

KERNEL HOLDING S.A.

OPERATIONS UPDATE FOR THE THREE MONTHS ENDED 30 JUNE 2018

Volumes and tonnage ¹	Units	Q4 FY2017	Q4 FY2018	y-o-y	FY2017	FY2018	y-o-y
Grain sales	tons	957,487	1,572,925	64.3%	5,060,491	4,646,421	(8.2%)
- Ukraine	tons	860,368	1,031,911	19.9%	3,966,790	3,847,760	(3.0%)
- Russia	tons	97,120	-	n/m	1,093,701	105,676	(90.3%)
- Other ²	tons	-	541,014	n/m	-	692,985	n/m
Export terminal's throughput	tons	1,431,625	1,611,717	12.6%	6,101,263	6,064,727	(0.6%)
- Ukraine	tons	1,115,279	1,145,116	2.7%	4,456,140	4,112,067	(7.7%)
- Russia	tons	316,346	466,601	47.5%	1,645,123	1,952,660	18.7%
Grain and oilseeds received in inland silos	tons	52,675	52,191	(0.9%)	3,254,927	3,291,599	1.1%
Oilseeds crushed	tons	909,571	833,998	(8.3%)	2,958,695	3,135,730	6.0%
Sunflower oil sales in bulk	tons	281,587	386,637	37.3%	1,083,729	1,301,321	20.1%
Bottled sunflower oil	000 liters	39,235	32,831	(16.3%)	131,412	118,635	(9.7%)

Note 1 Preliminary figures; financial year ends 30 June

Note 2 Physical grain trading volumes reported by Avere

Key highlights:

- Company's **grain volumes exported from Ukraine** grew 20% y-o-y in Q4 FY2018, to over 1 million tons, resulting in 3.8 million tons exported for the full FY2018, a mere 3% decline y-o-y.
- Assignment of a sizable portion of company's FY2018 transshipment quota entitlement in Taman terminal to a 3rd party at the beginning of the season resulted in **nil grain export volumes from Russia** in Q4 FY2018
- **Other grain export volumes** in Q4 FY2018 amounted to 541 thousand tons, reflecting physical grain trading volumes reported by Avere.
- **Export terminals throughput volumes in Ukraine** increased by 3% y-o-y, to 1,145 thousand tons in Q4 FY2018. Full year transshipment volumes stood at 4.1 million tons.
- Kernel's **silos' intake volumes** for FY2018 reached 3.3 million tons, up 1% y-o-y.
- Kernel **crushed** 834 thousand tons of sunflower seeds in Q4 FY2018, resulting in over 3.1 million tons of seeds processed in FY2018, up 6% y-o-y, a record crushing volume ever.
- Kernel sold 387 thousand tons of **sunflower oil in bulk** during Q4 FY2018, a 37% increase y-o-y, translating into record high 1.3 million tons of sunflower oil exported in bulk in FY2018, 20% up y-o-y.
- **Bottled sunflower oil sales** declined to 33 million liters in Q4 FY2018, 16% down y-o-y. Overall, annual sales of bottled sunflower oil in FY2018 stood at 119 million liters, 10% less compared to previous year.

Corporate update:

- In May 2018 Kernel completed the disposal of corporate rights in subsidiaries leasing in total over 6 thousand hectares of farmland in Ukraine, which were suboptimal for company's operations.

Consolidated Financial Statements for the year ended 30 June 2018 will be published before market opening on 22 October 2018.

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