

KERNEL HOLDING S.A.

OPERATIONS UPDATE FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2024

Segment volumes <i>thousand metric tons</i>	Q1 FY2024	Q4 FY2024	Q1 FY2025	y-o-y	q-o-q
Oilseeds processed	610	953	684	12%	(28%)
Edible oil sales ¹	340	384	269	(21%)	(30%)
Grain and oilseeds received in inland silos	1,208	53	1,850	53%	35x
Export terminal's throughput (Ukraine)	162	2,270	2,199	14x	(3%)
Grain export from Ukraine ²	203	1,613	1,476	7x	(8%)

Note 1 Includes sales of sunflower oil in bulk and bottled sunflower oil, as well as rapeseed oil sold in bulk.

Note 2 Excluding physical trading volumes reported by Avere, a subsidiary of Kernel involved in physical and proprietary trading.

Preliminary figures; financial year ends 30 June.

Differences are possible due to rounding.

Key operational highlights

- Kernel **processed 684 thousand tons of oilseeds in Q1 FY2025**, up 12% y-o-y, marking a record high for the first quarter. This growth was driven by the additional capacity of our newly commissioned plant in February 2024 and an earlier start to sunflower harvesting, which improved seed availability during the reporting period. To maximize capacity utilization, Kernel processed oilseeds from third parties under tolling agreements, as well as rapeseed alongside sunflower. Of the total, 132 thousand tons were supplied under tolling agreements. Sunflower seeds constituted 589 thousand tons, and rapeseed crush volumes amounted to 95 thousand tons. At the same time, oilseed processing volumes declined by 28% q-o-q due to a month-long maintenance period during the summer when processing plants remain idle to prepare for the new season.
- In line with the quarterly reduction in oilseed processing volumes, **edible oil sales** in Q1 FY2025 decreased by 30% q-o-q, totaling 269 thousand tons. Of this, bottled sunflower oil accounted for 18 thousand tons.
- Silo intake volume** increased by 53% y-o-y, reaching 1,850 thousand tons, reflecting the earlier start of the harvesting campaign this season caused by weather patterns.
- Export terminal throughput** in Q1 FY2025 totaled 2.2 million tons, reflecting a 3% decrease q-o-q, supported by stable export operations via Black Sea ports. Grain accounted for 75% of the total transshipment volume, with the remainder consisting of vegetable oils and meals. Transshipment services for third parties were minimal, at 42 thousand tons of grain and vegetable oils. At the same time, transshipment volumes in the reporting period showed a 14x increase compared to the same period a year ago, when the Black Sea was largely inaccessible for exports from Ukraine.
- Group's **grain export volume** from Ukraine reached 1.5 million tons, an 8% decrease q-o-q.

Harvesting update

- For the 2024 crop (planted in FY2024 and to be sold in FY2025), the Kernel adjusted its crop structure to reestablish sustainable farming practices and crop rotation, which had been disrupted by Russia's invasion of Ukraine:
 - Sunflower acreage** was reduced by 44% y-o-y, to 67 thousand hectares, representing 19% of the total acreage, down from the elevated levels of 33-36% seen in 2022-2023. These higher levels marked a deviation from normal crop rotation practices, which, if extended over time, could lead to reduced yields due to increased risks of pests and diseases. However, maintaining such a high percentage of sunflower acreage in 2022-2023 was necessary given the uncertainties surrounding grain export logistics capacity at that time. For the 2025 harvest, the acreage under sunflower is planned to decrease further, to 12% of the total land bank (40 thousand hectares). After this reduction, we aim to gradually return to sustainable levels of around 25% of total acreage in subsequent years, aligning with long-term crop rotation practices.
 - The **acreage under corn** remained virtually unchanged, at 87 thousand hectares.
 - Kernel expanded the **winter wheat acreage** to 93 thousand hectares, a 52% y-o-y increase, making up 26% of the total acreage. This is the highest proportion of wheat in the Group's crop structure since 2012.
 - The Group increased **plantings of soybeans and rapeseeds** to 72 thousand hectares and 14 thousand hectares, respectively, driven by the strong profitability of oilseeds in FY2024.
- As of the report date, the harvesting of all crops, except corn, has been completed. Severe drought conditions during critical grain filling and maturation periods in Ukraine caused yield declines across most crops. Corn yield is expected to fall by 17% y-o-y, based on 98% of the acreage harvested, while soybean yield dropped by 24%. Wheat yield declined by 8% y-o-y to 6.1 tons per hectare. Sunflower crops demonstrated greater resilience, with yields remaining stable in our operating regions, despite more severe drought impacts in other crop-producing areas of Ukraine.

	Acreage, thousand hectares			Net yield ¹ , tons / hectare		
	FY2024	FY2025	y-o-y	FY2024	FY2025	y-o-y
Corn	84	87	3%	10.1	8.4	(17%)
Sunflower	120	67	(44%)	2.8	2.8	0%
Wheat	61	93	52%	6.6	6.1	(8%)
Soybean	65	72	10%	2.9	2.2	(24%)
Other ²	28	39	39%			
Total	359	358	(1%)			

Note 1 Net crop yields are projections based on 98% of corn, 100% of sunflower, 100% of soybeans, and 100% of wheat acreage harvested as of 28 October 2024.

Note 2 Includes rapeseed, barley, rye, oats, forage crops, and other minor crops, as well as fallow land.

Preliminary figures; differences are possible due to rounding.

For further information, please contact:

Michael Iavorskyi, IR Manager
+38 044 461 88 01, ext. 72-75
ir@kernel.ua

The information in this document has not been independently verified and no representation or warranty, expressed or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein. Neither the Company nor any of its affiliates, advisors, or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss whatsoever arising from any use of this document, or its contents, or otherwise arising in connection with this document. This document does not constitute or form part of any offer or invitation to sell or purchase, or any solicitation of any offer to sell or purchase any shares or securities in Kernel Holding S.A. It is not intended to form the basis upon which any investment decision or any decision to purchase any interest in Kernel Holding S.A. is made. Information in this document relating to the price at which investments have been bought or sold in the past or the yield on investments cannot be relied upon as a guide to future performance.

Certain statements in this document are forward-looking statements. By their nature, forward-looking statements involve a number of risks, uncertainties or assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties or assumptions could adversely affect the outcome and financial effects of the plans and events described herein. Forward-looking statements contained in this document regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. You should not place undue reliance on forward-looking statements, which speak only as of the date of this announcement. Except as required by law, the Company is under no obligation to update or keep current the forward-looking statements contained in this document or to correct any inaccuracies which may become apparent in such forward-looking statements.