

# KERNEL HOLDING S.A.

## OPERATIONS UPDATE FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2020

### Segment volumes

metric tons	Q1 FY2020	Q1 FY2021	y-o-y
Oilseeds processed	628,726	662,613	5%
Edible oil sales <sup>1</sup>	301,465	296,241	(2%)
Grain and oilseeds received in inland silos	1,958,971	1,254,649	(36%)
Export terminal's throughput (Ukraine)	1,195,183	1,868,593	56%
Grain export from Ukraine <sup>2</sup>	1,620,951	2,125,650	31%

**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 highlights:

- Company's oil extraction plants **processed** 663 thousand tons of **sunflower seeds** in Q1 FY2021 – the largest ever volume in the first quarter of the financial year, up 5% y-o-y. The business benefitted from the sufficient supply of seeds in the market at the end of the sunflower seed processing season (September-August) following the record harvest of sunflower seeds in autumn 2019.
- Sunflower oil sales volume** in Q1 FY2020 totaled at 296 thousand tons, a 2% decrease y-o-y. Bottled sunflower oil sales constituted 11.5% of total sales volume.
- Grain export volume from Ukraine** in July-September 2020 surged by 31% y-o-y, to 2.1 million tons, including 1.9 million tons of grain originated from external suppliers, and the remaining volumes being produced by company's farming division.
- Export terminals throughput volume in Ukraine** increased to 1.9 million tons, up 56% y-o-y, driven by incremental transshipment volume on Company's new grain export terminal in the port of Chornomorsk.
- Company's **silos in-take volume** decreased by 36% y-o-y, to 1.3 million tons, reflecting a crop size reduction in company's farming business and a delayed harvesting campaign this season.

### Harvesting update:

- Crop yields in company's farming segment are expected to decline for all three major crops: corn, sunflower, and wheat. Dry spring weather undermined crop yield potential for wheat, and lack of rains during summer negatively impacted corn and sunflower yields.

	Acreage, thousand hectares			Net yield <sup>1</sup> , tons / hectare		
	FY2020	FY2021	y-o-y	FY2020	FY2021	y-o-y
Corn	231.4	254.8	10%	8.5	7.5	(12%)
Sunflower	136.5	148.2	9%	3.5	3.0	(13%)
Wheat	97.1	72.3	(26%)	5.9	4.9	(17%)
Other <sup>2</sup>	47.6	23.1	(52%)			
<b>Total</b>	<b>512.7</b>	<b>498.4</b>	<b>(3%)</b>			

**Note 1** Net crop yields are projections based on 43.7% of corn, 98.0% of sunflower, and 100% of wheat acreage harvested as of 25 October 2020.

**Note 2** Includes rapeseed, soybean, barley, rye, oats, forage crops and other minor crops, as well as fallow land.

Preliminary figures; differences are possible due to rounding.

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