch active new season fieldwork in early March. The company will be sowing spring barley and potatoes, and after that will move to corn and other.
- Overall plan is to sow 160 kha crops including resowing of the lost acreage of winter rapeseeds

## Sales volumes shipped

<i>Crop</i>	<i>Shipped Jan 2016, kmt</i>	<i>Shipped Feb 2016, kmt</i>
Grains	5,88	4,56
Oilseeds	1,50	0,91
Other	0,17	0,25
<b>Total</b>	<b>7,55</b>	<b>5,72</b>

<i>Crop</i>	<i>Shipped Jan 2016, kmt</i>	<i>Shipped Feb 2016, kmt</i>
Export	5,88	4,19
Domestic sales	1,67	1,53
<b>Total</b>	<b>7,55</b>	<b>5,72</b>

## Inventory in elevators

<i>Crop</i>	<i>As of 31 Jan, kmt</i>	<i>As of 29 Feb, kmt</i>	<i>Change in inventory, kmt</i>
Grains	12,23	8,05	-4,18
Oilseeds	3,03	2,36	-0,67
Other	1,53	1,193	-0,34
<b>Total</b>	<b>16,79</b>	<b>11,60</b>	<b>-5,19</b>

## Comments

- Mriya has completed the delivery of its contractual obligations for the sale and export of its 2015 crop.
- The balance of the inventory has been sold and delivered. Until delivery, the inventory belonged to the group's newly created trading companies which have no liabilities to legacy creditors and is pledged to the W/C lenders.
- Prices are within the forecasted range.



# Thank You

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