



Newsletter MIGS, 16/03/29 - it is sprouting now!!

Manpan with team has planted seeds in batches with totally 15.000 bags during the last weeks and now the first tomato plants are sprouting, see the figure above, but you are advised to check out the whole slide-show at <http://www.naventure.se/en/projects/migs-2/> to get the full story about what has happened since the summer of 2015 when Manpan ordered the green-house and the simpler but larger net-house. It is amazing to follow the development that has taken place.

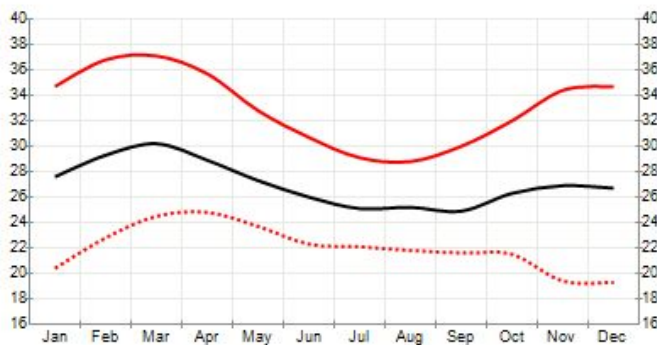
The construction of the framework of the greenhouses is almost ready, just the cladding remains. The work has gone in principle according to plan and the tomato seeds are planted in time and sprout already and as soon as the cladding is ready, the plants will be moved into the greenhouses.

From the beginning Manpan planned to use supervisors and installers from the greenhouse supplier but has since then reconsidered and he leads now the work himself and it is his own

team that does all the work in order to keep the cost down but it has also slowed down the progress somewhat since Manpan has been forced to study the mounting drawings and figure out it can be assembled like a gigantic "mechano". The team has also spent a lot of time the last weeks to plant seedlings in totally 15,000 bags with expected harvest in June - August for the first batch and July through September for the 2nd batch. Each plant is expected to give 7-10 kg of tomatoes.

It is important that the production starts as expected as the rains begin in April, and it will be a lot of rain until October; see Chart from the Norwegian Weather Service yr.no.

Average temperature per month



Average days with precipitation per month



During the rainy season it will be the best sales season for MIGS since production in open field is impossible during the rainy season since the tomatoes become rotten in the fields. This leads to a shortage of tomatoes on the market and higher prices. Manpan expects to get about 4 SEK/kg. MIGS will have production even during the dry season but then the expected price is about 2 SEK/kg.

One can also observe that Manpan with team are working hard in the heat when the average daily temperature is about 30 degrees in March.

Economy:

Manpan hasn't had any income but only costs since the late summer of 2015 and until the first harvest in June / July this year and therefore we have consider it unrealistic for him to amortize and pay interest during this time. The proposal that we have agreed with Manpan is that all loans will be adjusted by the amount of the interest up to 2016-06-30. **Thereafter begins a five-year annuity loan with quarterly payments with the first payment 2016-09-30 to 20% annual interest.** Manpan has got loans at three occasions, in July 2015 to part of the payment, in September to the full payment of the greenhouses and in January / February to plants and materials to get started with the production. The first loans were at 25% interest but at that time



the risk level were also high and now the risk has been reduced when the construction is almost ready and we are expecting harvest within a few months, but if someone is unhappy with the new somewhat lower interest rate (still very high return of investment), please don't hesitate to contact us and we will seek for an acceptable solution.

Manpan wants to repay the loans faster, while we in the board wants to be sure that the repayment plan can be sustainable. However, the conditions in the promissory notes give Manpan the right to amortize more quickly than the repayment plan says if he wants and can (in the same way as we can make extra repayments on mortgages).

Each one of you will receive an updated payment plan for the loan that you have given to Manpan in good time before the first repayment date.

If you have any questions please let us know

Anders Bergenholtz
For Naventure Nordic board