

KERNEL

# Kernel Holding S.A.

Q1 FY2021 results and company presentation

November 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 October 2019 – September 2020, inclusively.



## Content

**1. Q1 FY2021 results and outlook**

2. Kernel today

3. Balanced growth strategy

4. Financials

Appendices

# 1.1 Q1 FY2021 highlights

- **Revenue** ↑ 11% y-o-y to US\$ 940m driven by higher sunflower oil sales prices.

- **EBITDA** ↑ 2.7x y-o-y to US\$ 290m (or US\$ 249m ex IFRS16)

- **Oilseed Processing** EBITDA ↑ 39% y-o-y to US\$ 31m
  - stronger crushing margin driven by growing sunflower oil prices and strong supply of oilseeds at the end of the season after record 2019 harvest;
- **Infrastructure and Trading** EBITDA ↑ 3.1x y-o-y to US\$ 111m
  - strong Avere performance benefiting a lot from a recent soft commodities rally
  - growing grain export volumes from Ukraine
  - weaker contribution from grain railcars and silo businesses;
- **Farming** EBITDA of US\$ 161m (or US\$ 120m ex IFRS16, ↑ 2.4x y-o-y)
  - skyrocketing soft commodity prices as a key growth driver

- **Net profit attributable to shareholders of Kernel Holding S.A.** ↑ 3.4x y-o-y to US\$ 204m

- **Net debt** as of 30 June 2020 ↓ 11% y-o-y to US\$ 1,017m on the back of significant accumulation of cash balance over the period

- Key **leverage** metrics for Q1 FY2021 ended up at 1.6x Net debt / EBITDA, 0.8x Adjusted net debt / EBITDA, and 4.3x EBITDA / interest coverage.

US\$ million except EPS	Q1 FY2020	Q1 FY2021	y-o-y
<b>Income statement highlights</b>			
Revenue	850	940	11%
EBITDA <sup>1</sup>	107	290	2.7x
Net profit attributable to equity holders	59	204	3.4x
EBITDA margin	13%	31%	18pp
Net margin	7%	22%	15pp
EPS <sup>2</sup> , US\$	0.73	2.43	3.3x

<b>Cash flow highlights</b>			
Operating profit before working capital changes	58	189	3.3x
Change in working capital	(110)	(159)	1.4x
Finance costs paid, net	(31)	(23)	(26%)
Income tax paid	(3)	(7)	2.8x
Net cash generated by operating activities	(86)	(0)	(100%)
Net cash used in investing activities	(61)	(36)	(41%)

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 84.0 million shares for Q1 FY2021 and 81.9 million for Q1 FY2020.

<b>Credit metrics</b>					
US\$ million, except ratios	30 Sep 2019	30 June 2020	30 Sep 2020	q-o-q	y-o-y
Short-term debt	349	73	97	32%	(72%)
Long-term debt	71	172	226	31%	3.2x
Lease liabilities	307	310	295	(5%)	(4%)
Eurobond	496	794	794	0%	60%
<b>Debt liabilities</b>	<b>1,225</b>	<b>1,350</b>	<b>1,412</b>	<b>5%</b>	<b>15%</b>
Cash and cash equivalents	80	369	395	7%	4.9x
<b>Net debt</b>	<b>1,144</b>	<b>980</b>	<b>1,017</b>	<b>4%</b>	<b>(11%)</b>
Readily marketable inventories <sup>3</sup>	568	252	489	94%	(14%)
of which sunflower oil and meal	69	96	92	(4%)	34%
Sunflower seeds	296	121	307	2.5x	4%
Grains and other RMLs	203	34	90	2.6x	(56%)
<b>Adjusted net debt</b>	<b>576</b>	<b>729</b>	<b>528</b>	<b>(27%)</b>	<b>(8%)</b>
Shareholders' equity	1,483	1,493	1,636	10%	10%
Net debt / EBITDA <sup>4</sup>	3.3x	2.2x	1.6x	-0.6x	-1.6x
Adjusted net debt / EBITDA <sup>4</sup>	1.6x	1.6x	0.8x	-0.8x	-0.8x
EBITDA / Interest <sup>5</sup>	3.7x	3.0x	4.3x	+1.3x	+0.7x

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

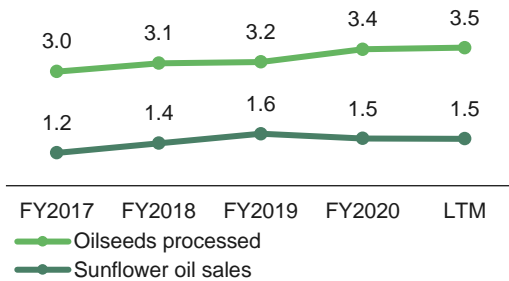
**Note 4** Calculated based on 12-month trailing EBITDA.

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

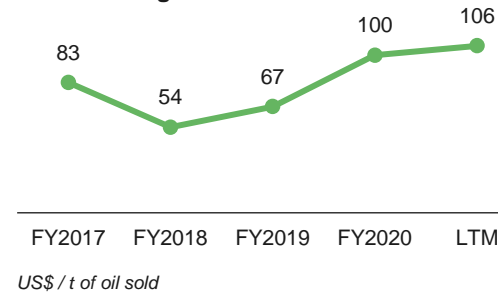
## 1.2 Segment results

Segment volumes, m tons

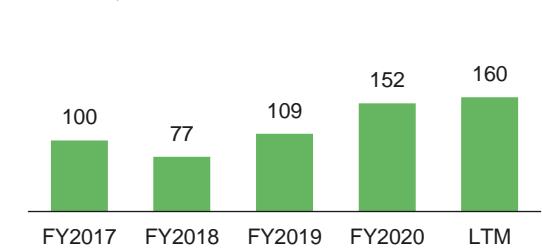
### Oilseed Processing



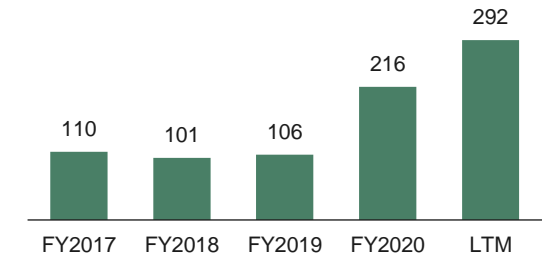
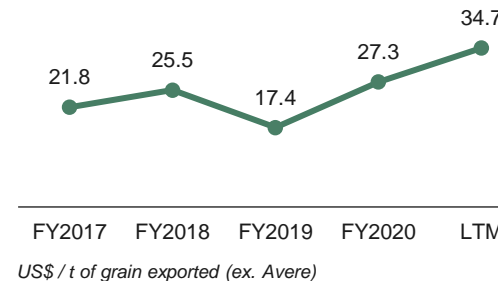
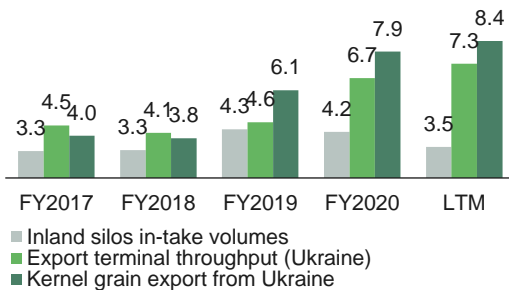
EBITDA margin



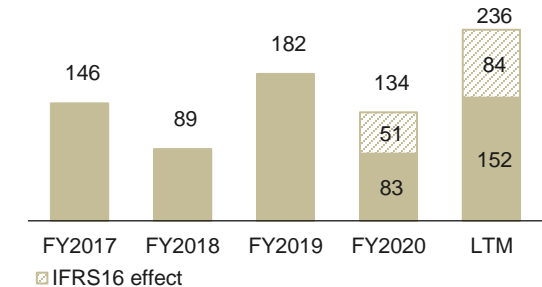
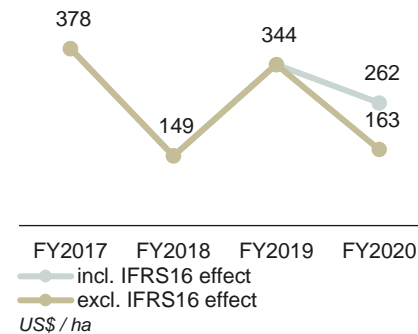
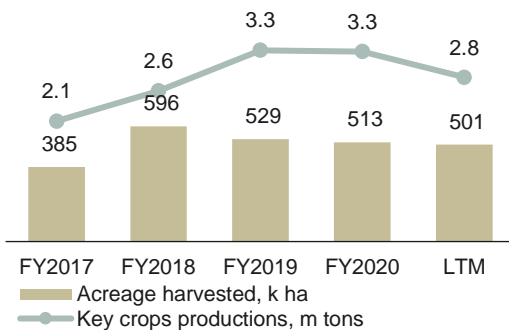
EBITDA, US\$ m



### Infrastructure & Trading



### Farming



## 1.3 Segments results and harvest update

### Segments results

	Revenue, US\$ m			EBITDA, US\$ m			Volume, k t <sup>1</sup>			EBITDA margin, US\$ / t <sup>2</sup>		
	Q1 FY20	Q1 FY21	y-o-y	Q1 FY20	Q1 FY21	y-o-y	Q1 FY20	Q1 FY21	y-o-y	Q1 FY20	Q1 FY21	y-o-y
<b>Oilseed Processing</b>	296	293	(1%)	22	31	39%	301	296	(2%)	74	104	41%
<b>Infrastructure and Trading</b>	695	811	17%	35	111	3.1x	1,621	2,126	31%	22	52	2.4x
<b>Farming</b>	134	90	(33%)	58	161	2.8x						
Unallocated corporate expenses				(9)	(13)	35%						
Reconciliation	(276)	(254)	(8%)									
<b>Total</b>	<b>850</b>	<b>940</b>	<b>11%</b>	<b>107</b>	<b>290</b>	<b>2.7x</b>						

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;

### Segment volumes

thousand metric tons	Q1 FY20	Q1 FY21	y-o-y
Oilseeds processed	629	663	5%
Sunflower oil sales <sup>1</sup>	301	296	(2%)
Grain and oilseeds received in inland silos	1,959	1,255	(36%)
Export terminal throughput (Ukraine)	1,195	1,869	56%
Grain export from Ukraine	1,621	2,126	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.

### Harvest update

	Acreage thousand hectares			Net yield tons / ha <sup>1</sup>			Harvest size thousand tons		
	Q1 FY20	Q1 FY21	y-o-y	Q1 FY20	Q1 FY21	y-o-y	Q1 FY20	Q1 FY21	y-o-y
Corn	231	255	10%	8.5	7.8	(9%)	1,975	1,992	1%
Sunflower	137	149	9%	3.5	3.0	(13%)	473	446	(6%)
Wheat	97	73	(25%)	5.9	4.9	(16%)	569	359	(37%)
Other <sup>2</sup>	48	24	(50%)						
<b>Total</b>	<b>513</b>	<b>501</b>	<b>(2%)</b>				<b>3,017</b>	<b>2,797</b>	<b>(7%)</b>

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 soybean, 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

### Oilseed Processing segment

- **EBITDA margin** ↑41% y-o-y to US\$104 per ton of oil sold:
  - Growing sunflower oil prices in Q1 FY2021
  - Sufficient supply of oilseeds on the market (after record 2019 harvest)
- **Sunflower oil sales** volumes ↓ 2% y-o-y to 296k tons
- **EBITDA** ↑39% y-o-y, to US\$ 31m.

### Infrastructure and Trading segment

- **EBITDA** ↑3.1x y-o-y to US\$ 111m:
  - Astounding Avere performance who took a proper trading position just before the soft commodities prices rallied
  - Growing grain export volumes (15% market share in Q1 FY2021),
  - Growing grain transshipment volumes driven by launch of operations on new terminal facility in the port
  - Lower contribution from silos and grain railcars;

### Farming segment

- **EBITDA** ↑ 2.8x y-o-y to US\$ 161m
  - US\$ 120m EBITDA net of IFRS 16 impact
  - US\$ 40m EBITDA net of both IFRS 16 and IAS 41 effects
- Skyrocketing soft commodity prices as a key growth driver

### Harvest update

- Harvesting campaign almost completed on 501k ha
- Yields expectedly reduced due to bad weather conditions:
  - Corn yield ↓9% y-o-y (vs ↓20% est. for Ukraine average)
  - Sunflower yield ↓13% y-o-y (vs ↓19% est. for Ukraine average)
  - Wheat yield ↓16% y-o-y (vs ↓6% est. for Ukraine average), as spring frosts and dryness hit our regions of operations more severely than most other regions in Ukraine



## 1.4 IFRS 16 impact

- 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\$ 335 million right-of-use assets (mainly rights to lease land) and US\$ 295 million corresponding lease liabilities as of 30 September 2020
  - Rental payments disappeared and were replaced by amortization of right-of-use assets and finance expenses attached to lease liabilities.
- Rental payments disappeared and were replaced by amortization of right-of-use assets and finance expenses attached to lease liabilities. This effect was not fully observable in FY2020 (as company was expensing rental payments which have occurred before IFRS 16 introduction) and will be fully observable only starting from FY2021.

### Effect on Statement of Profit or Loss

In US\$ million	Q1 FY2020			Q1 FY2021		
	prior to IFRS 16	IFRS 16 effect	with IFRS 16	prior to IFRS 16	IFRS 16 effect	with IFRS 16
Revenues	850	-	850	940	-	940
Revaluation of biological assets	30	4	34	80	27	107
Cost of sales	(785)	2	(783)	(774)	11	(763)
of which depreciation & amortization	(21)	(2)	(23)	(20)	(3)	(23)
Rental payments	(17)	4	(13)	(17)	14	(3)
<b>Gross profit</b>	<b>95</b>	<b>5</b>	<b>101</b>	<b>246</b>	<b>38</b>	<b>284</b>
Other operating income	8	-	8	18	-	18
General and administrative expenses	(26)	(0)	(26)	(36)	(0)	(36)
<b>Operating profit</b>	<b>77</b>	<b>5</b>	<b>82</b>	<b>228</b>	<b>38</b>	<b>266</b>
Finance costs	(20)	(13)	(33)	(19)	(12)	(31)
Other non-operating items	12	0	13	2	(0)	2
<b>Profit before income tax</b>	<b>70</b>	<b>(8)</b>	<b>62</b>	<b>210</b>	<b>26</b>	<b>236</b>
Income tax	(2)	-	(2)	(3)	-	(3)
<b>Net profit</b>	<b>68</b>	<b>(8)</b>	<b>60</b>	<b>207</b>	<b>26</b>	<b>233</b>
Net profit attributable to shareholders	67	(8)	59	178	26	204
<b>Depreciation and amortization</b>	<b>(21)</b>	<b>(3)</b>	<b>(24)</b>	<b>(21)</b>	<b>(3)</b>	<b>(24)</b>
<b>EBITDA</b>	<b>99</b>	<b>8</b>	<b>107</b>	<b>249</b>	<b>41</b>	<b>290</b>

### Effect on Statement of Financial Position

In US\$ million	30 Sep 2019			30 Sep 2020		
	prior to IFRS 16	IFRS 16 effect	with IFRS 16	prior to IFRS 16	IFRS 16 effect	with IFRS 16
Current assets	1,533	(2)	1,531	1,871	3	1,875
Non-current assets	1,331	303	1,634	1,332	293	1,626
of which right-of-use assets	-	347	347	-	335	335
other non-current assets	1,331	(44)	1,286	1,332	(42)	1,291
<b>Total assets</b>	<b>2,864</b>	<b>301</b>	<b>3,165</b>	<b>3,204</b>	<b>296</b>	<b>3,500</b>
Current liabilities	392	21	413	501	26	527
of which current portion of lease liabilities	-	45	45	-	37	37
other current liabilities	392	(24)	368	501	(11)	490
Non-current liabilities	998	260	1,258	1,052	253	1,305
of which lease liabilities	-	265	265	-	258	258
other non-current liabilities	998	(5)	993	1,052	(5)	1,047
Equity	1,474	20	1,494	1,651	18	1,668
<b>Total liabilities and equity</b>	<b>2,864</b>	<b>301</b>	<b>3,165</b>	<b>3,204</b>	<b>296</b>	<b>3,500</b>

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

# 1.5 Outlook for FY2021

## Oilseed Processing



- Significant risks to end up FY2021 with the **crushing margin** materially below US\$ 100 EBITDA per ton of oil sold observed in FY2020:
  - Sunflower seed harvest in Ukraine in FY2021 is expected to decline 15% y-o-y, to 14m tons, from 16.4m tons in FY2020. Farmers continue to remain slow sellers in Ukraine expecting further elevation of sunflower seed prices.
  - Sunflower oil prices higher y-o-y at the beginning of the season, but unlikely to compensate the harvest pressure
- Target to process **3.5m tons** of sunflower seeds for the whole FY2021:
  - Significant downside risks to this target, which may materialize closer to the end of the season;
  - Operations on third-party owned Chuhuiv oilseed processing plant under the tolling agreement
- Incremental EBITDA: US\$ 10 million from renewable energy projects (to soften crush EBITDA decline)

## Infrastructure & Trading



- **9.5m tons** target for **grain export** from Ukraine for FY2021 and **9m tons** target for **transshipment volumes** via our terminals
  - New terminal to add 2.3 million tons of incremental grain transshipment volumes to FY2020 actuals → incremental EBITDA
  - Downside risks to this target, which may materialize closer to the end of the season
- Grain harvest in FY2021 is expected to decline to 64m tons from 73m tons in FY2020 (corn, wheat, and barley)
  - Grain trading and transshipment **margins will face a downward pressure** in FY2021.
- Normalization of **railcars business EBITDA**
- Exceptionally strong **Avere contribution** (based on year-to-date performance)
- **Total segment EBITDA** to exceed FY2020 level of US\$ 216 million

## Farming



- Strong prices for corn, wheat, and sunflower seeds as a key segment earnings driver in FY2021
- **Expected EBITDA** of US\$ 200 million (net of IFRS 16 impact and revaluation of biological assets)
  - US\$ 128m EBITDA net of IFRS 16 impact and revaluation of biological assets in FY2020
- We remain long for almost 700 thousand tons of grain of own produce



## Content

1. Q1 FY2021 results and outlook

**2. Kernel today**

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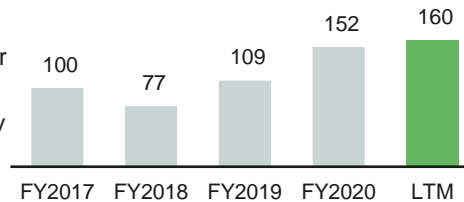
Appendices



## 2.1 Kernel today

### Oilseed Processing segment

- **#1** sunflower oil producer (7% 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 <sup>1</sup>, US\$ million

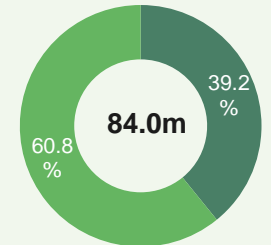
Key financials		FY2017	FY2018	FY2019	FY2020	LTM
Revenue	US\$ m	2,169	2,403	3,960	4,107	4,197
EBITDA	US\$ m	319	223	346	443	626
Net profit <sup>1</sup>	US\$ m	176	52	189	118	262
EBITDA margin	%	14.7%	9.3%	8.7%	10.8%	14.9%
Net margin	%	8.1%	2.2%	4.8%	2.9%	6.3%
EPS	US\$	2.19	0.64	2.31	1.42	3.12

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

### 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



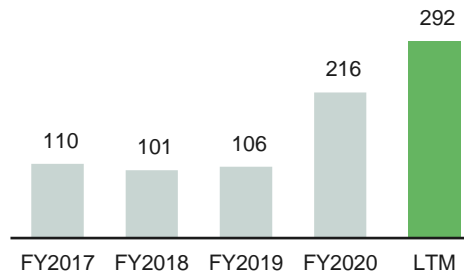
■ Namsen LTD / Andrii Verevskyi ■ Other

### Infrastructure and Trading segment

- **#1** grain exporter from Ukraine with 15% of country's total grain exports in Q1 FY2021
- 2 export terminals in Ukraine with 8.8 million tons combined annual grain transshipment capacity
- **#1** private inland grain silo network in Ukraine with **2.4 million tons** of storage capacity
- **#1** private grain railcars fleet in Ukraine (3.4k hoppers)



EBITDA, US\$ million

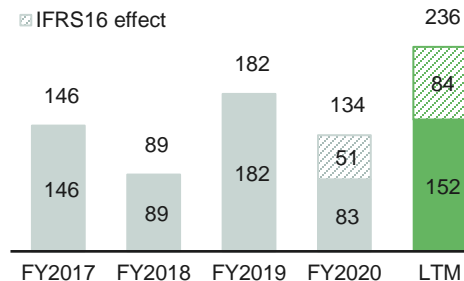


### Farming segment

- **#1** crop producer in Ukraine operating 514 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 **Infrastructure and Trading** and **Oilseed Processing** segments, earning incremental profits



EBITDA, US\$ million

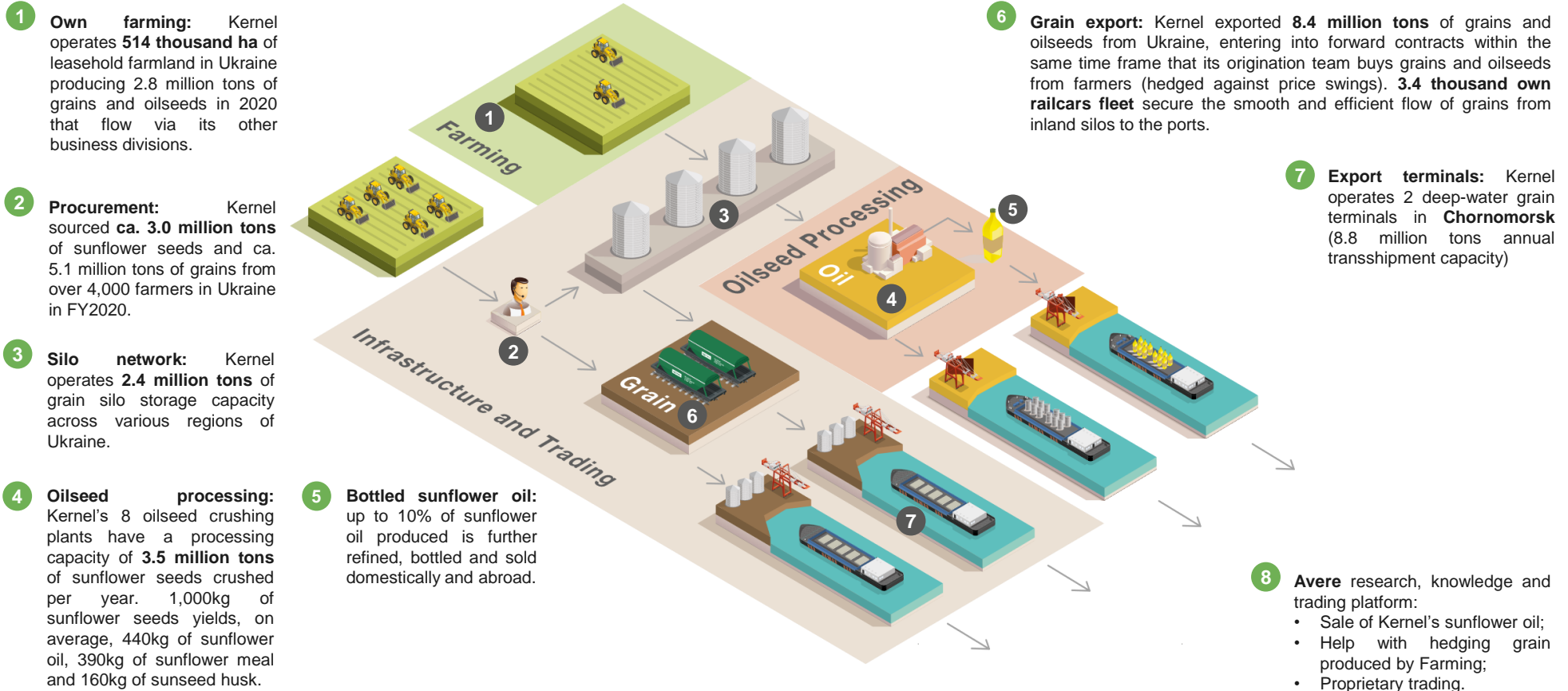


Market capitalization, US\$ bn



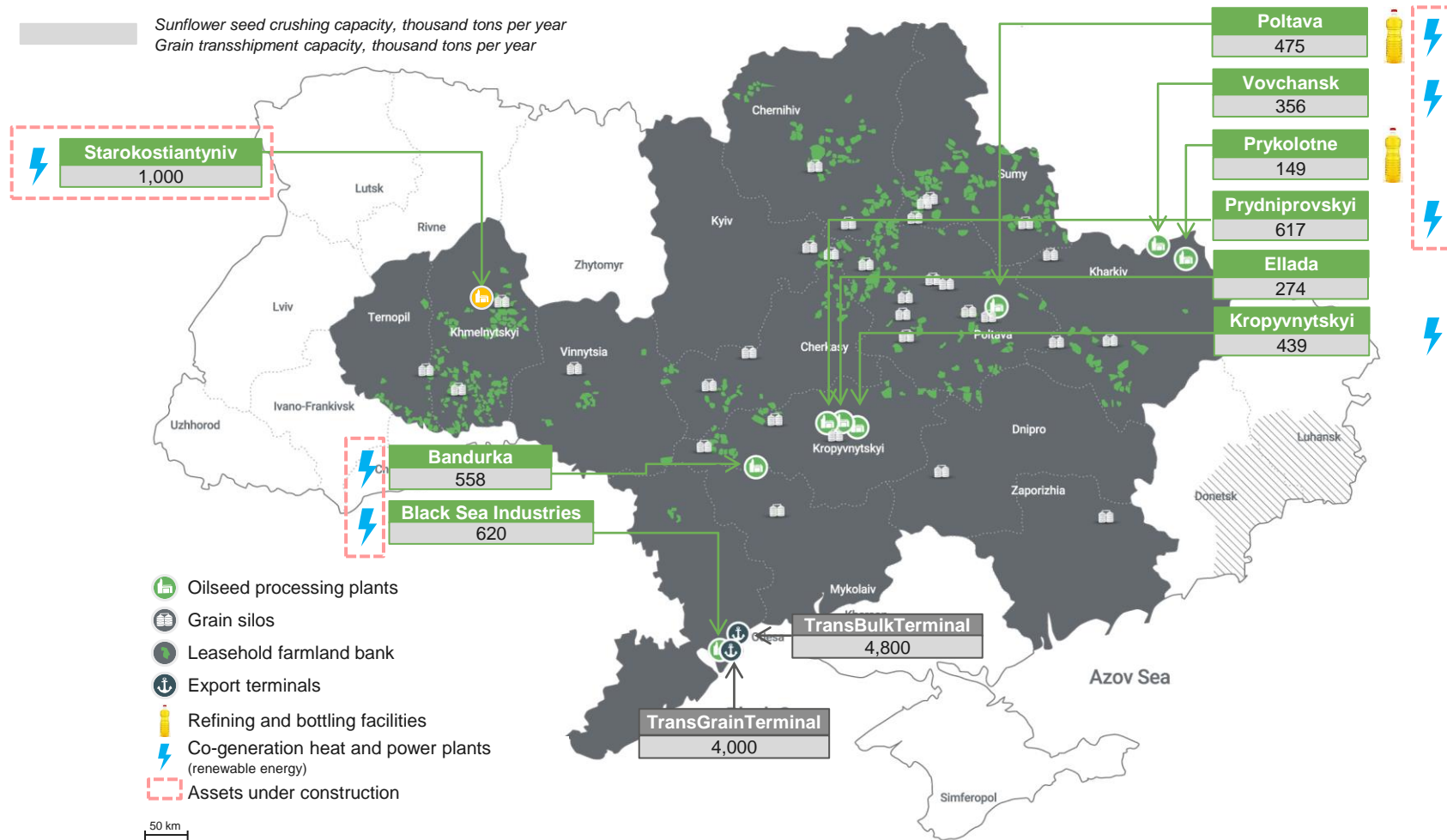
**Note 1** Hereinafter, segment EBITDA is presented prior to certain unallocated G&A costs and net of discontinued operations and assets held for sale

## 2.2 What we do



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

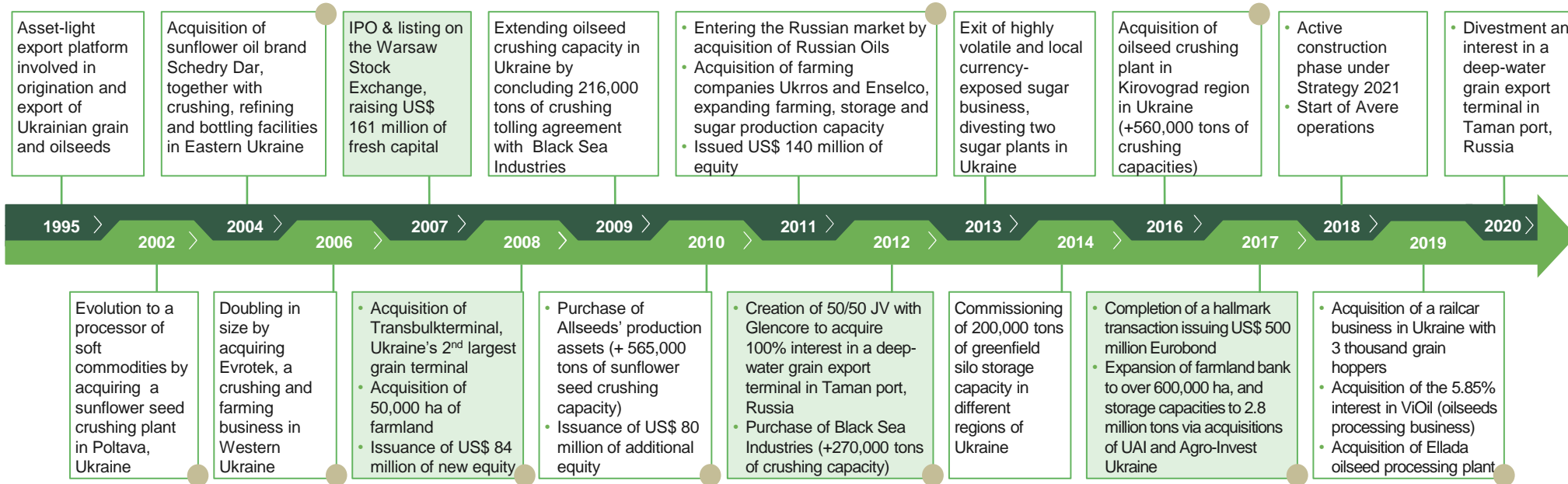
## 2.3 Efficient and well-invested asset base



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



## 2.4 Kernel's key milestones



● Asset growth through M&A

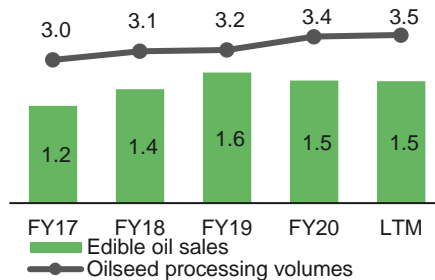
Unparalleled track record of continuous development

## 2.5 Oilseed Processing segment

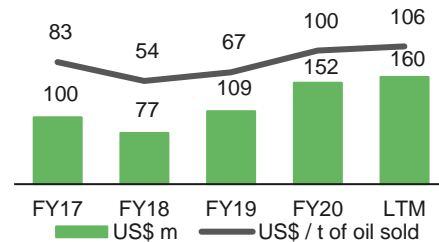


### Segment performance

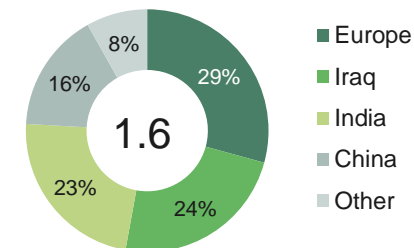
#### Segment volumes million tons



#### EBITDA and EBITDA margin



#### Sunflower oil sales markets in FY2020 million tons



- Record oilseed processing volumes: 3.5m t on the LTM basis → 100% capacity utilization level;
- Sunflower oil sales in line with production volumes

- LTM EBITDA margin reached the upper limit of estimated long-term sustainable margin range (US\$50-100 per ton of oil)

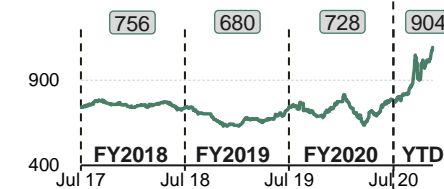
- Europe, Asia and Middle-East are key sunflower oil sales markets.

### Profitability drivers and FY2021 outlook

1

#### Sunflower oil price

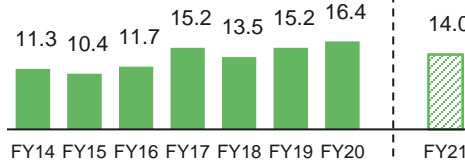
US\$ per ton of unrefined oil sold in bulk, FOB-Chornomorsk



- Strong growth in prices at the beginning of the season.

2

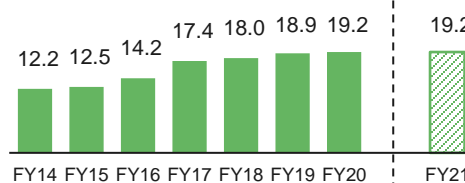
#### Ukraine sunflower seed harvest million tons



- Sunflower seed harvest in Ukraine is expected to reduce by 15% from FY2020 level.
- Farmers are selling seeds very slowly

3

#### Industrial crushing capacities million tons



- No change envisaged for crush capacities for FY2021

Source: Bloomberg, USDA, Kernel's estimates

4

#### Sales volumes marginally flat

5

#### Contribution from new business (renewable energy)

- FY2021 margin to materially reduce y-o-y
- US\$ 10m expected FY2021 EBITDA

FY2021 EBITDA to decline vs FY2020 level

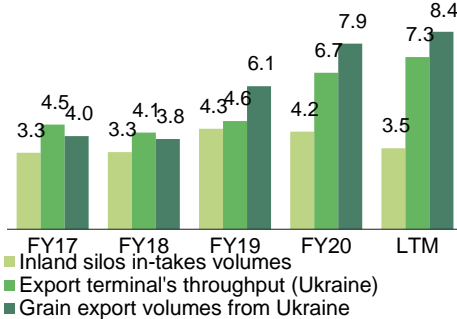
## 2.6 Infrastructure and Trading segment



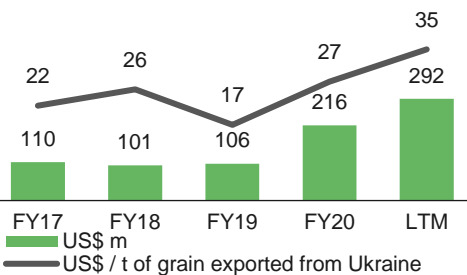
### Segment performance

#### Segments volumes

million tons

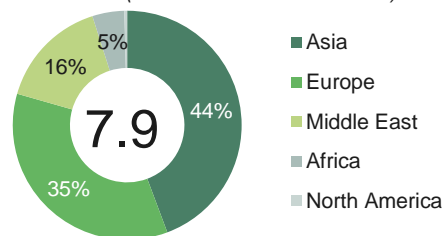


#### EBITDA and EBITDA margin



#### Key export markets in FY2020

million tons (excl. Avere traded volumes)



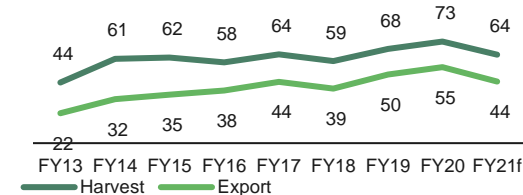
- Record grain export volumes from Ukraine
  - #1 grain exporter, 15% share in total country grain export in Q1 FY2021
- Record grain transshipment volumes following the launch of operations on our new terminal in Chornomorsk port

- LTM EBITDA** reached US\$ 292m
  - Record grain export volumes at flat y-o-y margin
  - Record grain transshipment volumes (with new Terminal contribution) at flat y-o-y margin
  - Sizeable contribution from railcar business acquired in Feb 2019
  - Exceptional Avere performance

### Profitability drivers and FY2021 outlook

#### 1 Grain supply in Ukraine

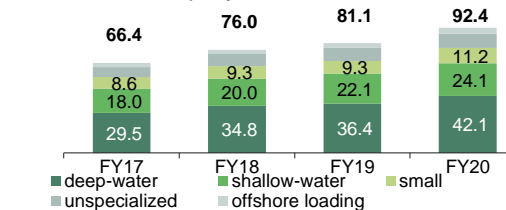
million tons of corn + wheat + barley



- In FY2021 we expect crop size to reduce to 64 million tons.

#### 2 Demand: grain export terminals transshipment capacity

million tons per year



Source: USDA, Ports.ua, Zertech, Kernel

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

#### 3 Growing export and transshipment volumes

#### 4 Grain silo busines

#### 5 Grain railcars

#### 6 Avere activities

#### FY2021 margins to decline

- Target to export 9.5m t
- Full-year contribution from new terminal
- Normalization of profitability after market saturation
- Very strong results year-to-date

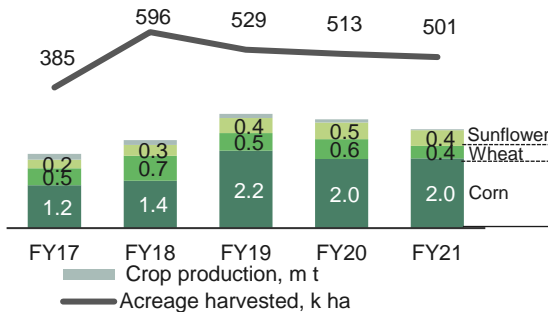
**Total segment EBITDA in FY2021 may exceed a record FY2020 EBITDA of US\$ 216 million**

## 2.7 Farming segment

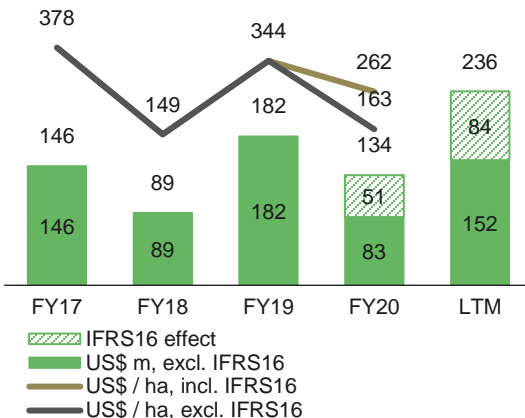


### Segment performance

#### Kernel's key crop production



#### EBITDA and EBITDA margin

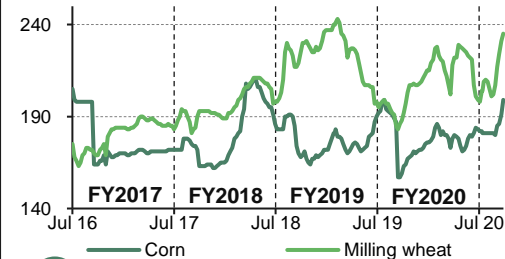


- 501k ha harvested in FY2021
- Yields expectedly reduced due to bad weather conditions:
  - Corn yield ↓9% y-o-y (vs ↓20% est. for Ukraine average)
  - Sunflower yield ↓13% y-o-y (vs ↓19% est. for Ukraine average)
  - Wheat yield ↓16% y-o-y (vs ↓6% est. for Ukraine average), as spring frosts and dryness hit our regions of operations more severely than most other regions in Ukraine

- LTM EBITDA** of US\$ 236m (or US\$ 152m net of IFRS 16 impact)
- US\$ 148m EBITDA net of IFRS 16 and revaluation of biological assets (usual level for guidance)

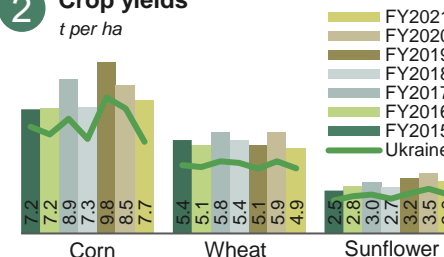
### Profitability drivers and FY2021 outlook

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



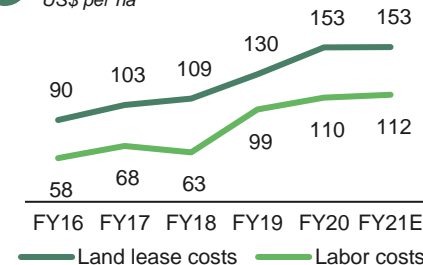
- Supportive prices at the beginning of the season.

#### 2 Crop yields t per ha



- Crop yields decline forecasted for all three our major crops: corn, sunflower, and wheat.

#### 3 Selected farming costs US\$ per ha





- Further growth is not likely, some cost reduction may happen driven by Ukrainian hryvnia weakening and lower energy costs.

**FY2021 EBITDA is expected at US\$ 200 million (net of IFRS 16 and revaluation of biological assets)**



## 2.8 Credit highlights

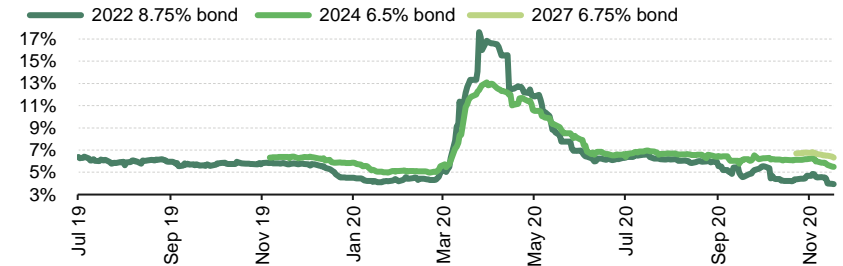
### Credit portfolio as of 30 September 2020, US\$ m

	Amount outstanding	Undrawn facilities / Limit	Interest rate	Maturity
Eurobond 2022	498		8.75%	Jan 2022
Eurobond 2024	296		6.50%	Oct 2024
 European Investment Bank	180	70	Libor + 1.44% + CoF	2029- 2030
 EBRD / CTF	56	-	Libor + 4.5% Libor + 1.0%	May 2027
Oil PXF (pre-export facility)	-	300 / 300*	Libor + 3.95%	Aug 2022
Grain PXF (pre-export facility)	-	185 / 300*	Libor + 3.9%	June 2022
Other bank debt	69	421	Libor + 1.9-2.5%, 6.5%	Short-term debt
Lease liabilities (IFRS 16)	295			
Accrued interest	17			
<b>Total debt liabilities</b>	<b>1,412</b>	<b>976</b>		
Cash and cash equivalents	395			
<b>Net debt</b>	<b>1,017</b>			
Readily marketable inventories	489			
of which sunflower oil and meal	92			
Sunflower seeds	307			
Grains and other RMIs	90			
<b>Adjusted net debt</b>	<b>528</b>			
Net debt / EBITDA	1.6x			
Adjusted net debt / EBITDA	0.8x			
EBITDA / Interest	4.3x			

In October 2020, Kernel tendered US\$ 287 million of US\$ 500 million of 8.75% 2022 notes outstanding and issued new US\$ 300 million 6.75% 7-year notes

\* Maximum available limits of Oil PXF and Grain PXF depend on the season period and reach US\$ 300m for each in September - February / April

### Kernel Eurobonds mid-YTM, %



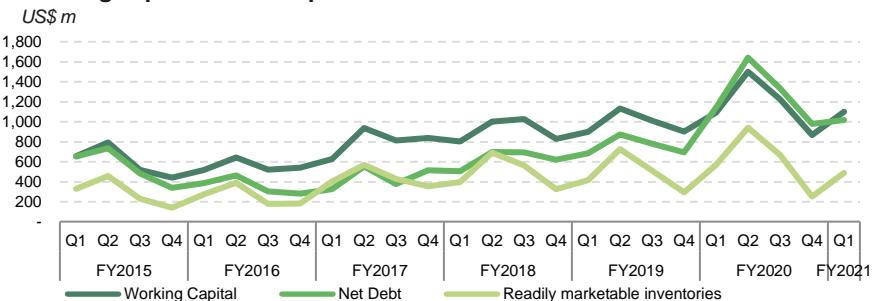
### Credit ratings

**FitchRatings**

**S&P Global  
Ratings**

Rating / Outlook	Date
BB- / Stable	18 Sep 2020
BB- / Stable	30 Sep 2019
B+ / Stable	12 Oct 2018
B+ / Stable	12 Feb 2017
B+ / Stable	5 Oct 2020
B / Stable	17 Apr 2020
B / Stable	30 Sep 2019
B / Stable	31 Oct 2018
B / Stable	20 Feb 2017

### Working capital<sup>1</sup> and debt position



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

## Content

1. Q1 FY2021 results and outlook

2. Kernel today

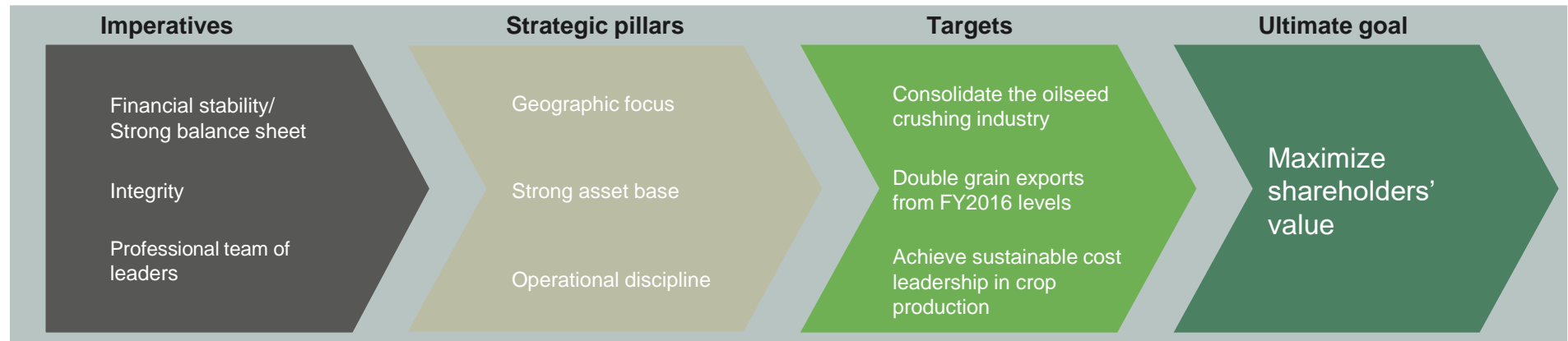
**3. Balanced growth strategy**

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 FY2020

- Substantially **progressed on the construction** of our new processing plant in Western Ukraine and co-generation heat and power units adjacent to our crushing plants;
- **Acquired Ellada** oil-extraction plant
- Entered an exclusive **tolling agreement with Chuhuiv** oil-extraction plant, which has the capacity to process 0.2 million tons of sunflower seeds per annum



### 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

- **Achieved the target ahead of time:** exported 7.9 million tons of grain from Ukraine, 2.0x growth vs FY2016;
- **Launched grain transshipment on our new 4.0-million-ton deep-water export terminal** in the port of Chornomorsk, which contributed with 1 million tons to our transshipment volumes in FY2020;
- **Further optimized our silo network** by divesting 5 silos;










### 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

- **Increased labor productivity** to the highest level ever
- **Streamlined crop production mix** with more focus on corn and sunflower (including high-oleic)
- Achieved the **highest ever crop yields** for sunflower and wheat

## 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 November 2020)	Segment
I	Leasehold farmland bank expansion (+ 200k ha)	152	47	-	-	-	-	199		Farming
II	Construction of greenfield <b>oilseed processing plant</b> in Western Ukraine with co-generation heat and power unit ■ Annual sunflower seed processing capacity: 1 million tons	-	52	10	39	73	6	180		Oilseed Processing
III	Construction of <b>co-generation heat and power units (renewable energy)</b> on 6 our plants throughout (FY2019-2020)	0	12	30	64	63	-	169		Oilseed Processing
IV	Construction of <b>new grain export terminal</b> in the port of Chornomorsk ■ Annual throughput capacity: 4 million tons of grain ■ Commissioned in FY2020 ■ Intake capacity expansion in FY2021	1	3	46	45	42	-	137		Infrastructure and Trading
V	<b>Grain railcars investments</b> (500 brand-new + 2,949 used)	-	16	65	8	-	-	89		Infrastructure and Trading
VI	<b>Construction and upgrade of silo facilities (FY2019-2020)</b>	-	19	36	7	2	-	63		Infrastructure and Trading
VII	Acquisition of assets of <b>Ellada oilseed processing plant</b>	24			21			45		Oilseed Processing
<b>Total key expansion investments</b>		<b>177</b>	<b>150</b>	<b>186</b>	<b>184</b>	<b>179</b>	<b>6</b>	<b>881</b>		
Maintenance and other CapEx		35	61	72	68	92	60			
<b>Total investments</b>		<b>211</b>	<b>211</b>	<b>258</b>	<b>252</b>	<b>270</b>	<b>66</b>			

- The major portion of FY2021 expansion investments will be financed by debt attracted from the European Investment Bank



## Content

1. Q1 FY2021 results and outlook

2. Kernel today

3. Balanced growth strategy

**4. Financials**

Appendices



## 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	FY20	LTM
<b>Revenue</b>	<b>215</b>	<b>350</b>	<b>663</b>	<b>1,047</b>	<b>1,020</b>	<b>1,899</b>	<b>2,072</b>	<b>2,797</b>	<b>2,393</b>	<b>2,330</b>	<b>1,989</b>	<b>2,169</b>	<b>2,403</b>	<b>3,960</b>	<b>4,107</b>	<b>4,197</b>
Net IAS 41 gain / (loss)	-	-	-	-	-	-	-	15	(17)	(7)	20	(3)	19	9	(21)	52
Cost of sales	(194)	(306)	(557)	(874)	(844)	(1,610)	(1,814)	(2,599)	(2,231)	(2,009)	(1,707)	(1,882)	(2,261)	(3,636)	(3,624)	(3,604)
<b>Gross profit</b>	<b>21</b>	<b>44</b>	<b>106</b>	<b>174</b>	<b>177</b>	<b>289</b>	<b>258</b>	<b>213</b>	<b>145</b>	<b>314</b>	<b>302</b>	<b>284</b>	<b>160</b>	<b>334</b>	<b>462</b>	<b>645</b>
Other operating income	1	8	25	17	18	26	66	67	60	83	45	41	59	42	7	18
G&A expenses	(11)	(13)	(20)	(24)	(27)	(38)	(67)	(78)	(77)	(68)	(59)	(60)	(80)	(107)	(132)	(142)
<b>Profit from operating activities</b>	<b>12</b>	<b>39</b>	<b>112</b>	<b>167</b>	<b>167</b>	<b>277</b>	<b>257</b>	<b>201</b>	<b>129</b>	<b>328</b>	<b>287</b>	<b>265</b>	<b>140</b>	<b>269</b>	<b>337</b>	<b>521</b>
Financial costs, net	(9)	(19)	(28)	(32)	(23)	(42)	(63)	(75)	(72)	(69)	(57)	(62)	(65)	(82)	(147)	(145)
FX gain(loss), net	(1)	(1)	3	(3)	11	2	5	3	(99)	(153)	30	(3)	5	13	(1)	(4)
Other non-operating items	(2)	(2)	5	(4)	(4)	(28)	(3)	(8)	(48)	(5)	(13)	(3)	(30)	(9)	(44)	(52)
Income tax	0	2	(9)	5	0	18	9	(6)	(11)	(0)	(4)	(19)	6	(12)	(22)	(23)
<b>Net profit from continuing operations</b>	<b>0</b>	<b>19</b>	<b>82</b>	<b>132</b>	<b>152</b>	<b>226</b>	<b>206</b>	<b>115</b>	<b>(102)</b>	<b>101</b>	<b>244</b>	<b>179</b>	<b>56</b>	<b>179</b>	<b>123</b>	<b>297</b>
Profit / (loss) from discontinued operations	-	-	-	-	-	-	5	(10)	(6)	(5)	(17)	-	-	-	-	-
<b>Net profit</b>	<b>0</b>	<b>19</b>	<b>82</b>	<b>132</b>	<b>152</b>	<b>226</b>	<b>211</b>	<b>105</b>	<b>(107)</b>	<b>96</b>	<b>227</b>	<b>179</b>	<b>56</b>	<b>179</b>	<b>123</b>	<b>297</b>
Net profit/(loss) attributable to shareholders	1	20	83	136	152	226	207	112	(98)	107	225	176	52	189	118	262
<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	1.4	3.1
<i>ROE<sup>1</sup></i>		37%	36%	36%	32%	29%	19%	9%	(8%)	11%	24%	16%	5%	15%	8%	17%
<i>ROIC<sup>2</sup></i>		21%	25%	26%	22%	23%	17%	9%	(1%)	11%	21%	15%	10%	13%	11%	6%
<i>Net Income / Invested Capital</i>		14%	36%	21%	23%	24%	15%	6%	(5%)	6%	17%	13%	4%	9%	5%	4%
<b>EBITDA, incl.</b>	<b>17</b>	<b>46</b>	<b>123</b>	<b>190</b>	<b>190</b>	<b>310</b>	<b>319</b>	<b>288</b>	<b>223</b>	<b>397</b>	<b>346</b>	<b>319</b>	<b>223</b>	<b>346</b>	<b>443</b>	<b>626</b>
Oilseeds Processing	-	-	81	89	101	202	198	199	178	213	129	100	77	109	152	160
Infrastructure and Trading	-	-	40	112	80	94	59	59	126	114	107	110	101	106	216	292
Farming	-	-	20	7	23	32	74	67	(44)	98	146	146	89	182	134	236
Unallocated expenses and other	-	-	(18)	(18)	(14)	(18)	(12)	(38)	(36)	(29)	(36)	(36)	(44)	(51)	(59)	(62)
<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>8%</i>	<i>11%</i>	<i>15%</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>11%</i>	<i>15%</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>	<i>6%</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

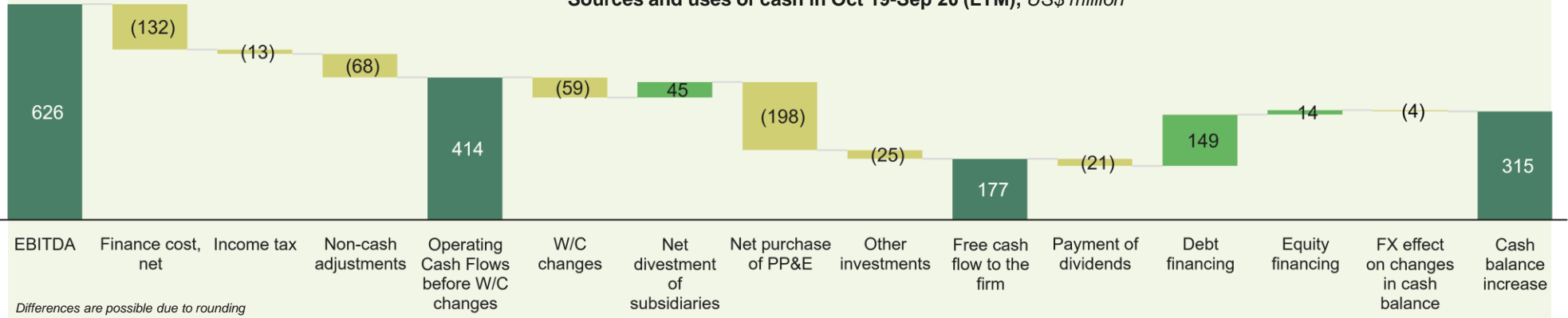
<b>Balance sheet highlights</b>																<b>30 Sep</b>
<i>US\$ million</i>	<b>FY06</b>	<b>FY07</b>	<b>FY08</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>2020</b>
Cash & cash equivalents	6	25	89	129	59	116	83	79	65	129	60	143	132	77	369	395
Net trade accounts receivable	9	10	49	32	65	112	146	151	100	56	75	87	92	183	215	244
Prepayments to suppliers & other current assets	7	9	30	26	94	81	90	110	57	61	53	83	113	130	149	136
Prepaid taxes	9	22	23	73	206	221	236	210	156	105	138	143	122	127	133	162
Inventory	32	40	145	99	148	184	410	270	300	159	200	387	368	358	303	575
<i>of which: readily marketable inventories</i>	29	38	139	91	143	141	336	157	243	140	184	354	325	293	252	489
Biological assets	3	10	42	19	26	96	153	247	183	147	190	256	289	309	252	222
Other current assets	-	-	-	-	-	-	-	23	12	2	4	21	87	73	109	142
Intangible assets and goodwill	10	28	103	81	118	152	228	321	233	172	159	219	208	223	192	186
Net property, plant & equipment	72	128	232	222	379	503	728	763	643	535	539	570	588	765	984	999
Right-of-use assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	347	335
Other non-current assets	5	3	43	19	29	109	41	187	170	100	91	100	210	220	110	106
<b>Total assets</b>	<b>156</b>	<b>275</b>	<b>756</b>	<b>700</b>	<b>1,125</b>	<b>1,573</b>	<b>2,116</b>	<b>2,362</b>	<b>1,919</b>	<b>1,466</b>	<b>1,509</b>	<b>2,009</b>	<b>2,211</b>	<b>2,464</b>	<b>3,165</b>	<b>3,500</b>
Trade accounts payable	1	6	6	8	11	27	25	47	33	27	42	53	74	136	88	151
Advances from customers & other current liabilities	5	9	22	26	131	102	155	202	80	63	77	89	105	105	171	174
<b>Debt liabilities</b>	<b>93</b>	<b>157</b>	<b>256</b>	<b>295</b>	<b>345</b>	<b>422</b>	<b>693</b>	<b>725</b>	<b>743</b>	<b>463</b>	<b>339</b>	<b>655</b>	<b>751</b>	<b>768</b>	<b>1,350</b>	<b>1,412</b>
Short-term debt	29	44	127	160	210	266	266	450	483	367	254	152	246	203	73	97
Long-term debt	54	102	98	133	135	156	427	276	260	95	84	8	11	69	172	226
Corporate bonds issued	10	10	31	2	-	-	-	-	-	-	-	494	495	496	794	794
Lease liabilities	5	3	7	11	8	3	13	19	12	6	2	3	8	5	310	295
Other liabilities	9	18	32	14	32	24	33	35	32	21	55	56	104	109	63	95
<b>Total liabilities</b>	<b>108</b>	<b>190</b>	<b>315</b>	<b>342</b>	<b>520</b>	<b>575</b>	<b>906</b>	<b>1,009</b>	<b>888</b>	<b>575</b>	<b>512</b>	<b>851</b>	<b>1,033</b>	<b>1,118</b>	<b>1,671</b>	<b>1,832</b>
<b>Total equity</b>	<b>48</b>	<b>85</b>	<b>440</b>	<b>357</b>	<b>605</b>	<b>997</b>	<b>1,211</b>	<b>1,352</b>	<b>1,031</b>	<b>891</b>	<b>997</b>	<b>1,158</b>	<b>1,178</b>	<b>1,346</b>	<b>1,494</b>	<b>1,668</b>
<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	0.9x	0.8x
<i>Debt / assets ratio</i>	60%	57%	34%	42%	31%	27%	33%	31%	39%	32%	22%	33%	34%	31%	43%	40%
<b>Liquidity position and credit metrics</b>																
Debt liabilities	94	158	259	300	350	428	698	734	749	469	343	657	754	770	1,350	1,412
Cash	6	25	89	129	59	116	83	79	65	129	60	143	132	77	369	395
<b>Net debt</b>	<b>88</b>	<b>133</b>	<b>170</b>	<b>170</b>	<b>291</b>	<b>312</b>	<b>616</b>	<b>655</b>	<b>684</b>	<b>339</b>	<b>283</b>	<b>514</b>	<b>622</b>	<b>694</b>	<b>980</b>	<b>1,017</b>
Readily marketable inventories	29	38	139	91	143	141	336	157	243	140	184	354	325	293	252	489
<b>Adjusted net debt</b>	<b>58</b>	<b>95</b>	<b>32</b>	<b>79</b>	<b>148</b>	<b>170</b>	<b>280</b>	<b>498</b>	<b>441</b>	<b>199</b>	<b>99</b>	<b>160</b>	<b>297</b>	<b>400</b>	<b>729</b>	<b>528</b>
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	2.2x	1.6x
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	1.6x	0.8x
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	4.3x

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	FY20	LTM
EBITDA	17	46	123	190	190	310	319	288	223	397	346	319	223	346	443	626
Finance cost paid	(9)	(18)	(28)	(32)	(23)	(36)	(67)	(76)	(72)	(68)	(58)	(35)	(64)	(72)	(140)	(132)
Income tax paid	(0)	(1)	(3)	(2)	(1)	(3)	(7)	(43)	(40)	(13)	(3)	(6)	(5)	(3)	(8)	(13)
Non-cash adjustments and non-operating items	(0)	(1)	7	(32)	12	(36)	(27)	1	(41)	(70)	(18)	5	(40)	23	(16)	(68)
<b>Operating Cash Flow before Working Capital changes</b>	<b>7</b>	<b>26</b>	<b>99</b>	<b>124</b>	<b>179</b>	<b>235</b>	<b>218</b>	<b>169</b>	<b>70</b>	<b>245</b>	<b>268</b>	<b>283</b>	<b>113</b>	<b>293</b>	<b>279</b>	<b>414</b>
Change in working capital	(36)	(15)	(210)	(25)	(97)	(180)	(242)	135	(1)	147	(136)	(206)	(31)	(94)	(10)	(59)
Acquisition of subsidiaries and JVs, net	-	(60)	(97)	(5)	(70)	(11)	(136)	(152)	(41)	2	(30)	(141)	(24)	(41)	46	45
Net purchase of PP&E	(6)	2	(24)	(89)	(56)	(48)	(93)	(91)	(42)	(23)	(30)	(40)	(140)	(157)	(210)	(198)
Other investments	1	0	(49)	(1)	1	(66)	(0)	(23)	(1)	(4)	(1)	(42)	8	(43)	(38)	(25)
<b>Free cash flow to the Firm</b>	<b>(34)</b>	<b>(46)</b>	<b>(281)</b>	<b>4</b>	<b>(44)</b>	<b>(71)</b>	<b>(253)</b>	<b>38</b>	<b>(14)</b>	<b>369</b>	<b>71</b>	<b>(146)</b>	<b>(74)</b>	<b>(43)</b>	<b>67</b>	<b>177</b>
Debt financing	32	62	81	36	(77)	(18)	220	(45)	7	(289)	(115)	178	98	50	233	149
Equity financing	(1)	3	235	-	81	141	5	(2)	-	(1)	-	15	-	-	14	14
Dividends paid	-	-	-	-	-	-	-	-	-	(20)	(20)	(20)	(20)	(20)	(21)	(21)
<b>Financing cash flow</b>	<b>31</b>	<b>64</b>	<b>315</b>	<b>36</b>	<b>4</b>	<b>124</b>	<b>225</b>	<b>(48)</b>	<b>7</b>	<b>(310)</b>	<b>(134)</b>	<b>173</b>	<b>77</b>	<b>30</b>	<b>226</b>	<b>141</b>
Cash at the year end	6	25	59	98	58	110	83	73	65	124	60	87	90	76	367	395
<b>Cash conversion cycle</b>	n/a	<b>66</b>	<b>86</b>	<b>79</b>	<b>117</b>	<b>91</b>	<b>117</b>	<b>90</b>	<b>85</b>	<b>67</b>	<b>63</b>	<b>84</b>	<b>83</b>	<b>49</b>	<b>51</b>	<b>82</b>
Payment period, days	n/a	(4)	(4)	(3)	(4)	(4)	(5)	(5)	(7)	(6)	(7)	(9)	(10)	(10)	(11)	(16)
Inventories processing, days	n/a	43	61	51	53	38	60	48	47	42	38	57	61	36	33	63
Receivables collection, days	n/a	10	16	14	18	17	23	19	19	12	12	14	14	13	18	19
VAT receivables, days	n/a	17	13	17	50	41	40	28	26	18	20	22	19	11	11	15

Sources and uses of cash in Oct'19-Sep'20 (LTM), US\$ million



# IR contact and investor calendar

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## **Investor calendar**

Annual general shareholders' meeting

Q2 FY2021 Operations Update

H1 FY2021 Financial Report

Q3 FY2021 Operations Update

Q3 FY2021 Financial Report

Q4 FY2021 Operations Update

FY2021 Financial Report

**10 December 2020**

**21 January 2021**

**26 February 2021**

**23 April 2021**

**28 May 2021**

**22 July 2021**

**4 October 2021**



## Content

1. Q1 FY2021 results and outlook

2. Kernel today

3. Balanced growth strategy

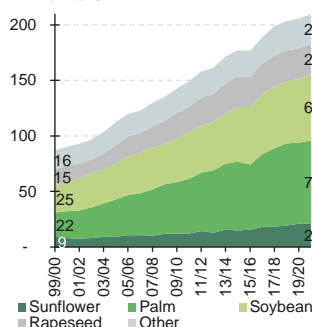
4. Financials

**Appendices**

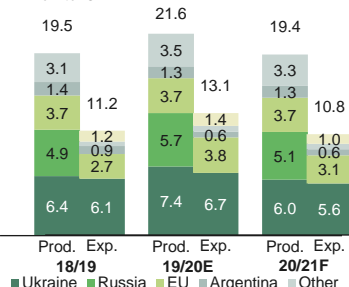
# A1. Markets and business environment

## Oilseed Processing

Global production of vegetable oils  
million tons

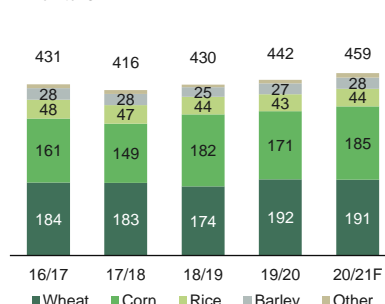


Global production and export of sunflower oil  
million tons

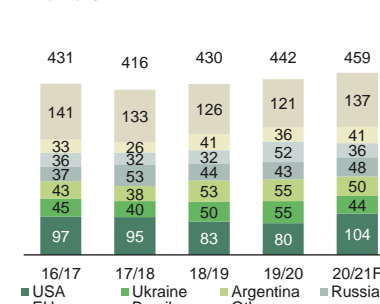


## Infrastructure and Trading

Global grain exports  
million tons

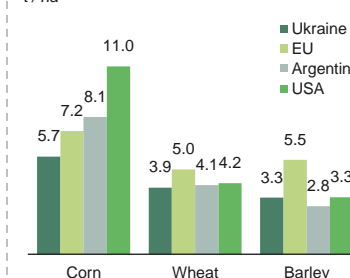


Top grain exporting countries  
million tons

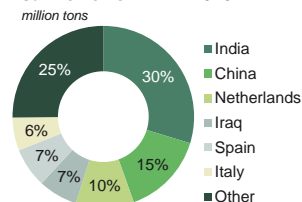


## Farming

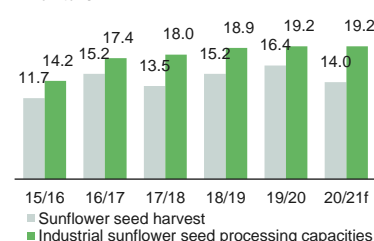
Grain yields in MY2019/20  
t / ha



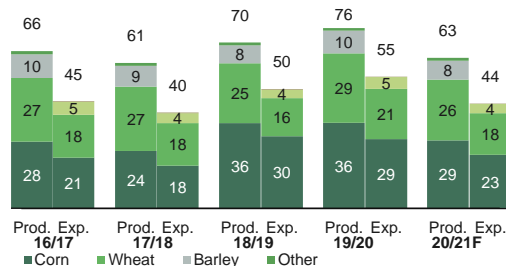
Destinations of Ukrainian sunflower oil in MY2020  
million tons



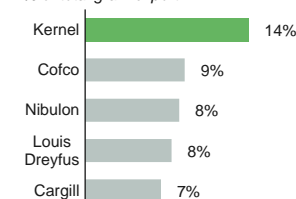
Sunflower seed balance in Ukraine  
million tons



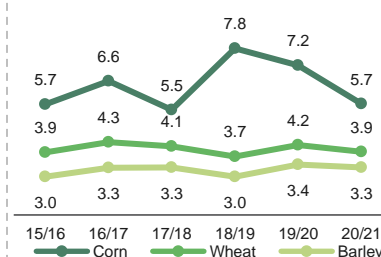
Ukraine grain production and export  
million tons



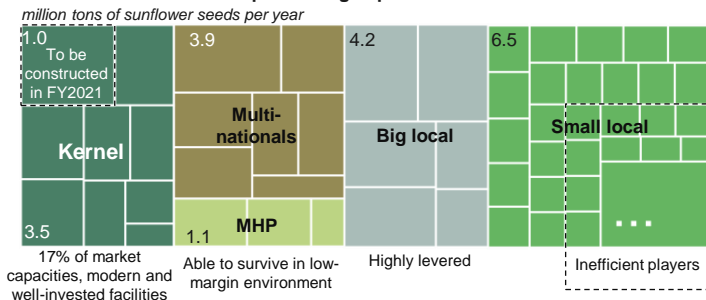
Top grain exporters from Ukraine in FY2020  
% of total grain export



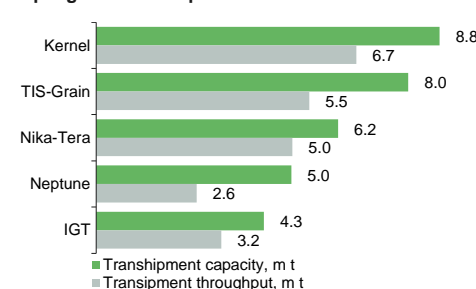
Grain yields in Ukraine  
t / ha



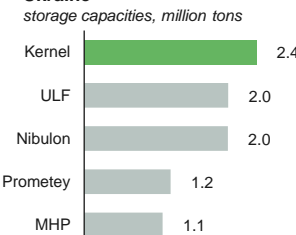
Industrial sunflower seed processing capacities in Ukraine in FY2020  
million tons of sunflower seeds per year



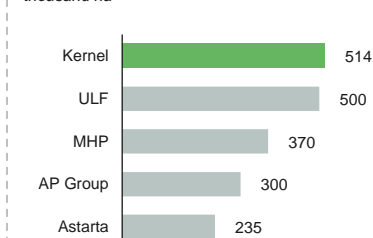
Top 5 grain transshipment terminals in Ukraine in FY2020



Top 5 private silo networks in Ukraine  
storage capacities, million tons



Top 5 agricultural holdings in Ukraine  
thousand ha



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

## A2. Kernel sustainability approach

*We aim to unlock the Ukrainian food production potential to feed the growing world population in a sustainable manner*

- Proper set of internal policies and procedures to drive sustainable development: [Code of Conduct](#), [Corporate Social Responsibility and Sustainable Development Policy](#), [Environmental Protection Policy](#), [The Code of Interaction with Suppliers](#), [Anti-Corruption Clause](#), [the Equality, Diversity, and Inclusion Policy](#), [Good Neighborhood Policy](#)
- Independent assurance of Sustainability disclosure by Baker Tilly
- Extensive US\$ 169 million investment program in renewable energy generation is ongoing

### Commitments

- Kernel is a signatory of **UN Global Compact** (the world's largest corporate sustainability initiative)
- First ESG-related goal was set in FY2020: to reduce energy and GHG emissions intensity by 5% over a 5-year horizon in Oilseed Processing.
- Sustainability progress is regularly reviewed by the Board of Directors
- Zero-tolerance to corruption
- Kernel signed a [Declaration on gender equality and preventing domestic violence](#).

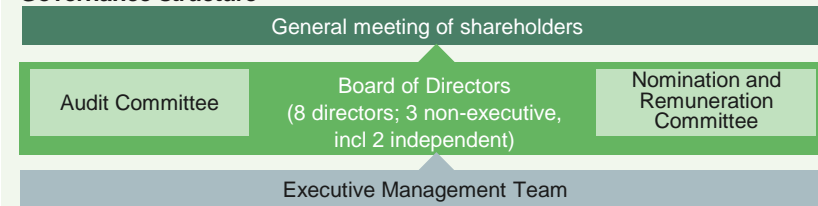
### Recognitions

- **Top-3 corporate** in the Sustainable Ukraine – first professional integrated rating of corporate sustainability in Ukraine:
  - #1 corporate in Ukraine in resource efficiency, HR management and development;
  - #2 in corporate governance quality, health and safety, biodiversity approach, labor relations.
- Top employer in Ukraine (Vlast Deneg business magazine, [Best Employer Survey](#) by EY Ukraine)
- Shares in [WIG ESG index](#) (since Sep 2019).
- Kernel ESG approach was included in the first [Voluntary business progress review of achieving sustainable development goals in Ukraine](#), prepared by UN Global Compact Network in Ukraine

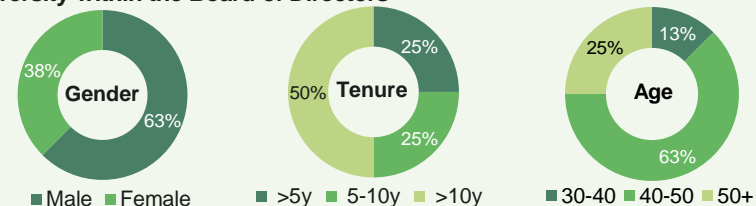
### Key non-financial KPIs

Environment		FY16	FY17	FY18	FY19	FY20
Total GHG emission	ths t CO <sub>2</sub> e	1,074	1,439	1,417	1,783	1,679
Direct (Scope 1)	ths t CO <sub>2</sub> e	662	748	922	980	955
Biogenic (Scope 1)	ths t CO <sub>2</sub> e	339	587	401	712	628
Gross indirect (Scope 2)	ths t CO <sub>2</sub> e	73	104	94	90	96
GHG emissions per ton of seeds crushed	kg CO <sub>2</sub> e	147	146	134	131	128
GHG emissions per ton of grain grown	kg CO <sub>2</sub> e	375	419	343	386	365
Total energy consumption (net)	ths Gj	5,049	6,743	7,282	7,139	6,998
Energy spent per ton of seed crushed	MJ	1,455	1,517	1,446	1,420	1,285
Energy spent per ton-% of grain dried	MJ	62	68	61	67	63
Energy spent per ton of grain grown	MJ	708	618	662	538	524
Social						
Total number of full-time employees	ths	14	16	15	13	12
Total injury accidents	#	16	14	16	25	17
Injury frequency rate	x	0.53	0.45	0.55	0.88	0.68
Total training expenditures	ths US\$	194	445	474	456	637
Total social spending	ths US\$	1,668	2,616	2,440	2,303	7,714

### Governance structure



### Diversity within the Board of Directors



### Adherence to high standards of corporate governance

- Ten Principles of Corporate Governance of the Luxembourg Stock Exchange
- [Best Practices of Warsaw Stock Exchange Listed Companies 2016](#)