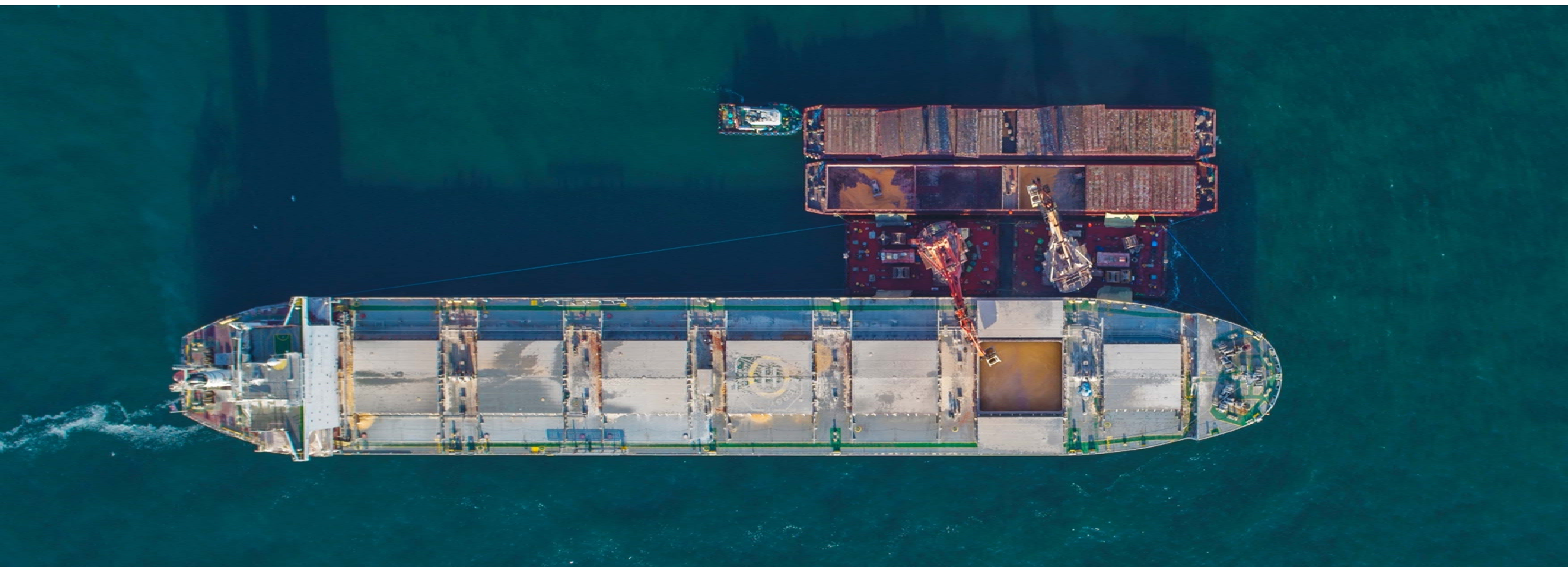


KERNEL

Kernel Holding S.A.

H1 FY2020 results and company presentation

February 2020



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Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

“LTM” and “Last twelve months” throughout this presentation means the period of January 2019 – December 2019, inclusively.



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1.1 Q2 FY2020 highlights

- **Revenue** ↓ 9% y-o-y to US\$ 1,016m on lower Avere physical sales volumes
- **EBITDA** ↓ 15% y-o-y to US\$ 109m (or US\$ 96m ex IFRS16)
 - **Oilseed Processing** EBITDA of US\$ 39m (flat y-o-y): margin improvement compensated weaker sales volumes;
 - **Infrastructure and Trading** EBITDA of US\$ 61m (↑ 50% y-o-y) on strong infrastructure businesses performance and positive contribution from trading operations (grain origination in Ukraine and Avere activities).
 - **Farming** EBITDA of US\$ 19m, ↓ 70% y-o-y (or US\$ 6m ex IFRS16) on higher costs due to Ukrainian currency appreciation and weak sales prices in Q2 FY2020.
- **Net profit attributable to shareholders** of US\$ 41m, ↓54% y-o-y (or US\$ 49m ex IFRS16)
- **Net debt** of US\$ 1,644m (↑ 44% from 30 September 2019) on the need to finance seasonal working capital accumulation and CapEx program
- **Readily marketable inventories** ("RMI") of US\$ 940m, ↑ 65% from 30 September 2019 reflecting purchases of grain and sunflower seeds during the peak season.
- **Net debt adjusted for RMI** of US\$ 704m on 31 December 2019 from US\$ 576m on 30 September 2019.
- Consequently, Kernel **leverage** as of 31 December 2019 increased to 5.0x Net-debt-to-EBITDA and 3.0x EBITDA-to-Interest.

US\$ m except EPS	Q2 FY19	Q2 FY20	y-o-y	H1 FY19	H2 FY20	y-o-y
Income statement highlights						
Revenue	1,115	1,016	(9%)	2,255	1,862	(17%)
EBITDA ¹	129	109	(15%)	230	216	(6%)
Net profit attributable to equity holders	89	41	(54%)	164	100	(39%)
EBITDA margin	11.6%	10.8%	(7%)	10.2%	11.6%	14%
Net margin	7.9%	4.0%	(49%)	7.3%	5.4%	(26%)
EPS ² , US\$	1.08	0.50	(54%)	2.00	1.23	(39%)

Cash flow highlights						
Operating profit before working capital changes	116	89	(23%)	170	146	(14%)
Change in working capital	(240)	(426)	78%	(270)	(536)	99%
Finance costs paid, net	(14)	(14)	(1%)	(41)	(45)	10%
Income tax paid	(1)	(3)	+4.5x	(2)	(5)	+2.3x
Net cash generated by operating activities	(139)	(354)	+2.5x	(143)	(440)	+3.1x
Net cash used in investing activities	(50)	(121)	+2.4x	(122)	(183)	+1.5x

Financial year ends 30 June

Note 1 Hereinafter, EBITDA is calculated as the sum of the profit from operating activities plus amortization and depreciation.

Note 2 EPS is measured in US Dollars per share based on 81.9 million shares for FY2019 and FY2018.

Credit metrics						
US\$ m, except ratios	31 Dec 2018	30 Sep 2019	31 Dec 2019	q-o-q	y-o-y	
Short-term debt	494	349	457	31%	(8%)	
Long-term debt	4	71	147	2.1x	+41.2x	
Lease liabilities	9	307	322	5%	+35.2x	
Eurobond	496	496	793	60%	60%	
Debt liabilities	1,002	1,225	1,718	40%	71%	
Cash and cash equivalents	127	80	74	(7%)	(41%)	
Net debt	875	1,144	1,644	44%	88%	
Readily marketable inventories ³	727	568	940	65%	29%	
of which edible oil and meal	106	69	146	2.1x	37%	
Sunflower seeds	340	296	417	41%	23%	
Grains and other RMIs	280	203	377	1.9x	35%	
Adjusted net debt	149	576	704	22%	+4.7x	
Shareholders' equity	1,254	1,483	1,501	1%	20%	
Net debt / EBITDA ⁴	2.7x	3.3x	5.0x	+2.3x	+1.7x	
Adjusted net debt / EBITDA ⁴	0.5x	1.6x	2.1x	+1.7x	+0.5x	
EBITDA / Interest ⁵	4.4x	3.7x	3.0x	-1.4x	-0.7x	

Note 3 Commodity-type inventories that could easily be converted into cash.

Note 4 Calculated based on 12-month trailing EBITDA.

Note 5 Calculated based on 12-month trailing EBITDA and net finance costs.

1.2 Segments results and harvest update

Segments results	Revenue, US\$ m			EBITDA, US\$ m			Volume, k t ¹			EBITDA margin, US\$ / t ²		
	Q2	Q2		Q2	Q2		Q2	Q2		Q2	Q2	
	FY19	FY20	y-o-y	FY19	FY20	y-o-y	FY19	FY20	y-o-y	FY19	FY20	y-o-y
Oilseed Processing	380	365	(4%)	39	39	(0%)	379	346	(9%)	104	113	9%
Infrastructure and Trading	874	866	(1%)	40	61	50%	1,746	2,263	30%	23	27	16%
Farming	211	188	(11%)	62	19	(70%)						
Unallocated corporate expenses				(12)	(9)	(24%)						
Reconciliation	(350)	(403)	15%									
Total	1,115	1,016	(9%)	129	109	(15%)						

	Revenue, US\$ m			EBITDA, US\$ m			Volume, k t ¹			EBITDA margin, US\$ / t ²		
	H1	H1		H1	H1		H1	H1		H1	H1	
	FY19	FY20	y-o-y	FY19	FY20	y-o-y	FY19	FY20	y-o-y	FY19	FY20	y-o-y
Oilseed Processing	737	661	(10%)	56	62	11%	784	647	(17%)	71	95	34%
Infrastructure and Trading	1,741	1,557	(11%)	79	96	22%	3,129	3,884	24%	25	25	(2%)
Farming	325	323	(1%)	115	77	(33%)						
Unallocated corporate expenses				(19)	(19)	(2%)						
Reconciliation	(547)	(678)	24%									
Total	2,255	1,862	(17%)	230	216	(6%)						

Note 1 Physical grain volumes exported from Ukraine for Infrastructure and Trading

Note 2 US\$ per ton of oil sold for Oilseeds Processing; US\$ per ton of grain exported (ex. Avere volumes) for Infrastructure & Trading;

Oilseed Processing segment

- **EBITDA margin** ↑ 9% y-o-y to US\$ 113 per ton of oil sold, driven by supportive market fundamentals.
- On normalized sales volumes but much higher margin, **segment EBITDA** in Q2 FY2020 reached US\$ 39m, flat y-o-y

Infrastructure and Trading segment

- **EBITDA** ↑ 50% y-o-y, to US\$ 61m (27 US\$/ton EBITDA margin)
 - Strong performance of infrastructure businesses (silos, export terminals, grain railcars).
 - Positive contribution from grain trading operations (grain origination in Ukraine and Avere activities).

Farming segment

- **EBITDA** amounted to US\$ 19m (including US\$ 8m positive effect from implementation of IFRS 16).

Harvest update

	Acreage thousand hectares			Net yield tons / ha ¹			Harvest size thousand tons		
	FY2019	FY2020	y-o-y	FY2019	FY2020	y-o-y	FY2019	FY2020	y-o-y
Corn	224	231	3%	9.9	8.5	(14%)	2,227	1,976	(11%)
Sunflower	135	137	2%	3.2	3.5	9%	426	472	11%
Wheat	100	97	(3%)	5.1	5.9	15%	509	569	12%
Soybean	36	24	(33%)	3.0	2.5	(15%)	108	61	(43%)
Other ²	34	23	(32%)						
Total	529	513	(3%)				3,269	3,079	(6%)

Note 1. 1 ton per hectare equals 15.9 bushels per acre for corn and 14.9 bushels per acre for wheat and soybean

Note 2 Includes pea, rapeseed, barley, forage crops and other minor crops, as well as land left fallow for crop rotation purposes.

Differences are possible due to rounding

- Record ever net yields for wheat (5.9 t/ha, ↑ 15% y-o-y) and sunflower (3.5 t/ha, ↑ 9% y-o-y)
- Normalization of corn yields to 8.5 t/ha (↓ 14% y-o-y).

Segment volumes

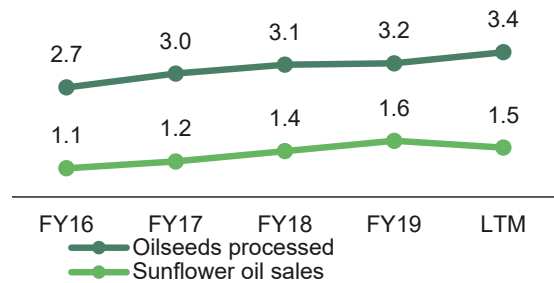
	metric tons	Q2 FY19	Q2 FY20	y-o-y
Oilseeds processed		940,556	950,986	1%
Sunflower oil sales ¹		379,392	346,461	(9%)
Grain and oilseeds received in inland silos		2,282,061	2,036,506	(11%)
Export terminal throughput (Ukraine)		1,256,723	1,692,237	35%
Grain export from Ukraine		1,745,807	2,262,727	30%

Note 1 Includes 278,480 tons of sunflower oil produced by Kernel plants and sold to Avere. Margins on that volumes are allocated to both Oilseeds Processing and Infrastructure & Trading segments.

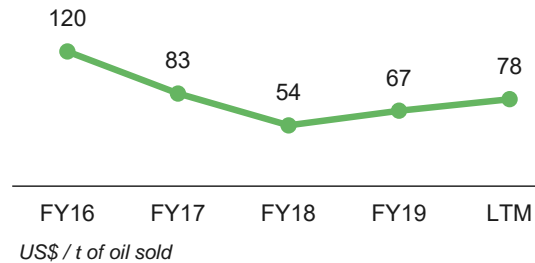
1.3 Segment results

Segment volumes, m tons

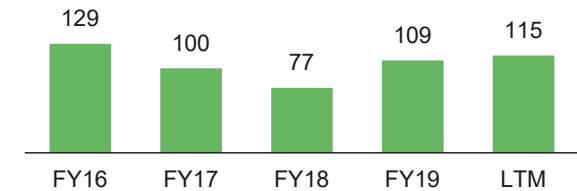
Oilseed Processing



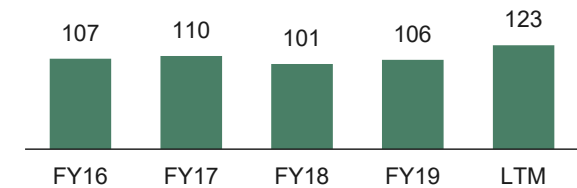
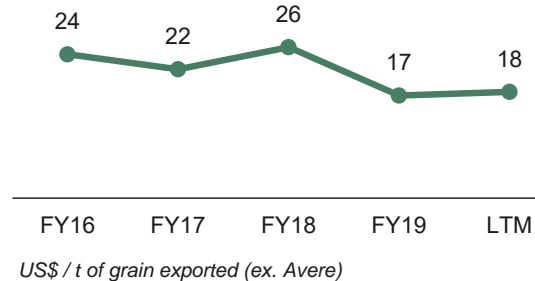
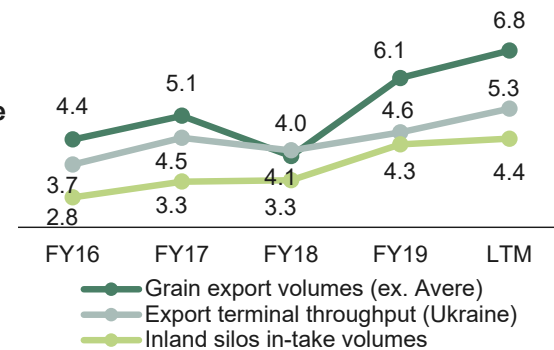
EBITDA margin



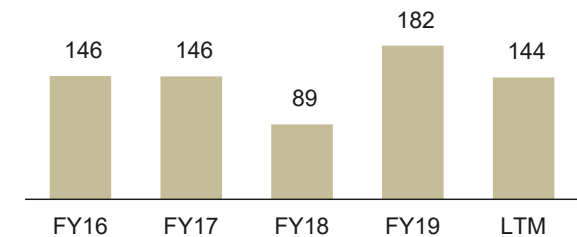
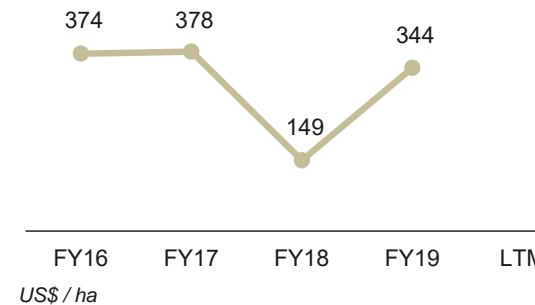
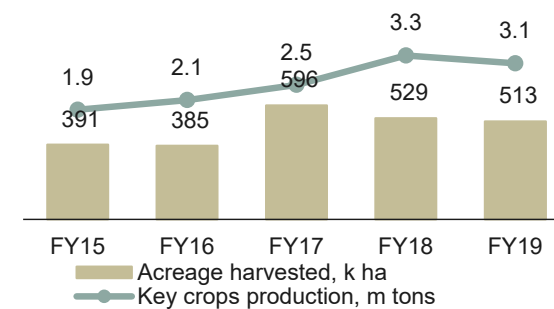
EBITDA, US\$ m



Infrastructure & Trading



Farming



1.4 IFRS 16 impact ¹

- Starting from Q1 FY2020, Kernel introduced IFRS 16 Leases with application of retrospective approach and did not restate comparatives, as permitted under the transitional provisions of the standard. Given that company leases all the farmlands under operations, introduction of IFRS 16 had significant impact on Company's financials. As a result of IFRS 16 implementation:
 - Company recognized US\$ 372 million right-of-use assets (of which US\$ 364 million rights to lease land) and US\$ 322 million corresponding lease liabilities as of 31 December 2019.
 - Rental payments disappeared and were replaced by amortization of right-of-use assets and finance expenses attached to lease liabilities. This effect will not be fully observable during first quarters after IFRS 16 implementation, as company will be expensing rental payments which have occurred before IFRS 16 introduction.

Effect on Statement of Profit or Loss

In US\$ million	H1 FY2019	H1 FY2020		
		prior to IFRS 16	IFRS 16 effect	with IFRS 16
Revenues	2,255	1,862	-	1,862
Revaluation of biological assets	36	39	5	44
Cost of sales	(2,072)	(1,734)	6	(1,728)
of which depreciation & amortization	(34)	(42)	(10)	(52)
Rental payments	(36)	(48)	16	(32)
Gross profit	219	167	11	178
Other operating income	18	38	-	38
General and administrative expenses	(44)	(54)	(0)	(54)
Operating profit	193	151	11	162
Finance costs	(42)	(44)	(27)	(72)
Other non-operating items	19	23	0	23
Profit before income tax	171	130	(16)	113
Income tax	(4)	(9)	-	(9)
Net profit	167	121	(16)	105
Net profit attributable to shareholders	164	121	(16)	100
Depreciation and amortization	(36)	(44)	(10)	(54)
EBITDA	230	195	21	216

Effect on Statement of Financial Position

In US\$ million	30 June 2019	31 Dec 2019		
		prior to IFRS 16	IFRS 16 effect	with IFRS 16
Current assets	1,256	1,955	(33)	1,921
Non-current assets	1,207	1,383	326	1,710
of which right-of-use assets	-	-	372	372
other non-current assets	1,207	1,383	(45)	1,338
Total assets	2,464	3,338	293	3,631
Current liabilities	480	814	53	867
of which current portion of lease liabilities	-	-	66	66
other current liabilities	480	814	(13)	801
Non-current liabilities	638	1,020	250	1,271
of which lease liabilities	-	-	256	256
other non-current liabilities	638	1,020	(5)	1,015
Equity	1,346	1,503	(10)	1,493
Total liabilities and equity	2,464	3,338	293	3,631

Note 1 Based on management accounts, subject to auditors' review and approval

1.5 Outlook for FY2020

Oilseed Processing



- Full-year **EBITDA margin** to average near **US\$ 85 per ton of oil sold**
 - Strong supply of seeds on the market backed by **16.2m tons harvest of sunflower seeds** in the current season, ↑ 7% y-o-y;
 - Supportive global sunflower oil pricing environment in the first half of the season;
- We envisage close to full capacity utilization of our oilseed processing plants in FY2020, aiming to process **3.3 million tons** of oilseeds for the full year and accumulating sizable stock to secure solid processing volumes in Q1 FY2021.

Infrastructure & Trading



- **8m t grain export from Ukraine** in FY2020, **7m t export terminals throughput volumes**
 - Another record grain harvest in Ukraine in FY2020 (73m t crop size of three key grains, ↑ 7% y-o-y) → good utilization of grain export infrastructure and healthy infrastructure margins.
- Segment is expected to be the largest contributor to Group's EBITDA in FY2020 on the back of:
 - commissioning of new export terminal scheduled for 2020;
 - growing grain export volumes from Ukraine; and
 - strong contribution from grain railcars business.

Farming



- Expected full-year **EBITDA** at US\$ 85m (net of IFRS 16 effect and assuming zero IAS 41 impact)
 - **Softer corn yield** (from 9.9 t/ha in FY2019 to 8.5 t/ha in FY2020)
 - **Lower grain prices**
 - **Growing production costs** further inflated by local currency appreciation
- We remain **naturally long** now for sizable part of our farming produce → both upside and downside risk to our Farming segment earnings potential this season.

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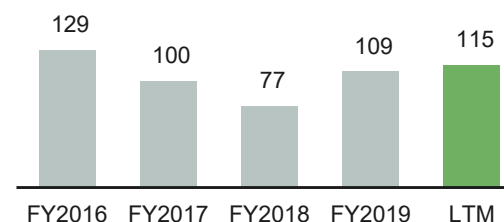
2.1 Kernel today

Oilseed Processing segment

- **#1** sunflower oil producer (8% of global production) and exporter (15% of global export) in the world
- **Leading** bottled sunflower oil producer and marketer in Ukraine
- **8 oilseed processing plants** located across the sunflower seed belt in Ukraine
- **3.5 million tons** annual sunflower seed processing capacity
- Export-oriented business model with limited reliance on local economy



EBITDA ¹, US\$ million



Key financials		FY2016	FY2017	FY2018	FY2019	LTM
Revenue	US\$ m	1,989	2,169	2,403	3,992	3,599
EBITDA	US\$ m	346	319	223	346	331
Net profit ¹	US\$ m	225	176	52	189	126
EBITDA margin	%	17.4%	14.7%	9.3%	8.7%	9.2%
Net margin	%	11.3%	8.1%	2.2%	4.7%	3.5%
EPS	US\$	2.83	2.19	0.64	2.31	1.54

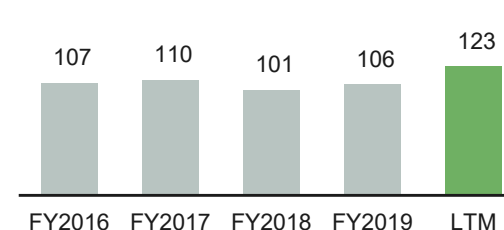
1. Net profit attributable to equity holders of Kernel Holding S.A.

Infrastructure and Trading segment

- **#1** grain exporter from Ukraine with 12% of country's total grain exports in FY2019
- Export terminal in Ukraine with 4.8 million tons annual grain transshipment capacity
 - Similar facility in Russia (50/50 JV with Glencore)
- **#1** private inland grain silo network in Ukraine with **2.5** million tons of storage capacity
- **#1** private grain railcars fleet in Ukraine (3.4k hoppers)



EBITDA, US\$ million

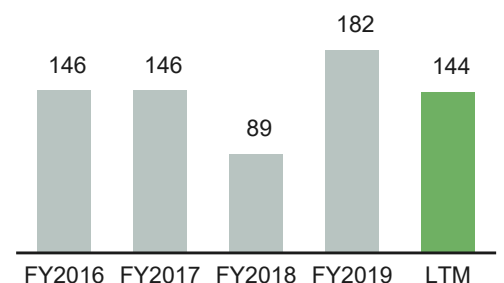


Farming segment

- **#1** crop producer in Ukraine operating 524 thousand hectares of leasehold farmland
- Modern large-scale operations, sustainable agronomic practices, cluster management system and export-oriented crop mix
- Nearly 100% of sales volumes flows through our grain and infrastructure and oilseed processing segments, earning incremental profits



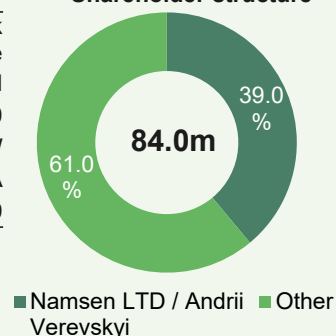
EBITDA, US\$ million



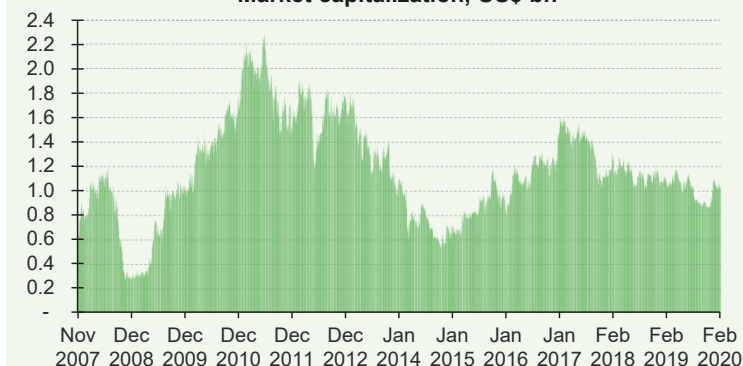
Stock information

Exchange	Warsaw Stock Exchange
Stock quote currency	PLN
Issued shares	84,031,230
Bloomberg ticker	KER PW
Reuters ticker	KERN.WA
ISIN code	LU0327357389

Shareholder structure

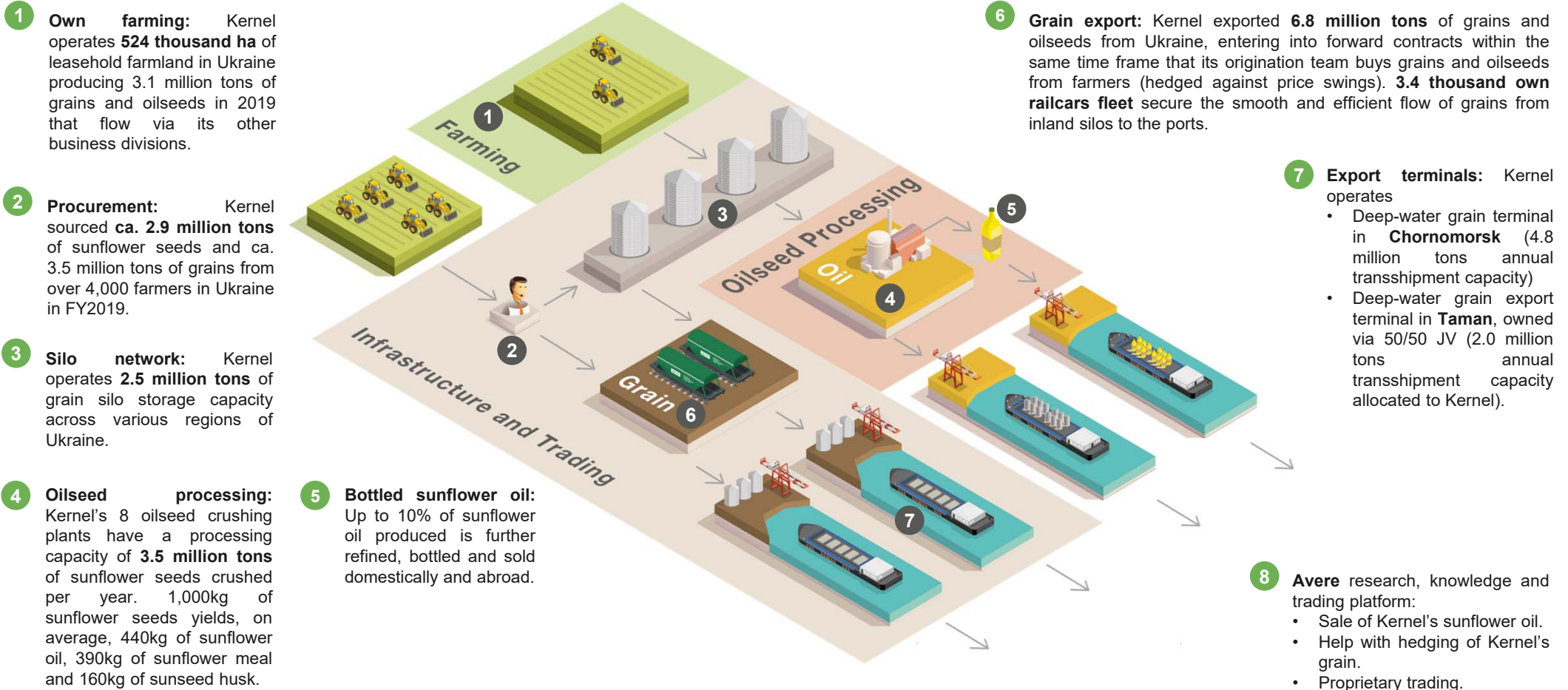


Market capitalization, US\$ bn



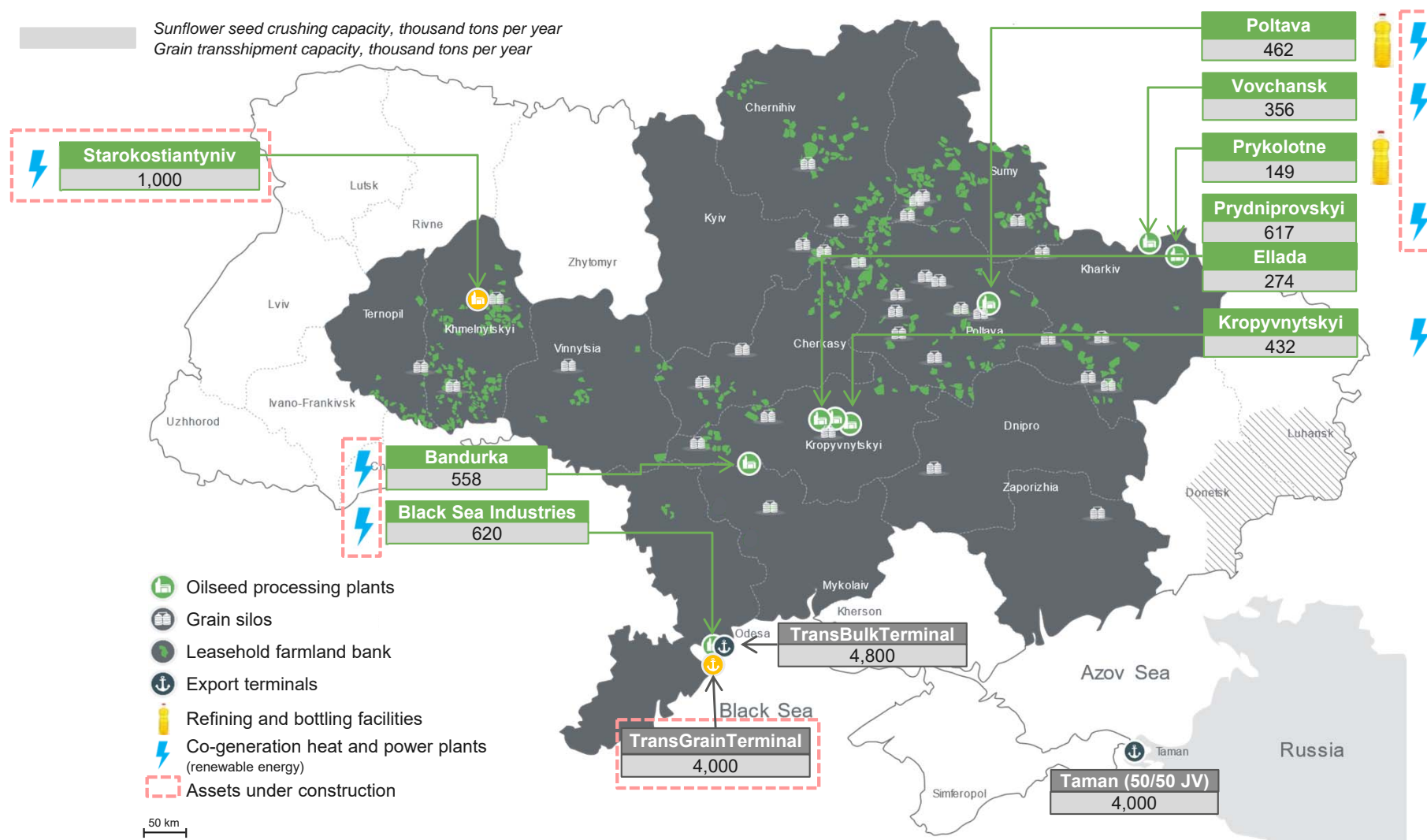
Note 1 Hereinafter, segment EBITDA is presented prior to certain unallocated G&A costs and net of discontinued operations and assets held for sale

2.2 What we do



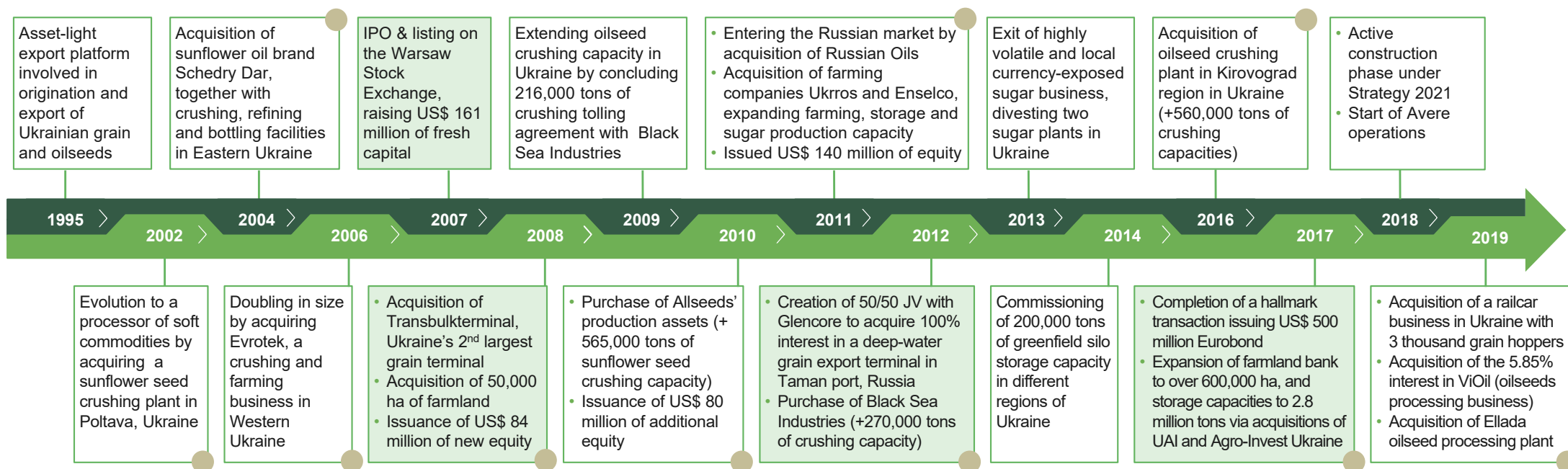
Kernel bridges Ukrainian farmers with the global marketplace using its efficient, scalable and integrated resources and processes

2.3 Efficient and well-invested asset base



Diversified and strategically located world-class asset base provides significant competitive advantages

2.4 Kernel's key milestones



● Asset growth through M&A

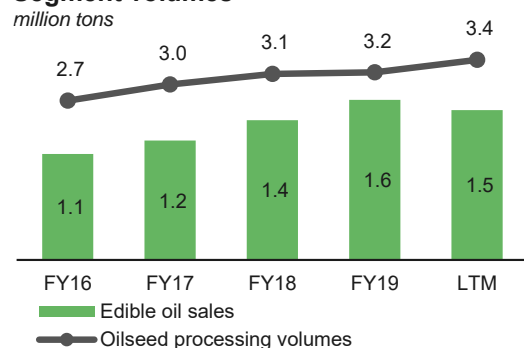
Unparalleled track record of continuous development

2.5 Oilseed Processing segment



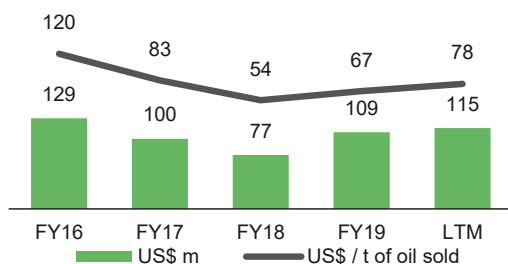
Segment performance

Segment volumes



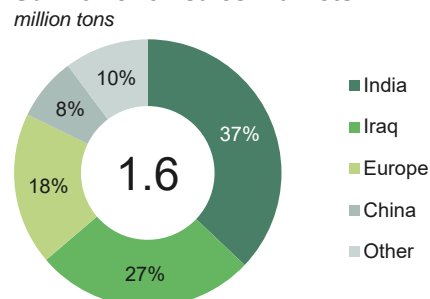
- Record oilseed processing volumes: 3.4m t on the LTM basis (vs 3.5m t oilseed processing capacities) → 96% capacity utilization level;

EBITDA and EBITDA margin



- EBITDA margin demonstrates recovery to 78 US\$/ton of oil on LTM basis

Sunflower oil sales markets in FY2019

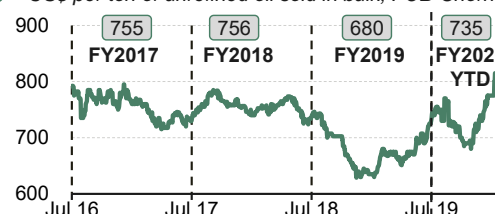


- Asia and Middle-East are key sunflower oil sales markets.

Profitability drivers and FY2020 outlook

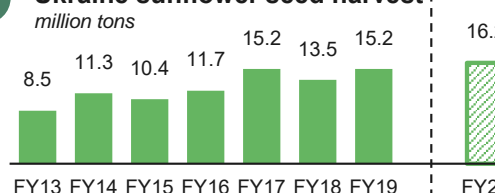
1 Sunflower oil price

US\$ per ton of unrefined oil sold in bulk, FOB-Chornomorsk



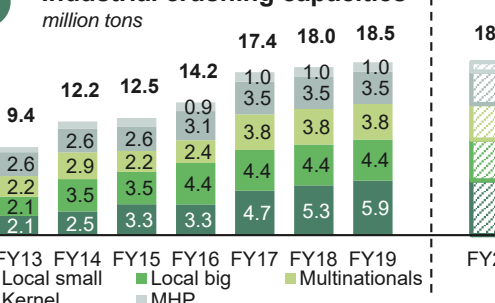
- Average sunflower oil prices at the first half FY2020 are 6% higher y-o-y.

2 Ukraine sunflower seed harvest



- New record sunflower seed harvest (↑ 7% y-o-y) to improve crushing margins and secure strong crushing volumes in FY2020

3 Industrial crushing capacities



- Crushing capacities remain unchanged.

Source: Bloomberg, USDA, Kernel's estimates

4 Sales volumes marginally flat

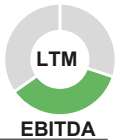
5 Contribution from new business (renewable energy)

FY2020 margin growth to US\$ 85 per ton of oil sold

Expected FY2020 EBITDA of US\$ 2m

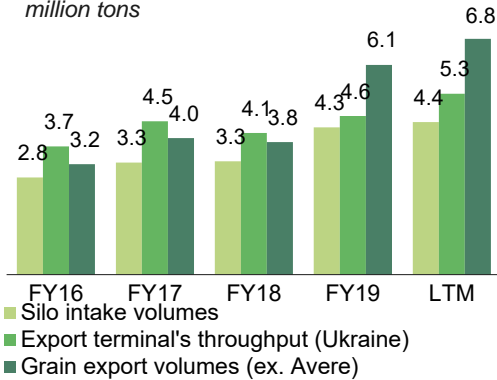
FY2020 EBITDA contribution + ~20% y-o-y

2.6 Infrastructure and Trading segment



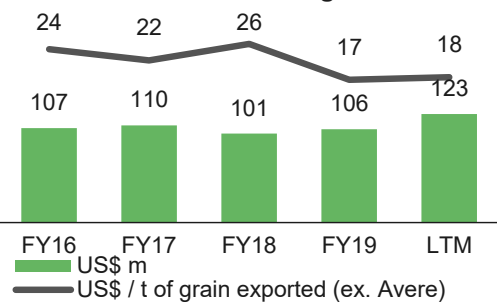
Segment performance

Segments volumes million tons



- Highest ever 6.8m t of grain exported from Ukraine on the LTM basis
- Highest ever grain infrastructure handling volumes on the LTM basis

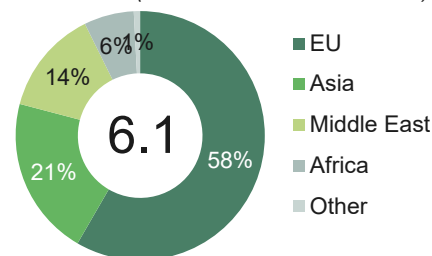
EBITDA and EBITDA margin



- **Segment's EBITDA** on the LTM basis demonstrated solid performance in the reporting period with flat margins, increased volumes and substantial savings on own railcars fleet
- Segment is expected to be the largest contributor to Group's EBITDA in FY2020 owing to:
 - commissioning of new grain export terminal scheduled for 2020;
 - growing grain export volumes; and
 - strong contribution of grain railcars business.

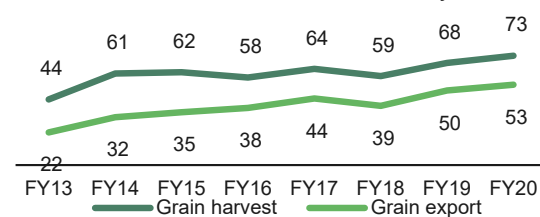
Key export markets in FY2019

million tons (excl. Avere traded volumes)



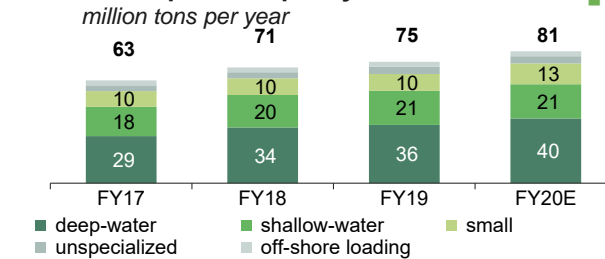
Profitability drivers and FY2020 outlook

1 Grain supply in Ukraine million tons of corn + wheat + barley



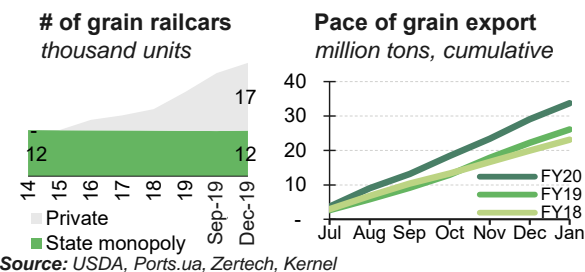
- Record supply of key grains (corn, wheat and barley) in Ukraine in FY2020 → we plan to export the highest ever grain volumes

2 Demand: grain export terminals transshipment capacity million tons per year



- Export terminal capacities increase in FY2020 mostly driven by Kernel's new export terminal launch in the port of Chornomorsk

3 Grain logistics improvement in Ukraine



Source: USDA, Ports.ua, Zertech, Kernel

- Improved logistics enhances speed of grain export from Ukraine.

4 Growing volumes

5 New business added (grain railcars)

Margin-wise
Volume-wise

Flat FY2020 margins

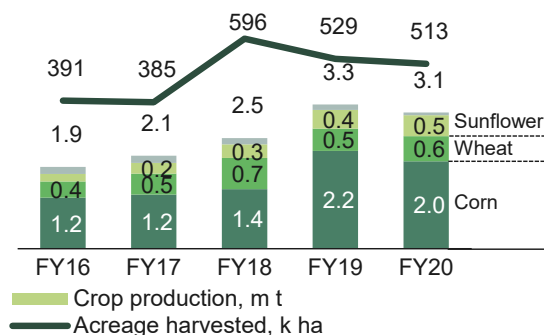
FY2020 EBITDA contribution + ~60% y-o-y

2.7 Farming segment



Segment performance

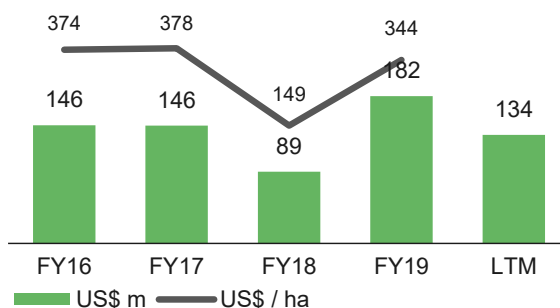
Kernel's key crop production



- We completed FY2020 harvesting campaign on 513k ha, reaching record ever net yields for wheat (5.9 t/ha, up 15% y-o-y) and sunflower (3.5 t/ha, up 9% y-o-y), while facing normalization of corn yields to 8.5 t/ha (down 14% y-o-y).

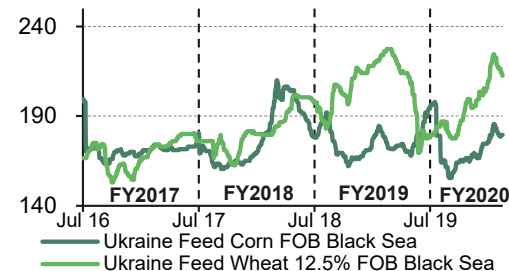
EBITDA and EBITDA margin

- Segment **EBITDA** on LTM basis amounted to US\$ 134m



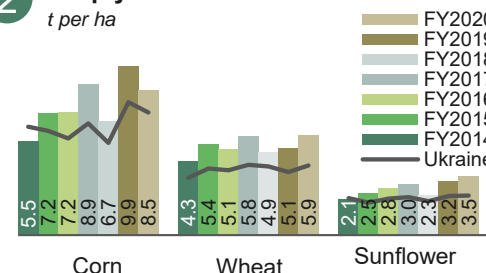
Profitability drivers and FY2020 outlook

1 Ukraine corn and wheat prices, US\$ per ton, FOB-Black Sea



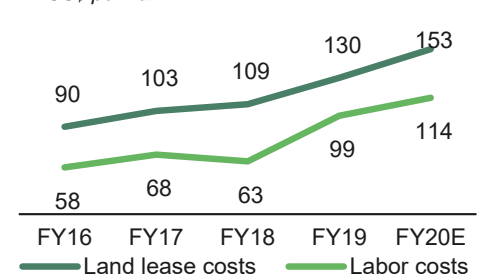
- Albeit recent recovery, average prices in FY2020 are lower than in FY2019

2 Crop yields t per ha



- Negative impact of normalization of corn yields in FY2020 outweigh positive effect from record ever wheat and sunflower yields

3 Farming costs US\$ per ha





- Growing production costs further inflated by local currency appreciation

Negative FY2020 outlook on profitability

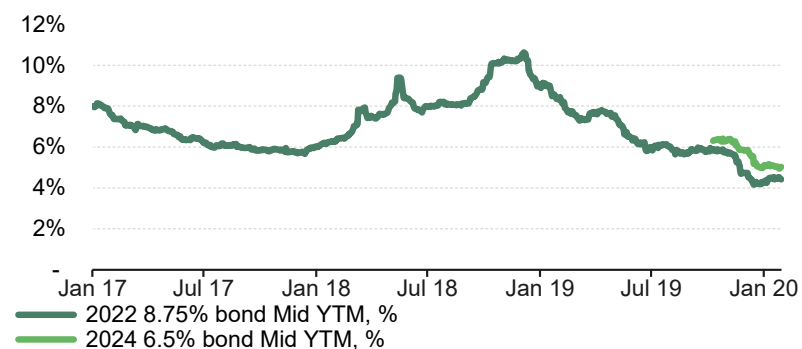
FY2020 EBITDA contribution down ~50% y-o-y (net of IFRS 16)

2.8 Credit highlights

Credit portfolio as of 31 December 2019, US\$ m

	Amount outstanding as of 31 December 2019	Interest rate	Maturity
Eurobond 2022	496.9	8.75%	Jan 2022
Eurobond 2024	295.9	6.50%	Oct 2024
 European Investment Bank	107.2 / 250 limit	Libor + 1.44% + CoF	Dec 2029
 EBRD / CTF	39.2 / 56 limit	Libor + 4.5% / 1%	May 2027
Oil PXF	74.8 / 390 limit	Libor + 4.2% Libor + 4.1% Libor + 3.95%	Aug 2022
Grain PXF	137.5 / 300 limit	Libor + 4% Libor + 3.9%	June 2022
Lease liabilities (IFRS 16)	321.6		
Other bank debt and accrued interest	245.3		Mostly short-term debt
Total	1,718.4		

Kernel Eurobonds mid-YTM



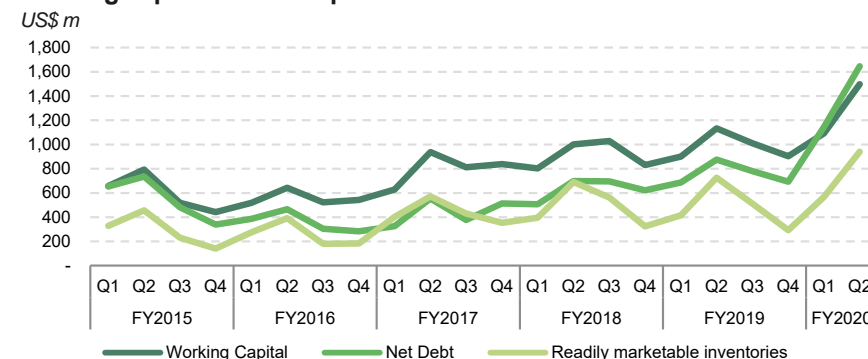
Credit ratings

FitchRatings

S&P Global
Ratings

Rating / Outlook	Date
BB- / Stable	30 Sep 2019
B+ / Stable	12 Oct 2018
B+ / Stable	12 Feb 2017
B / Stable	30 Sep 2019
B / Stable	31 Oct 2018
B / Stable	20 Feb 2017

Working capital¹ and debt position



Note 1 Defined as current assets (excluding cash and cash equivalents, and assets classified as held for sale) less current liabilities (excl. short-term borrowings, current portion of long-term borrowings, current portion of lease liabilities and obligations under finance lease, and interest on bonds issued).



KERNEL

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1. H1 FY2020 results and outlook

2. Kernel today

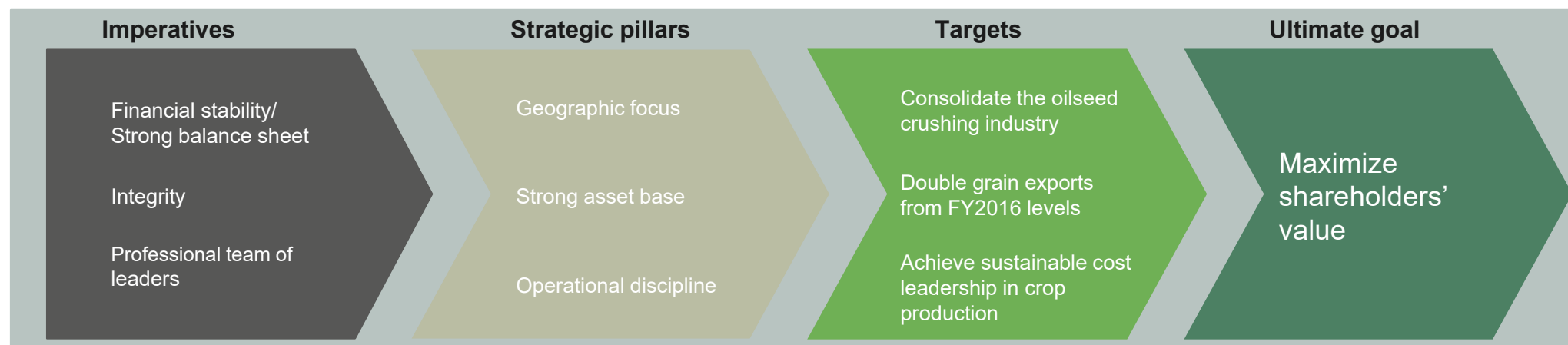
3. Balanced growth strategy

4. Financials

Appendices

3.1 Kernel's mid-term strategy

We aim to profitably double export volumes by FY2021, providing comprehensive solutions to our clients (customers and suppliers), with balanced development of our businesses by the efficient use of our asset base, investment in technology and innovation, strategic acquisitions, continuous development of our employees and strengthening of our operations.



Sunflower oil

Mid-term targets in detail

- Construction of 1-million-ton per year greenfield crushing plant in western Ukraine
- Substantial upgrade of the remaining crushing plants to drive efficiency

Key deliverables in FY2019

- Start of full-speed construction phase of our processing plant in western Ukraine and co-generation heat and power units adjacent to our crushing plants
- Acquisition of 5.85% interest in ViOil (one of the largest independent local sunflower oil producers)



Grain and infrastructure

- Double grain exports in FY2021 through greenfield construction of 4.0-million-ton deep-water transshipment facility in Ukraine
- Expand and streamline silo network to serve growing in-house production and export volumes

- Commissioned 1st stage (grain intake and storage capacities) of our new TransGrainTerminal, a 4-million-ton deep-water grain transshipment facility in Chornomorsk port
- Commissioned two silos and upgraded two other silos
- Became #1 private grain railcar fleet in Ukraine following the acquisition of RTK-Ukraine LLC, investing US\$ 65m and reducing risks for Strategy 2021 execution
- Became #1 grain exporter from Ukraine with the record 6.1m t shipped in FY2019 (+58% y-o-y)



Farming

- Achieve sustainable cost-efficient crop production via investment in technology
- Smooth integration of recently acquired assets to lift operational efficiency and productivity levels to Kernel's high standard

- Generated the record EBITDA
- Kernel sets the standard for highly productive crop growing operations in Ukraine

3.2 Strategy 2021 serves as a solid basis for future growth across all business segments

Strategy 2021 investments pipeline overview:

US\$ million		FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	Total	Status (as of Feb 2020)	Segment
I	Leasehold farmland bank expansion (+ 200k ha)	152	47	-	-	-	-	198	✓	Farming
II	Construction of greenfield oilseed processing plant in Western Ukraine with co-generation heat and power unit	-	52	10	61	50	6	180	🟢	Oilseed Processing
	■ Annual sunflower seed processing capacity: 1 million tons									
	■ Expected commissioning date: January-March 2021									
III	Construction of co-generation heat and power units (renewable energy) on 6 our plants throughout (FY2019-2020)	0	12	30	88	39	-	169	🟢	Oilseed Processing
IV	Construction of new grain export terminal in the port of Chornomorsk	1	3	46	58	29	-	137	🟢	Infrastructure and Trading
	■ Annual throughput capacity: 4 million tons of grain									
	■ Commissioning in FY2020									
V	Grain railcars investments (500 brand-new + 2,949 used)	-	16	65	8	-	-	89	✓	Infrastructure and Trading
VI	Construction and upgrade of silo facilities (FY2019-2020)	-	19	36	9	-	-	64	✓	Infrastructure and Trading
VII	Acquisition of assets of Ellada oilseed processing plant	24	-	-	21	-	-	45	✓	Oilseed Processing
Total key expansion investments		176	149	187	245	118	6	881		
Maintenance and other CapEx		35	62	65	79	68	65			
Total investments		211	211	251	325	186	71			

- The major portion of FY2020-FY2021 investments will be financed by debt attracted from international financial institutions (European Investment Bank and EBRD)

Content

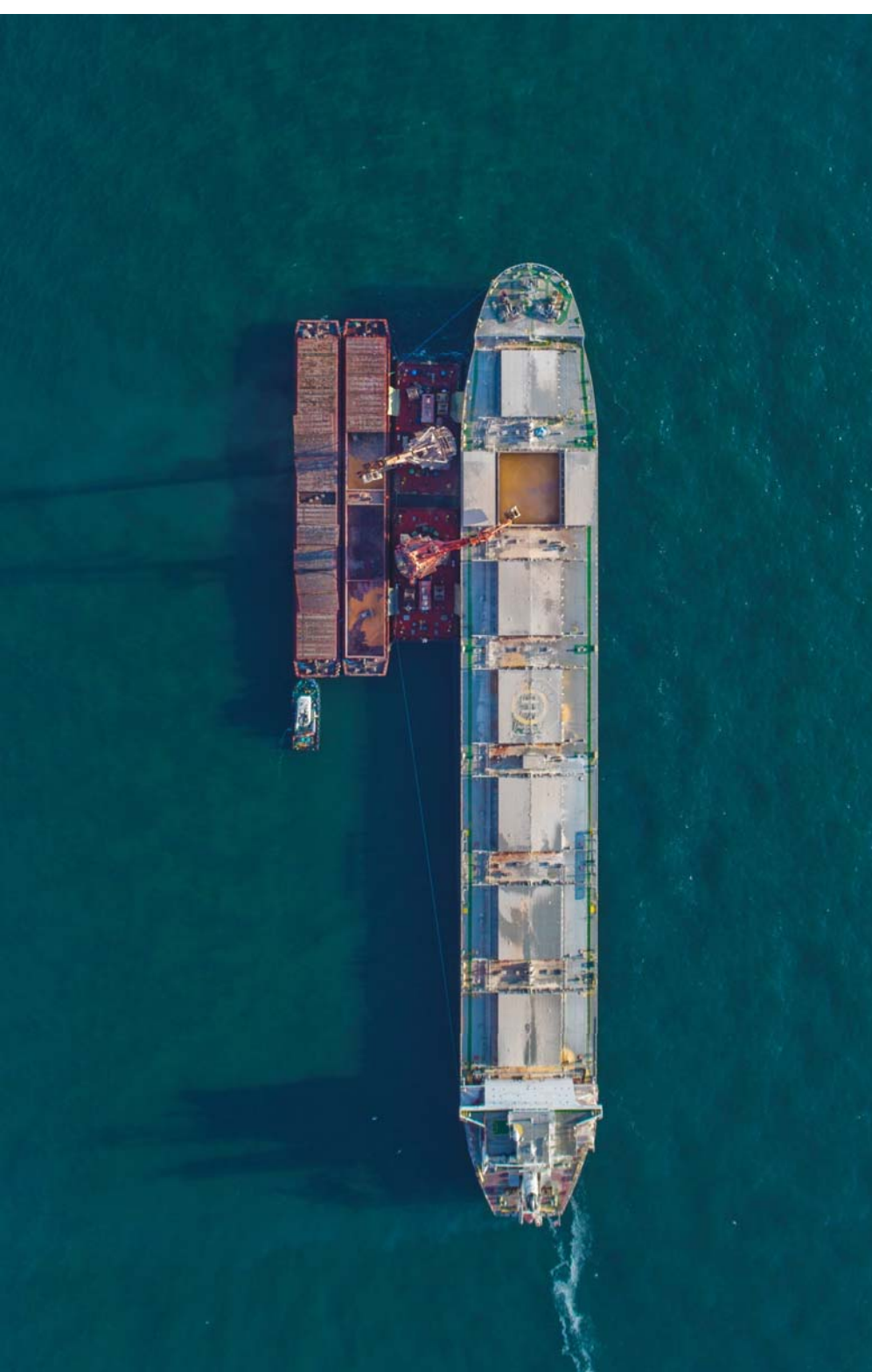
1. H1 FY2020 results and outlook

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4.1 Consolidated statement of profit or loss

<i>US\$ million, except ratios and EPS</i>	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	LTM
Revenue	215	350	663	1,047	1,020	1,899	2,072	2,797	2,393	2,330	1,989	2,169	2,403	3,992	3,599
Net IAS 41 gain / (loss)	-	-	-	-	-	-	-	15	(17)	(7)	20	(3)	19	9	18
Cost of sales	(194)	(306)	(557)	(874)	(844)	(1,610)	(1,814)	(2,599)	(2,231)	(2,009)	(1,707)	(1,882)	(2,261)	(3,654)	(3,310)
Gross profit	21	44	106	174	177	289	258	213	145	314	302	284	160	348	307
Other operating income	1	8	25	17	18	26	66	67	60	83	45	41	59	28	48
G&A expenses	(11)	(13)	(20)	(24)	(27)	(38)	(67)	(78)	(77)	(68)	(59)	(60)	(80)	(107)	(117)
Profit from operating activities	12	39	112	167	167	277	257	201	129	328	287	265	140	269	238
Financial costs, net	(9)	(19)	(28)	(32)	(23)	(42)	(63)	(75)	(72)	(69)	(57)	(62)	(65)	(82)	(112)
FX gain(loss), net	(1)	(1)	3	(3)	11	2	5	3	(99)	(153)	30	(3)	5	13	8
Other non-operating items	(2)	(2)	5	(4)	(4)	(28)	(3)	(8)	(48)	(5)	(13)	(3)	(30)	(9)	(0)
Income tax	0	2	(9)	5	0	18	9	(6)	(11)	(0)	(4)	(19)	6	(12)	(17)
Net profit from continuing operations	0	19	82	132	152	226	206	115	(102)	101	244	179	56	179	116
Profit / (loss) from discontinued operations	-	-	-	-	-	-	5	(10)	(6)	(5)	(17)	-	-	-	-
Net profit	0	19	82	132	152	226	211	105	(107)	96	227	179	56	179	116
Net profit/(loss) attributable to shareholders	1	20	83	136	152	226	207	112	(98)	107	225	176	52	189	126
<i>EPS, US\$</i>		-	2.1	2.0	2.2	3.0	2.6	1.4	(1.2)	1.3	2.8	2.2	0.6	2.3	1.5
<i>ROE¹</i>		37%	36%	36%	32%	29%	19%	9%	(8%)	11%	24%	16%	5%	15%	9%
<i>ROIC²</i>		21%	25%	26%	22%	23%	17%	9%	(1%)	11%	21%	15%	10%	13%	9%
<i>Net Income / Invested Capital</i>		14%	36%	21%	23%	24%	15%	6%	(5%)	6%	17%	13%	4%	9%	5%
EBITDA, incl.	17	46	123	190	190	310	319	288	223	397	346	319	223	346	331
Oilseeds Processing	-	-	81	89	101	202	198	199	178	213	129	100	77	109	115
Infrastructure and Trading	-	-	40	112	80	94	59	59	126	114	107	110	101	106	123
Farming	-	-	20	7	23	32	74	67	(44)	98	146	146	89	182	144
Unallocated expenses and other	-	-	(18)	(18)	(14)	(18)	(12)	(38)	(36)	(29)	(36)	(36)	(44)	(51)	(51)
<i>Gross margin</i>	<i>10%</i>	<i>13%</i>	<i>16%</i>	<i>17%</i>	<i>17%</i>	<i>15%</i>	<i>12%</i>	<i>8%</i>	<i>6%</i>	<i>13%</i>	<i>15%</i>	<i>13%</i>	<i>7%</i>	<i>9%</i>	<i>9%</i>
<i>EBITDA margin</i>	<i>8%</i>	<i>13%</i>	<i>19%</i>	<i>18%</i>	<i>19%</i>	<i>16%</i>	<i>15%</i>	<i>10%</i>	<i>9%</i>	<i>17%</i>	<i>17%</i>	<i>15%</i>	<i>9%</i>	<i>9%</i>	<i>9%</i>
<i>Net margin</i>	<i>1%</i>	<i>6%</i>	<i>13%</i>	<i>13%</i>	<i>15%</i>	<i>12%</i>	<i>10%</i>	<i>4%</i>	<i>(4%)</i>	<i>5%</i>	<i>11%</i>	<i>8%</i>	<i>2%</i>	<i>5%</i>	<i>3%</i>

Note 1 Net profit attributable to shareholders divided by average equity attributable to shareholders over the period

Note 2 Sum of net profit attributable to shareholders and financial costs, divided by average over the period sum of the debt and equity

4.2 Balance sheet

Balance sheet highlights

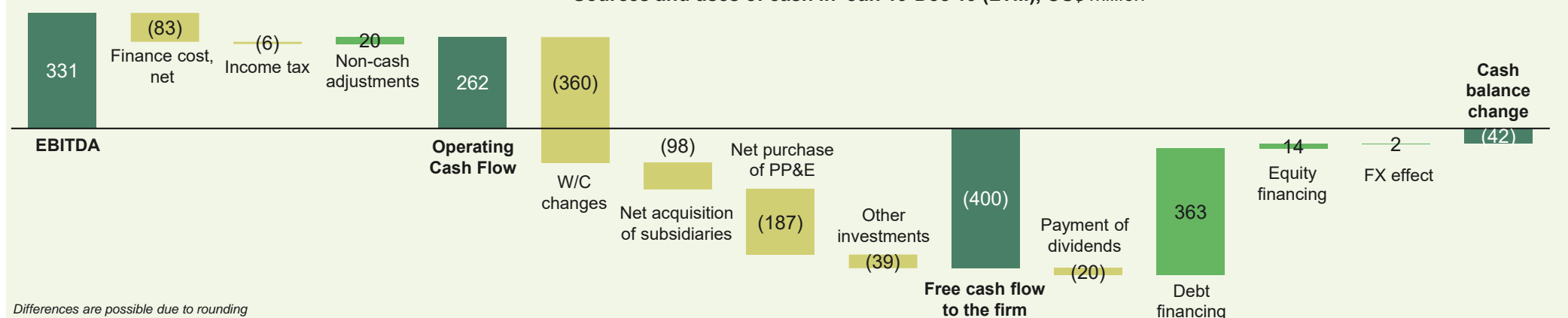
US\$ million	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	31 Dec 19
Cash & cash equivalents	6	25	89	129	59	116	83	79	65	129	60	143	132	77	74
Net trade accounts receivable	9	10	49	32	65	112	146	151	100	56	75	87	92	183	265
Prepayments to suppliers & other current assets	7	9	30	26	94	81	90	110	57	61	53	83	113	130	98
Prepaid taxes	9	22	23	73	206	221	236	210	156	105	138	143	122	127	268
Inventory	32	40	145	99	148	184	410	270	300	159	200	387	368	358	1,073
<i>of which: readily marketable inventories</i>	29	38	139	91	143	141	336	157	243	140	184	354	325	293	568
Biological assets	3	10	42	19	26	96	153	247	183	147	190	256	289	309	27
Other current assets	-	-	-	-	-	-	-	23	12	2	4	21	87	73	116
Intangible assets and goodwill	10	28	103	81	118	152	228	321	233	172	159	219	208	223	206
Net property, plant & equipment	72	128	232	222	379	503	728	763	643	535	539	570	588	765	959
Right-of-use assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	372
Other non-current assets	5	3	43	19	29	109	41	187	170	100	91	100	210	220	173
Total assets	156	275	756	700	1,125	1,573	2,116	2,362	1,919	1,466	1,509	2,009	2,211	2,464	3,631
Trade accounts payable	1	6	6	8	11	27	25	47	33	27	42	53	74	136	144
Advances from customers & other current liabilities	5	9	22	26	131	102	155	202	80	63	77	89	105	105	123
Debt liabilities	93	157	256	295	345	422	693	725	743	463	339	655	751	768	1,718
Short-term debt	29	44	127	160	210	266	266	450	483	367	254	152	246	203	523
Long-term debt	54	102	98	133	135	156	427	276	260	95	84	8	11	69	403
Corporate bonds issued	10	10	31	2	-	-	-	-	-	-	-	494	495	496	793
Lease liabilities	5	3	7	11	8	3	13	19	12	6	2	3	8	5	322
Other liabilities	9	18	32	14	32	24	33	35	32	21	55	56	104	109	152
Total liabilities	108	190	315	342	520	575	906	1,009	888	575	512	851	1,033	1,118	2,138
Total equity	48	85	440	357	605	997	1,211	1,352	1,031	891	997	1,158	1,178	1,346	1,493
<i>Debt / equity ratio</i>	2.0x	1.8x	0.6x	0.8x	0.6x	0.4x	0.6x	0.5x	0.7x	0.5x	0.3x	0.6x	0.6x	0.6x	1.2x
<i>Debt / assets ratio</i>	60%	57%	34%	42%	31%	27%	33%	31%	39%	32%	22%	33%	34%	31%	47%
Liquidity position and credit metrics															
Debt liabilities	94	158	259	300	350	428	698	734	749	469	343	657	754	770	1,718
Cash	6	25	89	129	59	116	83	79	65	129	60	143	132	77	74
Net debt	88	133	170	170	291	312	616	655	684	339	283	514	622	694	1,644
Readily marketable inventories	29	38	139	91	143	141	336	157	243	140	184	354	325	293	568
Adjusted net debt	58	95	32	79	148	170	280	498	441	199	99	160	297	400	1,076
Net debt / EBITDA	5.2x	2.9x	1.4x	0.9x	1.5x	1.0x	1.9x	2.3x	3.1x	0.9x	0.8x	1.6x	2.8x	2.0x	5.0x
Adjusted net debt / EBITDA	3.4x	2.0x	0.3x	0.4x	0.8x	0.5x	0.9x	1.7x	2.0x	0.5x	0.3x	0.5x	1.3x	1.2x	3.2x
EBITDA / Interest	1.8x	2.5x	4.4x	5.9x	8.3x	7.3x	5.1x	3.8x	3.1x	5.8x	6.1x	5.1x	3.4x	4.2x	3.0x

Note: financial year ends 30 June.

4.3 Cash flow statement

US\$ million	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	LTM
EBITDA	17	46	123	190	190	310	319	288	223	397	346	319	223	346	331
Finance cost paid	(9)	(18)	(28)	(32)	(23)	(36)	(67)	(76)	(72)	(68)	(58)	(35)	(64)	(72)	(83)
Income tax paid	(0)	(1)	(3)	(2)	(1)	(3)	(7)	(43)	(40)	(13)	(3)	(6)	(5)	(3)	(6)
Non-cash adjustments and non-operating items	(0)	(1)	7	(32)	12	(36)	(27)	1	(41)	(70)	(18)	5	(40)	23	20
Operating Cash Flow before Working Capital changes	7	26	99	124	179	235	218	169	70	245	268	283	113	293	262
Change in working capital	(36)	(15)	(210)	(25)	(97)	(180)	(242)	135	(1)	147	(136)	(206)	(31)	(94)	(360)
Acquisition of subsidiaries and JVs, net	-	(60)	(97)	(5)	(70)	(11)	(136)	(152)	(41)	2	(30)	(141)	(24)	(41)	(76)
Net purchase of PP&E	(6)	2	(24)	(89)	(56)	(48)	(93)	(91)	(42)	(23)	(30)	(40)	(140)	(157)	(187)
Other investments	1	0	(49)	(1)	1	(66)	(0)	(23)	(1)	(4)	(1)	(42)	8	(43)	(39)
Free cash flow to the Firm	(34)	(46)	(281)	4	(44)	(71)	(253)	38	(14)	369	71	(146)	(74)	(43)	(400)
Debt financing	32	62	81	36	(77)	(18)	220	(45)	7	(289)	(115)	178	98	50	363
Equity financing	(1)	3	235	-	81	141	5	(2)	-	(1)	-	15	-	-	14
Dividends paid	-	-	-	-	-	-	-	-	-	(20)	(20)	(20)	(20)	(20)	(20)
Financing cash flow	31	64	315	36	4	124	225	(48)	7	(310)	(134)	173	77	30	356
Cash at the year end	6	25	59	98	58	110	83	73	65	124	60	87	90	76	73
Cash conversion cycle	n/a	66	86	79	117	91	117	90	85	67	63	84	83	49	78
Payment period, days	n/a	(4)	(4)	(3)	(4)	(4)	(5)	(5)	(7)	(6)	(7)	(9)	(10)	(10)	(8)
Inventories processing, days	n/a	43	61	51	53	38	60	48	47	42	38	57	61	36	59
Receivables collection, days	n/a	10	16	14	18	17	23	19	19	12	12	14	14	13	13
VAT receivables, days	n/a	17	13	17	50	41	40	28	26	18	20	22	19	11	13

Sources and uses of cash in Jan'19-Dec'19 (LTM), US\$ million



IR contact and investor calendar

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Kyiv Ukraine, 01001

Investor calendar

- | | |
|-------------------------------|------------------------|
| ▪ Q3 FY2020 Operations Update | 20 April 2020 |
| ▪ Q3 FY2020 Financial Report | 29 May 2020 |
| ▪ Q4 FY2020 Operations Update | 20 July 2020 |
| ▪ FY2020 Financial Report | 30 October 2020 |

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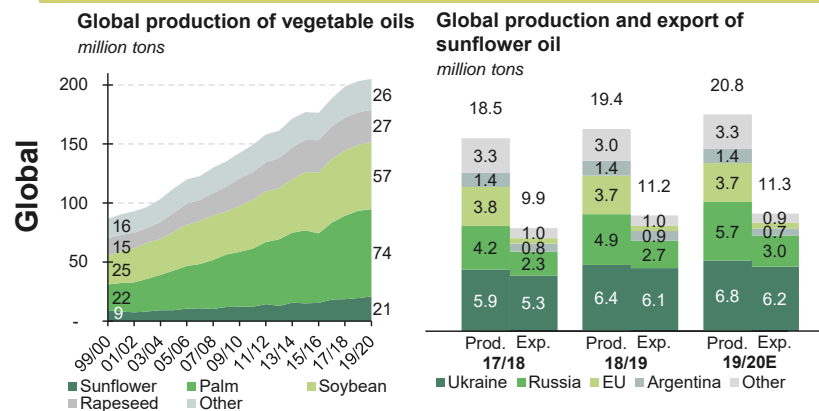


A1. Key highlights

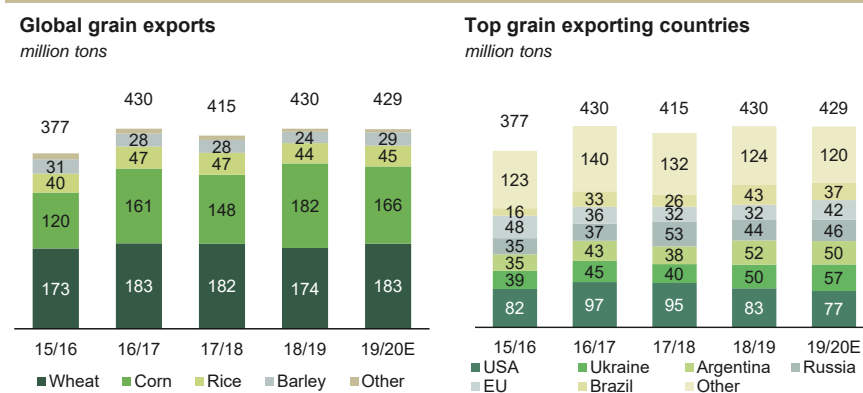
- Kernel operates in globally competitive growing Ukrainian agri sector
- Integrated, resilient and simple business model built around scale & global reach
- Leader across all market segments supported by unparalleled world-class asset base with high barriers to entry
- Top standard of ESG
- Solid financial performance and position
- Clear Strategy 2021 reinforced with unmatched track record
- Reversion of low commodity price cycle and forthcoming farmland market reform in Ukraine are free options imbedded into Kernel's business model

A2. Markets and business environment

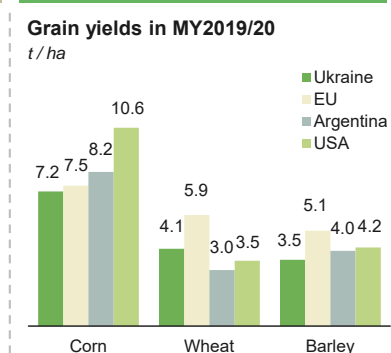
Oilseed Processing



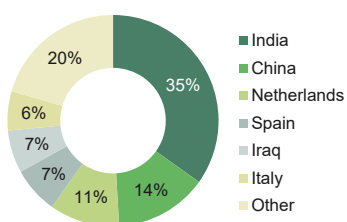
Infrastructure and Trading



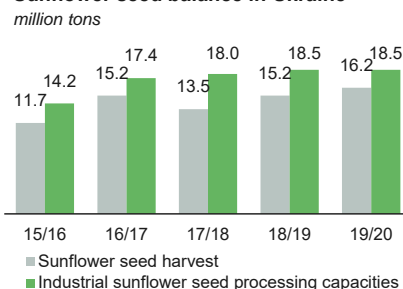
Farming



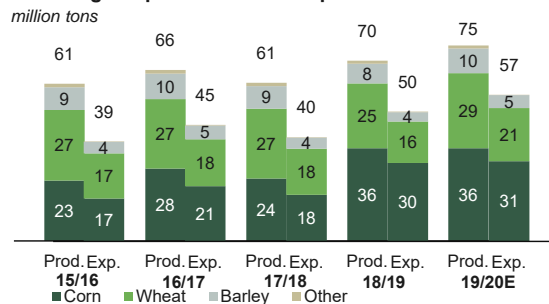
Destinations of Ukrainian sunflower oil in 2019



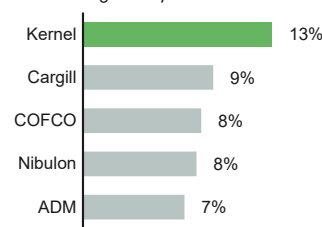
Sunflower seed balance in Ukraine



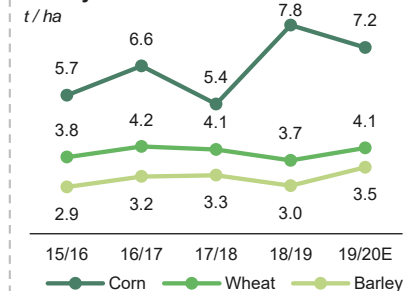
Ukraine grain production and export



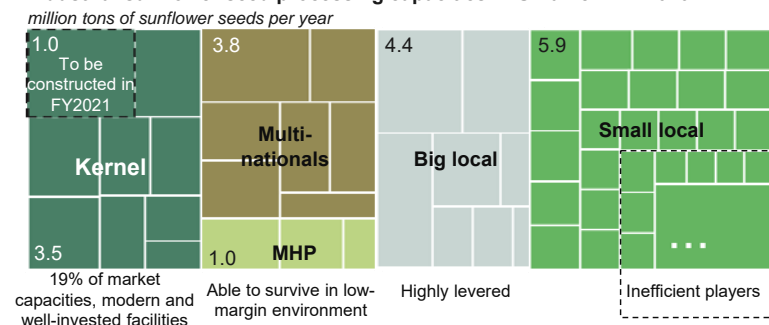
Top grain exporters from Ukraine in Jul-Feb 2020



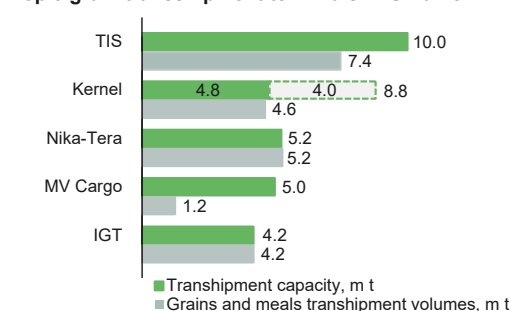
Grain yields in Ukraine



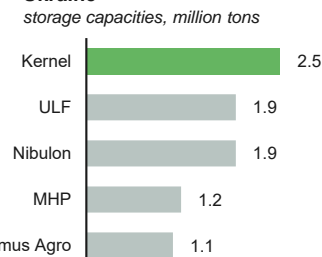
Industrial sunflower seed processing capacities in Ukraine in FY2020



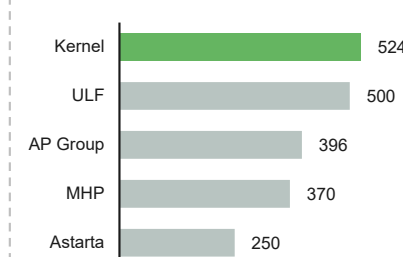
Top 5 grain transshipment terminals in Ukraine in FY2019



Top 5 private silo networks in Ukraine



Top 5 agricultural holdings in Ukraine



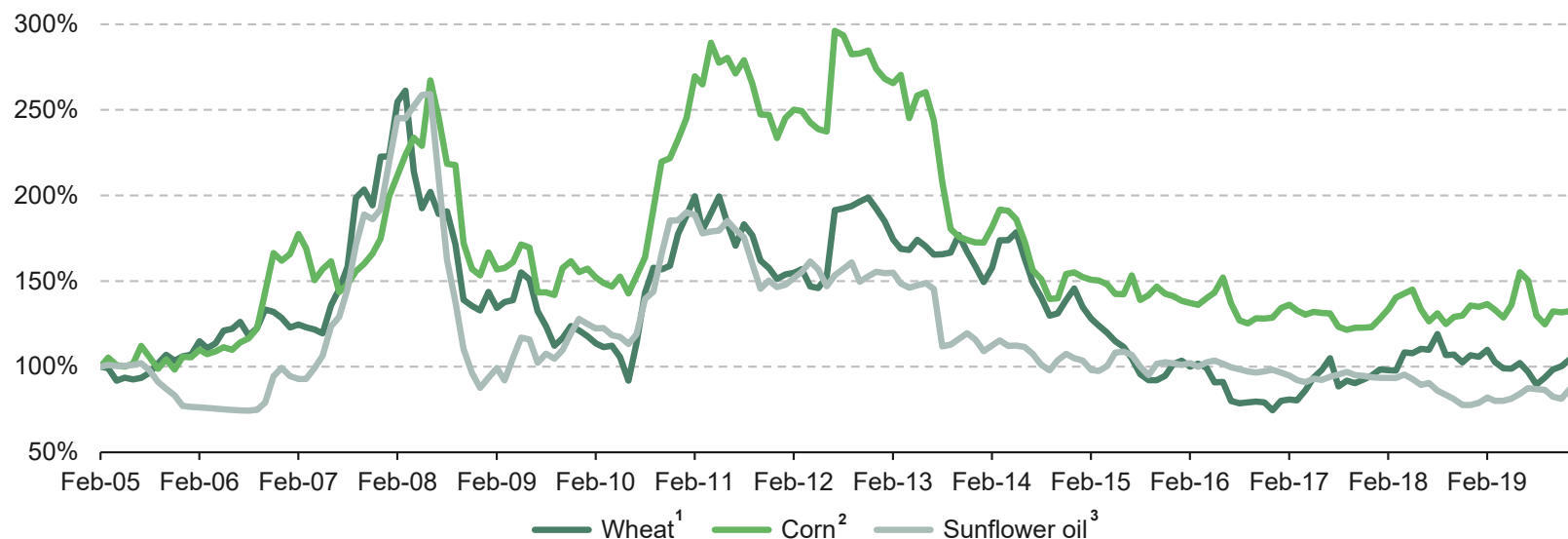
Sources: USDA, Ukrstat, Stark Research, Agrochart, Elevatorist, Latifundist, Kernel analysis

A3. Markets and business environment

Low cycle of soft commodity prices

Index of soft commodity prices, US\$-inflation adjusted

30 June 2004 = 100%



Note

1. **Wheat:** No.1 Hard Red Winter, ordinary protein, FOB Gulf of Mexico, US\$ per metric ton
2. **Corn:** U.S. No. 2 Yellow, FOB Gulf of Mexico, U.S. price, US\$ per metric ton
3. **Sunflower oil:** crude, bid, FOB Black Sea, Ukraine, US\$ per metric ton




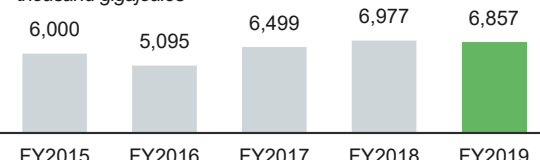
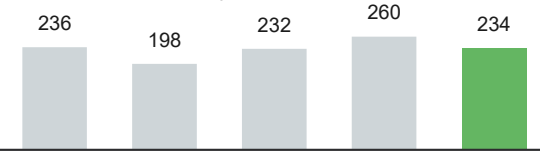
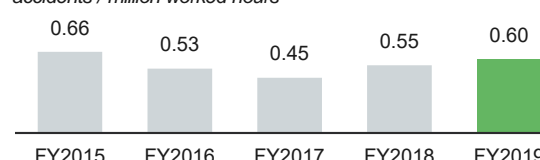
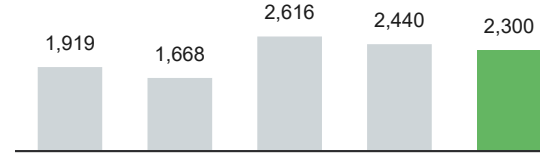

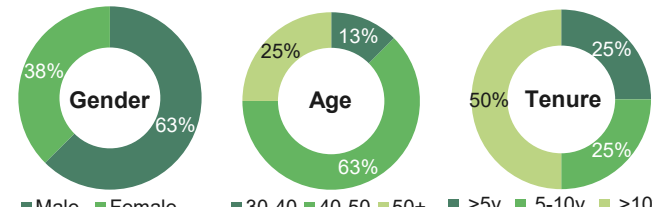
Source: USDA, APK-inform

- Soft commodity **prices** (inflation adjusted) continue to be **depressed for the 5th consecutive year**

Kernel, with substantial portion of its EBITDA being generated by the farming (upstream) business, is best positioned to benefit from the global recovery of soft commodity prices

A4. Environmental, social and corporate governance (ESG)

Kernel's global goal in the field of sustainable development and social responsibility is the development of society through the voluntary contribution of business to the social, economic and environmental spheres related to the activities and achievement of the company's strategic goals.

	<div>Environmental</div>	<div>Social</div>	<div>Governance</div>
Goals	Maximization of energy efficiency, minimization of adverse environmental impact, greenhouse gas reduction, processing and minimization of waste, preservation of the property of the earth to self-restoration.	Developing people's potential, ensuring safety and health security, creating conditions for self-realization and professional development of employees, contributing to the solution of important social issues and the development of communities in the presence regions.	The Company constantly strives to maintain a high level of gender, education, age, and professional experience diversity within its governing bodies, understanding the vital role of the diversity in maximizing shareholders' value.
Principles & Initiatives	<ul style="list-style-type: none">Environmental protection and preservation of land resources.Responsible rational use of resources and productionRenewable energy project to reduce GHG emission	<ul style="list-style-type: none">Good neighborliness, improvement of life quality and well-being of the population and social support in the presence regions of the CompanyCompetitive remunerationEnsuring safe and decent working conditions, the priority of preserving the life and health in relation to the results of production activitiesNumerous training and education programs for all our business units and professions.	<ul style="list-style-type: none">3 Independent directorsCompliance with international standards, Compliance Code, internal Kernel PoliciesZero tolerance to fraud and corruptionResponsible leadership and ethical practicesEffective and experienced management teamTransparent disclosure and reporting
FY2019 results	<div>Total energy consumption <i>thousand gigajoules</i></div> <div></div> <div>Total direct (Scope 1) GHG emission <i>thousand tons of CO₂ equivalent</i></div> <div></div>	<div>Rate of recordable work-related injuries <i>accidents / million worked hours</i></div> <div></div> <div>Total social spending <i>US\$ thousand</i></div> <div></div>	<div>Governance structure</div> <div></div> <div>Composition of the Board of Directors</div> <div></div>