

# KERNEL HOLDING S.A.

## OPERATIONS UPDATE FOR THE THREE MONTHS ENDED 31 DECEMBER 2023

### Segment volumes

metric tons	Q2	Q1	Q2	y-o-y	q-o-q	H1	H1	y-o-y
	FY2023	FY2024	FY2024			FY2023	FY2024	
Oilseeds processed	653,011	610,029	811,226	24%	33%	1,114,094	1,421,255	28%
Edible oil sales <sup>1</sup>	344,710	369,093	388,393	13%	5%	546,774	757,486	39%
Grain and oilseeds received in inland silos	1,516,349	1,207,964	1,264,126	(17%)	5%	2,039,596	2,472,090	21%
Export terminal's throughput (Ukraine)	1,716,416	161,744	1,805,173	5%	11.2x	2,437,501	1,966,917	(19%)
Grain export from Ukraine <sup>2</sup>	1,521,961	203,196	1,704,557	12%	8.4x	2,253,835	1,907,753	(15%)

**Note 1** Includes sales of sunflower oil in bulk and bottled sunflower oil.

**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:

- Approaching the full capacity utilization at its crushing plants, Kernel **processed 811 thousand tons of sunflower seeds** in Q2 FY2024, posing a hefty 24% y-o-y growth for a low comparison base, as operations in last season were undermined by electricity outages arising from Russia's attacks on Ukraine's energy infrastructure. As before, two of the Group's eight plants remain inaccessible for operations due to the constant missile and artillery strikes, being located in the Kharkiv region near the border with Russia.
- Sunflower oil sales** in Q2 FY2024 increased by 13% y-o-y, exceeding 388 thousand tons, on the back of the strong sunflower seed processing volumes and supported by multiple export logistics options available, including deep-water Ukrainian Black Sea ports. Bottled sunflower oil sales amounted to 6% of total sales volumes.
- The Group's **silos in-take volume** in H1 FY2024 soared 21% y-o-y, to 2.5 million tons, given that the Group managed to complete the harvesting campaign in its Farming segment in due time, contrary to the delayed harvesting campaign in the previous season.
- Leveraging the temporary corridor for commercial navigation established by the Ukrainian Navy, Kernel was able to increase **export terminal throughput volume** by 11.2x q-o-q, to 1,805 thousand tons in October-December 2023. This volume covers the transshipment of grains, sunflower oil, and sunflower meal, and also includes transshipment services provided to third parties (65 thousand tons in Q2 FY2024). The growth reflects a modest 5% y-o-y increase, as the Group benefitted from the Black Sea Grain Initiative during the respective period of FY2023. Nevertheless, export terminals operated below the pre-war capacity levels, suffering from damages caused by Russian missile attacks on the Group's port infrastructure in the summer of 2023.
- In line with the export terminal throughput volume recovery, **grain export volume from Ukraine** surged by 8.4x q-o-q in Q2 FY2024, reaching 1,705 thousand tons.

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