

KERNEL HOLDING S.A.
OPERATIONS UPDATE FOR THREE MONTHS ENDED 30 JUNE 2017

| Volume and tonnage | Q4 FY2017 | Q4 FY2016 | y-o-y | FY2017 | FY2016 | y-o-y |
|--|------------------|------------------|--------------|---------------|---------------|--------------|
| Grain sales, tons | 957,487 | 744,278 | 28.6% | 5,060,491 | 4,409,465 | 14.8% |
| Sunflower oil sales in bulk, tons | 281,587 | 208,766 | 34.9% | 1,083,729 | 983,904 | 10.1% |
| Bottled sunflower oil sales, '000 liters | 39,235 | 16,400 | 2.4x | 131,412 | 93,672 | 40.3% |
| Oilseed crush, tons | 909,571 | 647,333 | 40.5% | 2,958,695 | 2,684,756 | 10.2% |
| Export terminals throughput, tons ⁽¹⁾ | 1,431,625 | 1,008,338 | 42.0% | 6,101,263 | 5,343,255 | 14.2% |
| Grain received in inland silos, tons | | | | 3,254,927 | 2,819,849 | 15.4% |

(1) Including 316,346 tons transhipped through Taman port in Q4 FY2017 vs. 217,320 tons in Q4 FY2016 (1,645,123 tons in FY2017 vs. 1,619,665 tons in FY2016), which represents 50% of the total throughput volume of the Taman facility. Kernel Holding S.A. owns 50% stake in Taman grain transshipment facility.

Note: Financial year ends 30 June.

Key highlights:

- Grain exports soared by 28.6% y-o-y in Q4 FY2017 and by 14.8% y-o-y to a record 5.1 million tons in FY2017. This double-digit growth reflects the gradual de-bottlenecking of our grain handling and export infrastructure.
- Sunflower oil sales in bulk were up by 34.9% y-o-y in Q4 FY2017 and by 10.1% y-o-y to a record 1.1 million tons in FY2017 reflecting historical high crushing volumes.
- Bottled sunflower oil sales have more than doubled y-o-y in Q4 FY2017, bringing a total annual sales volume to over 131 million liters in FY2017, a 40.3% growth y-o-y as we continued to explore new export geographies.
- Oilseeds crushing stood at 910 thousand tons, up 40.5% y-o-y in Q4 FY2017, contributing to a record-breaking 3.0 million tons of sunflower seeds crushed in FY2017, a 10.2% increase y-o-y, as our procurement efforts enabled to maintain nearly full capacity utilization of crushing facilities in a highly deficit sunflower supply market.
- Export terminals' throughput increased by 42% y-o-y in Q4 FY2017 translating into historical high throughput volume matching the installed capacity of 6.5 million tons in FY2017, a 14.2% growth y-o-y owing to de-bottlenecking of existing facilities and robust grain supply in the region.
- Grains received in inland silos surged by 15.4% y-o-y to a record 3.3 million tons in FY2017, reflecting top in-house grain production volumes and increased demand for off-farm drying services by external customers during wet harvesting campaign.

Corporate:

- On 9 June 2017, Kernel completed an acquisition of 100% interest in a farming business that manages more than 190,000 hectares of leasehold farmland and approximately 200,000 tons of grain storage capacity.
- On 5 July 2017, Kernel completed an acquisition of 100% interest in a farming business that operates over 170,000 tons of grain storage capacities and manages more than 27,500 hectares of leasehold farmland.

Consolidated Financial Statements for the year ended 30 June 2017 will be published before market opening on 23 October 2017.

Q4 FY2017 vs. Q3 FY2017

| Volume and tonnage | Q4 FY2017 | Q3 FY2017 | q-o-q |
|--|-----------|-----------|---------|
| Grain sales, tons | 957,487 | 1,390,180 | (31.1%) |
| Sunflower oil sales in bulk, tons | 281,587 | 293,753 | (4.1%) |
| Bottled sunflower oil sales, '000 liters | 39,235 | 34,622 | 13.3% |
| Oilseed crush, tons | 909,571 | 860,632 | 5.7% |
| Export terminals throughput, tons ⁽¹⁾ | 1,431,625 | 1,614,092 | (11.3%) |

(1) Including 316,346 tons transhipped through Taman port in Q4 FY2017 and 438,115 tons in Q3 FY2017, which represents 50% of the total throughput volume of the Taman facility (Kernel Holding S.A. owns 50% of the Taman grain transshipment facility).

Note: Financial year ends 30 June.

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