



Current report no 16/2020

dated 20 September 2020

FITCH AFFIRMS KERNEL AT 'BB-' WITH STABLE OUTLOOK

In a press release by Fitch Ratings, the agency has affirmed Kernel Holding S.A.'s Long-Term Foreign- and Local-Currency (LC) Long-Term Issuer Default Ratings (IDR) at 'BB-' with Stable Outlook. The rating benefits from Kernel's heavy-assets business structure with vertical integration into commodities sourcing and logistic infrastructure, resulting in stronger profitability compared with international peers. This is balanced by the concentration of commodities sourcing in one region and moderate scale. Kernel's Long-Term Foreign-Currency (FC) IDR continues to benefit from two notches uplift from the Ukrainian Country Ceiling of 'B', thanks to strong hard-currency debt service ratios.

Fitch Ratings also affirmed Kernel's National Long-Term Rating at 'AAA (ukr)'.

For a full text of the press release related to the rating update, please refer to the following link: [Fitch Affirms Kernel at 'BB-'; Outlook Stable](#). The definition of capitalized terms and applicable research criteria can be accessed at Fitch's Corporate Rating Methodology.

Legal grounds: Art. 56.1.1 of the Act of 29 July 2005 on public offerings, conditions governing the introduction of financial instruments to the organized trading system, and public companies.

Signatures of individuals authorized to represent the Company:

Anastasiia Usachova

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