

OPERATIONAL UPDATE, July 2016

30 August, 2016

- ❖ At the beginning of July, Mriya successfully started its harvesting campaign. For this season's harvesting needs, the company is using a mix of its own and leased agricultural and logistics machinery. At the same time, the company has already begun the winter crops sowing campaign and allocated over 94 kha of land for the 2016/17 winter crops.
- ❖ In mid-July, the company received additional \$14 million of Working Capital financing provided by Mriya's existing bondholders. The funds will cover Working Capital needs to complete the harvesting and to prepare for the autumn sowing campaign. In total, the company obtained \$41 million of 2016 Working Capital financing from the company's current creditors.
- ❖ The conditions under which 2016 Working Capital facility was offered to the company have changed the overall restructuring parameters as agreed among the Coordinating Committees of the creditors in November 2015 and therefore the creditors have entered into negotiations to agree on amended restructuring terms and conditions.
- ❖ On July 1, the company's logistics base located in the city of Khorostkiv, Ternopil region was occupied by unknown persons led by a lawyer affiliated with the former owners of Mriya, the Guta family. According to the ruling issued by Dnipro regional court on August 4, 2016, the buildings and structures located at the auto transport site should be placed under care and custody of Mriya. However, the territory is still being blocked by mentioned persons as of the date of this report.

Winter crops 2015/16 - Harvesting

Crop	Harvested as of 31/07/16, kha	Total planned, kha	Completion, %
Wheat	37,7	61,2	62%
Rapeseed	6,7	6,7	100%
Barley	0,2	0,2	100%
Total	44,6	68,1	65%

Crop	Yield actual*, mt/ha	Yield planned, mt/ha	Yield difference, %	Total harvest, thd mt
Wheat	-	4,3	-	158,4
Rapeseed	1,2	0,8	55%	8,3
Barley	3,2	3,1	3%	0,7

* for fully harvested crops

Winter crops 2016/17 - Sowing

Crop	In ground as of 31/07/16, kha	Total planned, kha	Completion, %
Wheat	-	70,5	-
Rapeseed	0,1	21,0	0,5%
Rye	-	2,0	-
Barley	-	0,9	-
Total	0,1	94,4	0,1%

Comments

- In July, Mriya began the harvesting campaign of winter crops with winter barley, wheat and rapeseed.
- The harvest of winter rapeseed and barley has been fully completed, with yields exceeding the management forecast.
- The winter wheat harvest is in the progress and planned to be completed at the end of August.

Comments

- In July, Mriya started its winter crops 2016/17 sowing campaign. The area under winter crops will be increased in comparison to the previous year's one and will consist in total of 94,4 kha.
- The largest crop of the Mriya's winter crop rotation is wheat that will be planted on 70,5 kha of land. The company will also plant winter rapeseed, rye and barley on 21,0 kha, 2,0 kha and 0,9 kha respectively.

Spring crops 2016 - Harvesting

<i>Crop</i>	<i>Harvested as of 31/07/16, kha</i>	<i>Total planned, kha</i>	<i>Completion, %</i>
Spring rapeseed	0,7	8,7	8%
Spring barley	4,3	11,2	39%
Sunflower	-	42,5	-
Corn	-	9,1	-
Soybean	-	6,0	-
Potato	-	2,0	-
Other	0,05	2,0	2%
Total	5,1	81,5	6%

<i>Crop</i>	<i>Yield actual*, mt/ha</i>	<i>Yield planned, mt/ha</i>	<i>Yield difference, %</i>	<i>Total harvest, thd mt</i>
Spring rapeseed	-	1,5	-	0,8
Spring barley	-	3,8	-	19,2
Sunflower	-	2,1	-	-
Corn	-	7,0	-	-
Soybean	-	2,1	-	-
Potato	-	30,0	-	-

* for fully harvested crops

Comments

- Mriya began the harvest of spring crops with rapeseed and barley. The harvest will be completed at the end of August.
- The inspection of the condition of sunflower, corn and soybean is scheduled for the end of August and will show the quality and biological yields of these crops.
- During July, the company was also preparing the soil of the fields ahead of the sowing campaign for the 2016/17 crops.

Sales volumes shipped

<i>Crop</i>	<i>Shipped June 2016, kmt</i>	<i>Shipped July 2016, kmt</i>
Grains	0,00	27,70
Oilseeds	0,07	0,84
Other	0,02	0,04
Total	0,09	28,59

	<i>Shipped June 2016, kmt</i>	<i>Shipped July 2016, kmt</i>
Export	0,00	19,01
Domestic sales	0,09	9,58
Total	0,09	28,59

Comments

- For sale of the company's 2016 crops, Mriya is working with a number of big multinational traders such as ADM, Cargill, Louis Dreyfus, CHS, BTG Pactual Commodities.

Inventory in elevators

<i>Crop</i>	<i>As of 30 June, kmt</i>	<i>As of 31 July, kmt</i>	<i>Change in inventory, kmt</i>
Grains	2,48	145,01	142,52
Oilseeds	0,90	8,89	7,99
Other	0,45	5,74	5,29
Total	3,84	159,64	155,81

Thank You

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