

# OPERATIONAL UPDATE, March 2016

28 April, 2016

- ❖ In March Mriya Agro Holding successfully started spring sowing campaign. The company has allocated over 87 kha of land for 2016 spring crops. In Mriya's spring crop rotation this year's leader is sunflower, which is to be sown on more than 45 kha. The spring crop area includes fields sown with winter rapeseed, which did not survive winter frosts and will be re-sown with spring rapeseed and sunflower.
- ❖ At the end of Q1 2016 Mriya Agro Holding has almost finished its organizational restructuring of operations as planned. The permanent staff is employed according with clusters' organizational charts. The process of taking seasonal labor for field work is underway.
- ❖ 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 is until 30 April 2016.
- ❖ Currently, the company is in negotiations to obtain working capital for the 2016 season. Mriya has received an offer of WC of \$50 million from a consortium of existing bondholders and international investors. The working capital offer will allow the company to complete the 2016 spring sowing campaign and harvest season. The credit is conditional upon successful approval of the restructuring agreement by a majority of creditors.

## Winter crops 2015/16 - Sowing

Crop	In ground as of 31/03/16, kha	Total planned *, kha	Completion, %
Wheat	61,3***	60,6	101%
Rapeseed	7,2**	20,6	35%
Barley***	0,2	0,2	100%
<b>Total</b>	<b>68,7</b>	<b>81,3</b>	<b>85%</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 and 1,3 kha of rapeseed revealed by the field inspection in February and March respectively

\*\*\* As a result of the ongoing process of audit of land plots

## Comments

- The inspection of the condition of winter crops that was conducted at the end of March revealed a loss of 4,9 kha of rapeseed after winter. This area will be re-sown with spring rapeseed and sunflower. The winter wheat and barley are currently evaluated as being in good condition.

## Spring crops 2016 - Sowing

Crop	In ground as of 31/03/16, kha	Total planned, kha	Completion, %
Spring rapeseed	2,13	9,79	22%
Spring barley	9,80	11,17	88%
Sunflower	-	45,59	-
Corn	-	9,34	-
Soya	-	7,48	-
Potato	-	1,99	-
Other	0,05	1,72	3%
<b>Total</b>	<b>11,97</b>	<b>87,08</b>	<b>14%</b>

## Comments

- Mriya Agro Holding began the new season fieldwork in early March. The company began its sowing campaign with spring barley, rapeseed and peas.
- The leader of Mriya's spring crop rotation this year is sunflower that will be planted on more than 45 kha of land. Company will also plant spring barley on 11,17 kha of land, corn and soybeans on 9,34 kha and 7,48 kha respectively. The area under potatoes will be significantly increased this year in comparison to the previous year and comprise of 1,99 kha.
- Other crops include sorgo and silage corn necessary for the company's livestock business.
- The fields are currently in the phase of tillage and of the application of liquid ammonia fertilizers.

## Sales volumes shipped

<i>Crop</i>	<i>Shipped Feb 2016, kmt</i>	<i>Shipped Mar 2016, kmt</i>
Grains	4,56	0,00
Oilseeds	0,91	0,38
Other	0,25	0,08
<b>Total</b>	<b>5,72</b>	<b>0,46</b>

<i>Crop</i>	<i>Shipped Feb 2016, kmt</i>	<i>Shipped Mar 2016, kmt</i>
Export	4,19	<b>0,00</b>
Domestic sales	1,53	<b>0,46</b>
<b>Total</b>	<b>5,72</b>	<b>0,46</b>

## Inventory in elevators

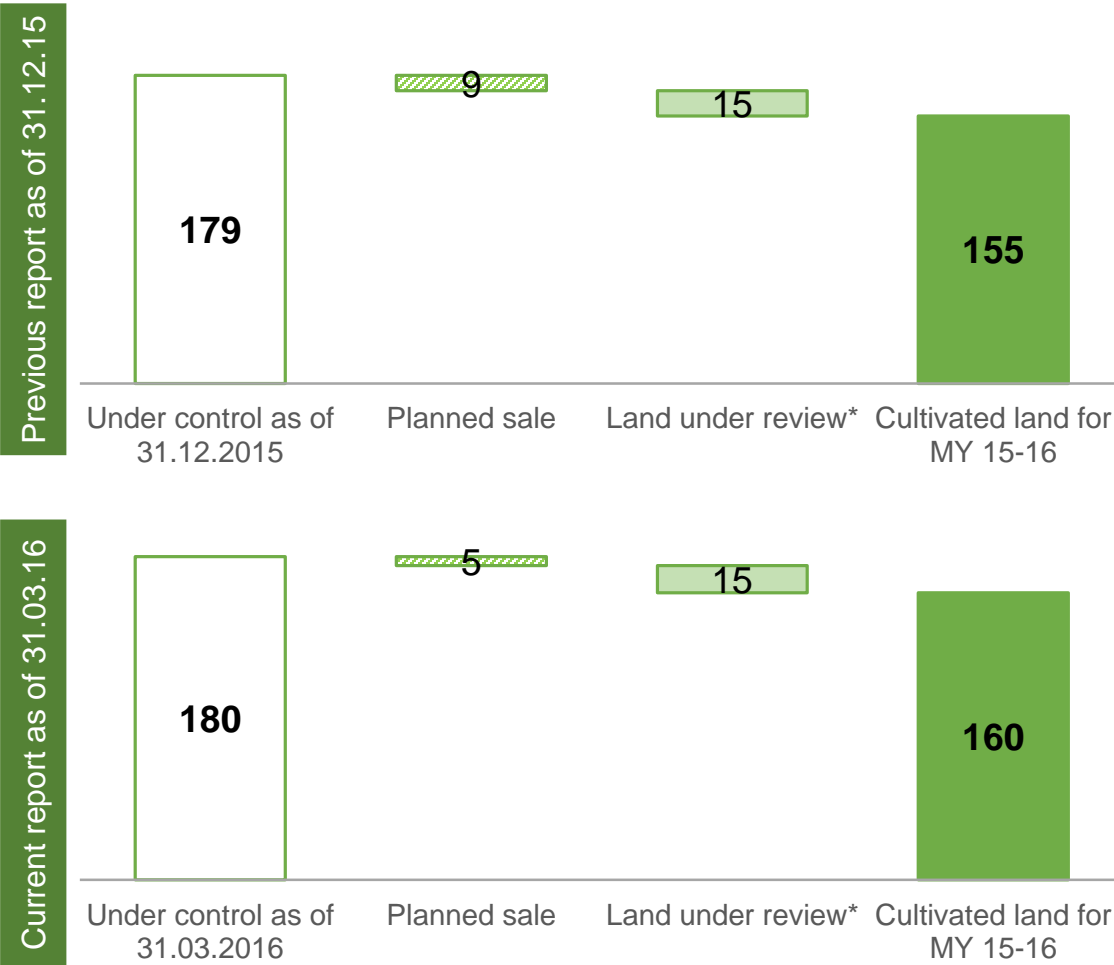
<i>Crop</i>	<i>As of 29 Feb, kmt</i>	<i>As of 31 Mar, kmt</i>	<i>Change in inventory, kmt</i>
Grains*	8,05	8,57	0,52
Oilseeds*	2,36	2,54	0,19
Other	1,193	0,83	-0,36
<b>Total</b>	<b>11,60</b>	<b>11,94</b>	<b>0,34</b>

## Comments

- Mriya has completed deliveries related to its contractual obligations for sale and export of 2015 crops.
- Prices are within the forecasted range.

\* Increases in inventories as a result of physical observations conducted in elevators in March.

## Land bank: controlled and cultivated, kha



## Comments

- During the Q1 2016 Mriya`s land bank has increased by 5 kha of new land as a result of the ongoing process of audit of land leases. Land under cultivation has increased according to the above.
- The area of land of around 4 kha was sold/terminated.
- Land bank under control as of 31 March 2016 consists of 180 kha, which is 1 kha more than as of 31 December 2015.
- Detailed reconciliation of legal documents and physical borders of leased land plots is in process. It has been initiated by Mriya`s management in Q4 2015.
- Part of land plots recommended for sale is still under Mriya`s control due to the ongoing process of resigning leases before selling to a new leaseholder (expected to be fully divested by the end of 2016).

\* Land currently in the process of reconciliation into 4 categories: leases of arable land (that Mriya can legally cultivate), leases of non-arable land, losses from expired 2015 leases (unable to resign), suboptimal land to exchange/ terminate lease contracts

<i>Item (in mln USD)</i>	<i>1 Jul - 31 Dec 2015</i>	<i>1 Jan 2016-31 Mar 2016</i>	<i>TOTAL 1 Jul 2015 - 31 Mar 2016</i>
<b>Cash at the beginning of the period</b>	<b>28,9</b>	<b>13,6</b>	<b>28,9</b>
<b>Cashflow from operating activities</b>	<b>9,3</b>	<b>-3,8</b>	<b>5,5</b>
<i>Cash proceeds from operating activities</i>	61,2	3,6	64,8
<i>Cash proceeds from agricultural produce</i>	51,6	2,1	53,7
<i>Cash proceeds from potato and starch sales</i>	2,2	0,8	3,0
<i>Cash proceeds from silos operations</i>	1,2	0,2	1,4
<i>Other operational proceeds</i>	6,2	0,6	6,8
<i>Operational costs</i>	-51,9	-7,5	-59,4
<i>Cost of goods &amp; other operational</i>	-25,1	-3,5	-28,6
<i>Land and land social payments</i>	-6,5	-0,9	-7,4
<i>Personnel expenses</i>	-7,5	-1,5	-9,0
<i>G&amp;A &amp; Restructuring fees</i>	-12,8	-1,6	-14,4
<b>Cashflow from investment activities</b>	<b>-7,8</b>	<b>-1,8</b>	<b>-9,6</b>
<i>Investment income</i>	0,0	0,1	0,1
<i>CapEx</i>	-6,7	-1,6	-8,3
<i>Land registration and contracts resigning</i>	-1,1	-0,2	-1,3
<b>Cashflow from financing activities</b>	<b>-16,9</b>	<b>-1,6</b>	<b>-18,4</b>
<i>Proceeds from financing activities</i>	0,0	0,0	0,0
<i>Loan repayments</i>	-15,0	-0,8	-15,8
<i>Financial expenses</i>	-1,8	-0,8	-2,6
<b>Cash at the end of the period</b>	<b>13,6</b>	<b>6,4</b>	<b>6,4</b>

## Comments

- Income in January – March 2016 was generated from sales of spring crops (soybeans, sunflower seeds, corn) and starch.
- CapEx in March 2016 company includes \$1 million in machinery for farming.
- The company made in Q1 2016 a partial repayment of \$0.8 million of the working capital 2015 Facility.
- The company didn't make any payments in respect to its legacy debt, whilst the restructuring proposal is being developed and negotiated.

# Thank You

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