

KERNEL

Kernel Holding S.A.

Q3 FY2021 results and company presentation

May 2021



Disclaimer

The information in this document has not been independently verified and no representation or warranty, expressed or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein. Neither the Company (as defined below) or any of its affiliates shall have any liability whatsoever (in negligence or otherwise) for any loss whatsoever arising from any use of this document, or its contents, or otherwise arising in connection with this document. Unless otherwise stated, the data in this presentation has been provided by the Company (as defined below) and its fairness, accuracy or completeness has not been verified by or sourced from any third party.

This presentation may not be reproduced, retransmitted or further distributed to the press or any other person or published, in whole or in part, for any purpose. Failure to comply with this restriction may constitute a violation of applicable securities laws.

This presentation does not constitute or form part of any offer or invitation to sell or purchase, or any solicitation of any offer to sell or purchase any shares or securities in Kernel Holding S.A. (the "Company"). It is not intended to form the basis upon which any investment decision or any decision to purchase any interest in the Company is made. Information in this document relating to the price at which investments have been bought or sold in the past or the yield on investments cannot be relied upon as a guide to future performance.

Certain statements in this document are forward-looking statements. By their nature, forward-looking statements involve a number of risks, uncertainties or assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties or assumptions could adversely affect the outcome and financial effects of the plans and events described herein. Forward-looking statements contained in this document regarding past trends or activities or future projections should not be taken as a representation that such trends or activities will continue or happen in the future. Except as required by law, the Company is under no obligation to update or keep current the forward-looking statements contained in this document or to correct any inaccuracies that may become apparent in such forward-looking statements.

This presentation is intended only for persons having professional experience in matters relating to investments.

Neither the presentation nor any copy of it may be taken or transmitted into the United States of America, its territories or possessions, or distributed, directly or indirectly, in the United States of America, its territories or possessions. Any failure to comply with this restriction may constitute a violation of U.S. securities laws. The presentation is not an offer of securities for sale in the United States.

This presentation is made to and is directed only at persons in the United Kingdom having professional experience in matters relating to investments who fall within the definition of 'investment professionals' in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 and to those persons in any other jurisdictions to whom it can otherwise lawfully be distributed (such persons being referred to as "relevant persons").

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 April 2020 – March 2021, inclusively.

Content

1. Q3 FY2021 results and outlook

2. Kernel today

3. Balanced growth strategy

4. Financials

Appendices



1.1 Q3 FY2021 highlights

- **Revenue** ↑ 66% y-o-y to US\$ 1,729m reflecting the growth in global grain and sunflower oil prices, as well as active physical trade operations of Avere
- **EBITDA** ↑ 7% y-o-y to US\$ 111m
 - **Oilseed Processing EBITDA** ↓ 73% y-o-y to US\$ 7m
 - Flat y-o-y **sales volume**, but...
 - ...**EBITDA margin** at historic low US\$ 19 per ton of oil sold, due to reduction of sunflower seed harvest in Ukraine;
 - **Infrastructure and Trading EBITDA** of US\$ 122m EBITDA, up 1.9x y-o-y
 - Avere trading results as a key growth driver
 - Lower y-o-y EBITDA from trading and infrastructure businesses in Ukraine due to margin erosion given the low grain harvest in Ukraine in the current season;
 - **Farming EBITDA** of US\$ 3m in Q3 FY2021, ↓ 88% y-o-y
 - Large negative US\$ 58m impact from revaluation of biological assets, typical for Q3). 9M FY2021 EBITDA of US\$ 270m, ↑ 2.6x y-o-y, with growth fueled by rally seen in global grain and oilseeds prices.
- **Net profit attributable to shareholders** of US\$ 16m
- **Operating profit before W/C changes** of US\$ 161m, ↑ 46% y-o-y
- **Strong leverage profile** as of 31 March 2021:
 - **Net debt** ↓ 20% y-o-y to US\$ 1,073m on the back of improved earnings and debt repayment
 - Improvement of key leverage metrics:
 - 1.4x Net debt / EBITDA – **reaching four-year low**;
 - 0.6x Adjusted net debt / EBITDA
 - 5.1x EBITDA / interest coverage – **reaching four-year high**.

US\$ million except EPS	Q3 FY20	Q3 FY21	y-o-y	9M FY20	9M FY21	y-o-y
Income statement highlights						
Revenue	1,041	1,729	66%	2,924	3,996	37%
EBITDA ¹	104	111	7%	320	670	+2.1x
Net profit attributable to equity holders	(25)	16	n/a	76	348	+4.6x
EBITDA margin	10.0%	6.4% (3.5pp)		10.9%	16.8%	5.8pp
Net margin	-2.4%	0.9% n/a		2.6%	8.7%	6.1pp
EPS ² , US\$	(0.30)	0.19	n/a	0.91	4.14	+4.5x
Cash flow highlights						
Operating profit before working capital changes	110	161	46%	257	567	+2.2x
Change in working capital	181	22	(88%)	(355)	(361)	2%
Finance costs paid, net	(30)	(27)	(13%)	(75)	(92)	22%
Income tax paid	(1)	(5)	+6.2x	(6)	(18)	+2.9x
Net cash generated by operating activities	260	151	(42%)	(180)	96	n/a
Net cash used in investing activities	17	80	n/a	(165)	(114)	(31%)
Credit metrics						
US\$ million, except ratios	31 Mar 2020	30 Dec 2020	31 Mar 2021	q-o-q	y-o-y	
Short-term debt	286	172	77	(73%)	(55%)	
Long-term debt	160	221	234	46%	6%	
Lease liabilities	276	303	302	9%	(0%)	
Eurobond	793	806	806	2%	0%	
Debt liabilities	1,516	1,501	1,419	(6%)	(5%)	
Cash and cash equivalents	181	254	346	91%	36%	
Net debt	1,334	1,247	1,073	(20%)	(14%)	
Readily marketable inventories ³	671	877	567	(15%)	(35%)	
of which sunflower oil and meal	182	148	210	16%	43%	
Sunflower seeds	299	420	201	(33%)	(52%)	
Grains and other RMIs	189	309	156	(17%)	(49%)	
Adjusted net debt	664	371	506	(24%)	37%	
Shareholders' equity	1,419	1,713	1,730	22%	1%	
Net debt / EBITDA ⁴	3.5x	1.6x	1.4x	-2.2x	-0.2x	
Adjusted net debt / EBITDA ⁴	1.7x	0.5x	0.6x	-1.1x	+0.2x	
EBITDA / Interest ⁵	2.9x	5.0x	5.1x	+2.2x	+0.2x	

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

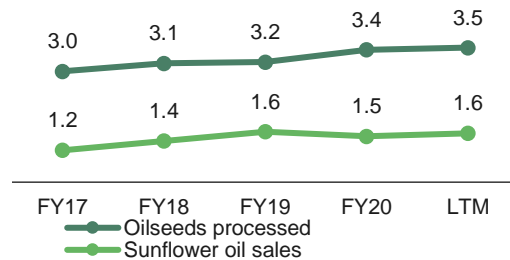
Note 4 Calculated based on 12-month trailing EBITDA.

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

1.2 Segment results

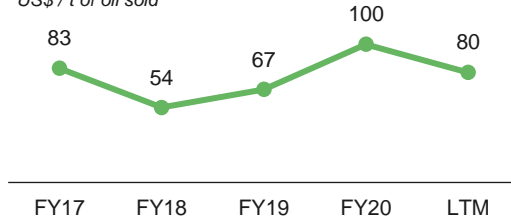
Segment volumes, m tons

Oilseed Processing

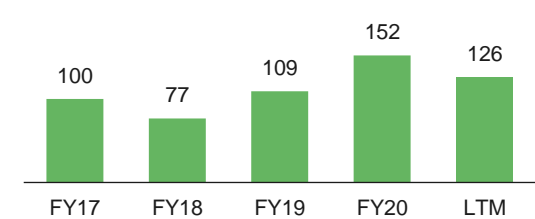


EBITDA margin

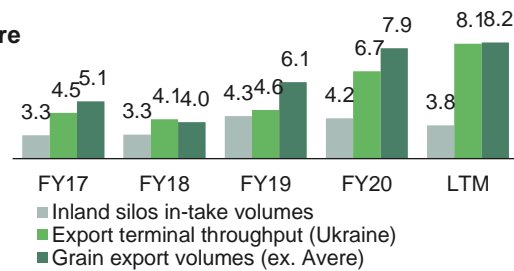
US\$ / t of oil sold



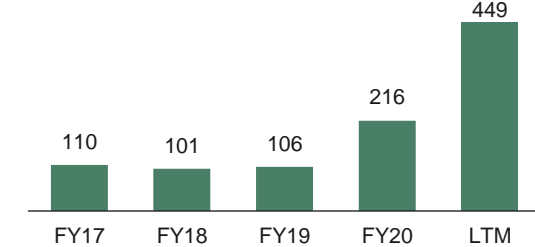
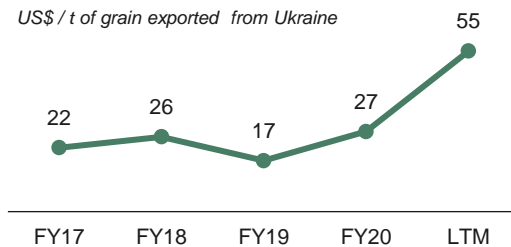
EBITDA, US\$ m



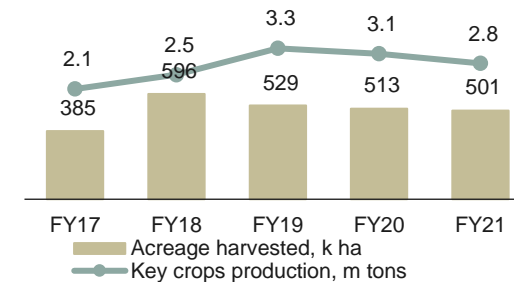
Infrastructure & Trading



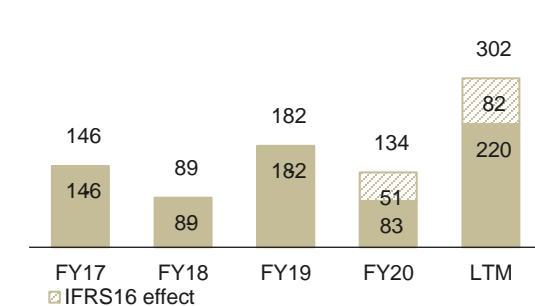
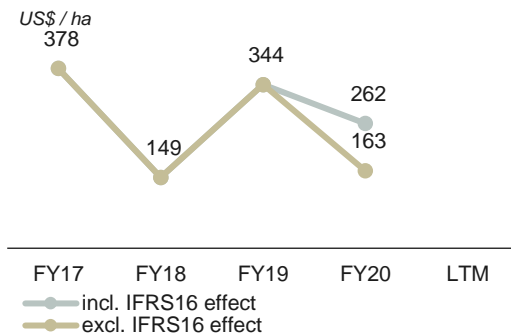
US\$ / t of grain exported from Ukraine



Farming



US\$ / ha



1.3 Segments results

Segments results

	Revenue, US\$ m			EBITDA, US\$ m			Volume, k t ¹			EBITDA margin, US\$ / t ²		
	Q3	Q3	y-o-y	Q3	Q3	y-o-y	Q3	Q3	y-o-y	Q3	Q3	y-o-y
	FY20	FY21		FY20	FY21		FY20	FY21		FY20	FY21	
Oilseed Processing	375	520	39%	26	7 (73%)		381	372 (2%)		68	19 (73%)	
Infrastructure and Trading	886	1,513	71%	65	122 +1.9x		2,155	1,824 (15%)		30	67 +2.2x	
Farming	172	128 (26%)		25	3 (88%)							
Unallocated corporate expenses				(12)	(20) 68%							
Reconciliation	(392)	(432) 10%										
Total	1,041	1,729	66%	104	111	7%						

	Revenue, US\$ m			EBITDA, US\$ m			Volume, k t ¹			EBITDA margin, US\$ / t ²		
	9M	9M	y-o-y	9M	9M	y-o-y	9M	9M	y-o-y	9M	9M	y-o-y
	FY20	FY21		FY20	FY21		FY20	FY21		FY20	FY21	
Oilseed Processing	1,037	1,300	25%	88	62 (29%)		1,029	1,094	6%	85	57 (34%)	
Infrastructure and Trading	2,463	3,432	39%	161	394 +2.5x		6,038	6,345	5%	27	62 +2.3x	
Farming	494	430 (13%)		102	270 +2.6x							
Unallocated corporate expenses				(31)	(56) 82%							
Reconciliation	(1,070)	(1,166) 9%										
Total	2,924	3,996	37%	320	670	+2.1x						

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 from Ukraine for Infrastructure & Trading;

Harvest update

	Acreage thousand hectares			Net yield tons / ha ¹			Harvest size thousand tons		
	FY20	FY21	y-o-y	FY20	FY21	y-o-y	FY20	FY21	y-o-y
Corn	231	255	10%	8.5	8.0 (7%)		1,975	2,031	3%
Sunflower	137	149	9%	3.5	3.0 (13%)		473	449 (5%)	
Wheat	97	73 (25%)		5.9	4.9 (16%)		569	358 (37%)	
Other ²	48	24 (50%)							
Total	513	501	(2%)				3,017	2,838	(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 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** ↓ 73% y-o-y to US\$ 19 per ton of oil sold:

- Sunflower seeds harvest in Ukraine in 2020 lost 2.8m tons y-o-y
- The gap between industrial crushing capacity and harvest of sunflower seeds in current season more than doubled y-o-y → increased competition for the seeds reduced crushing margin.

- **Sunflower oil sales** volumes ↓ 2% y-o-y to 372k tons

- **EBITDA** ↓ 73% y-o-y, to US\$ 7m

Infrastructure and Trading segment

- **EBITDA** ↑ 1.9x y-o-y to US\$ 122m:

- Exceptional Avere performance
- Results of the grain export value chain in Ukraine undermined by low harvest of grain in Ukraine

Farming segment

- **EBITDA** ↓ 88% y-o-y to US\$ 3m due to negative US\$ 58 million net effect from revaluation of biological assets (typical for this part of the agricultural season).

- Strong US\$ 270m EBITDA for 9M FY2021, ↑ 2.6x y-o-y driven by the rally seen in global grain and oilseeds prices

Segment volumes

thousand metric tons	Q3	Q3	y-o-y	9M	9M	y-o-y
	FY20	FY21		FY20	FY21	
Oilseeds processed	941	902 (4%)		2,520	2,566	2%
Sunflower oil sales ¹	381	372 (2%)		1,029	1,094	6%
Grain and oilseeds received in inland silos	125	109 (12%)		4,120	3,743 (9%)	
Export terminal throughput (Ukraine)	1,938	2,057 6%		4,825	6,308 31%	
Grain export from Ukraine	2,155	1,824 (15%)		6,038	6,345 5%	

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.

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\$ 339 million right-of-use assets and US\$ 302 million corresponding lease liabilities as of 31 March 2021.
 - 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 during the first quarters after IFRS 16 implementation (FY2020), as company was expensing rental payments which had occurred before IFRS 16 introduction.

Effect on Statement of Profit or Loss

In US\$ million	9M FY2020			9M FY2021		
	prior to IFRS 16	IFRS 16 effect	with IFRS 16	prior to IFRS 16	IFRS 16 effect	with IFRS 16
Revenues	2,924	-	2,924	3,996	-	3,996
Revaluation of biological assets	(8)	11	2	56	13	70
Cost of sales	(2,607)	6	(2,601)	(3,426)	27	(3,399)
of which depreciation & amortization	88	(13)	75	(62)	(18)	(80)
Rental payments	26	19	45	(52)	45	(7)
Gross profit	309	16	325	627	40	668
Other operating income	(4)	-	(4)	44	-	44
General and administrative expenses	(80)	(0)	(80)	(126)	1	(125)
Operating profit	225	16	241	545	42	587
Finance costs	(68)	(41)	(109)	(79)	(37)	(116)
Other non-operating items	(53)	0	(53)	5	(0)	5
Profit before income tax	103	(24)	79	471	4	476
Income tax	4	-	4	(19)	-	(19)
Net profit	107	(24)	83	453	4	457
Net profit attributable to shareholders	76	(24)	76	453	4	348
Depreciation and amortization	(65)	(13)	(79)	(64)	(19)	(83)
EBITDA	290	30	320	610	60	670

Effect on Statement of Financial Position

In US\$ million	31 March 2020			31 March 2021		
	prior to IFRS 16	IFRS 16 effect	with IFRS 16	prior to IFRS 16	IFRS 16 effect	with IFRS 16
Current assets	1,807	(18)	1,788	2,304	(9)	2,294
Non-current assets	1,285	274	1,558	1,351	296	1,647
of which right-of-use assets	-	316	316	-	339	339
other non-current assets	1,285	(42)	1,243	1,351	(42)	1,308
Total assets	3,092	255	3,347	3,655	287	3,942
Current liabilities	682	44	726	999	16	1,016
of which current portion of lease liabilities	-	60	60	-	59	59
other current liabilities	682	(16)	666	999	(42)	957
Non-current liabilities	983	211	1,195	853	239	1,092
of which lease liabilities	-	216	216	-	244	244
other non-current liabilities	983	(5)	979	853	(5)	848
Equity	1,426	0	1,426	1,802	32	1,834
Total liabilities and equity	3,092	255	3,347	3,655	287	3,942

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

1.5 Outlook for FY2021

Oilseed Processing



- Full year **EBITDA margin** is expected at US\$ 45-55 per ton of oil sold, including expected minor contribution from renewable energy.
 - We expect to process **3.2m tons** of sunflower seeds in FY2021 (vs 3.3m tons of our previous guidance).
-

Infrastructure & Trading



- The **outlook** for this segment for the full FY2021 remains bright
 - Exceptionally strong **Avere contribution** (based on year-to-date performance)
 - **8.5m tons** forecast for **grain export volume** from Ukraine for FY2021
 - Lower y-o-y EBITDA margins across the whole export value chain (low grain harvest size this season → high competition for volumes)
-

Farming



- Strong prices for corn, wheat, and sunflower seeds as a key segment earnings driver in FY2021
- **Expected EBITDA** of US\$ 230 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 have contracted all the grain of our own produce of the harvest 2020, eliminating any price risks for FY2021 segment earnings.

Content

1. Q3 FY2021 results and outlook

2. Kernel today

3. Balanced growth strategy

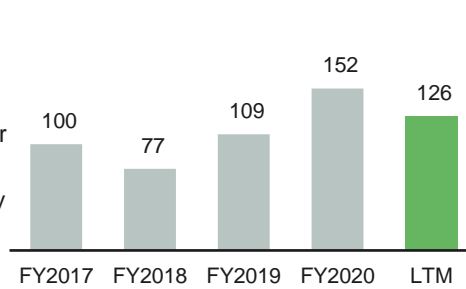
4. Financials

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 ¹, US\$ million

Key financials		FY2017	FY2018	FY2019	FY2020	LTM
Revenue	US\$ m	2,169	2,403	3,960	4,107	5,179
EBITDA	US\$ m	319	223	346	443	793
Net profit ¹	US\$ m	176	52	189	118	390
EBITDA margin	%	14.7%	9.3%	8.7%	10.8%	15.3%
Net margin	%	8.1%	2.2%	4.8%	2.9%	7.5%
EPS	US\$	2.19	0.64	2.31	1.42	4.64

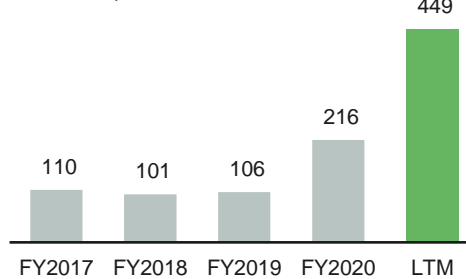
1. Net profit attributable to equity holders of Kernel Holding S.A.

Infrastructure and Trading segment

- **#1** grain exporter from Ukraine with 16.2% of country's total grain export in 9M 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)
- Avere trading platform



EBITDA, US\$ million

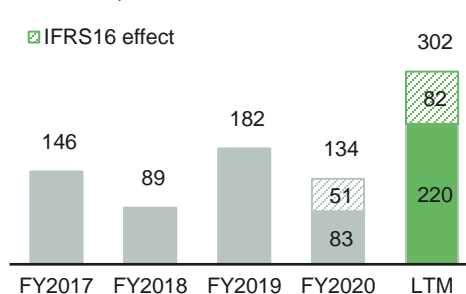


Farming segment

- **#1** crop producer in Ukraine operating 510 thousand hectares of leasehold farmland
 - The largest global producer of non-GMO corn
- 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



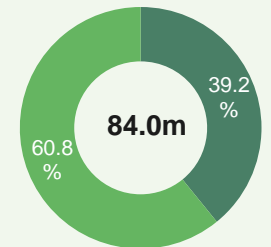
EBITDA, US\$ million



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

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

1 Farming

- **#1 crop producer in Ukraine**, 510k ha of leasehold farmland
- 2.8m tons of grain and oilseeds produced in 2020 (export-oriented crop mix)
- Modern large-scale operations with sustainable agronomic practices

2 Procurement

- **8.1m tons of grain and oilseeds procured** from >4k farmers in Ukraine in FY2020
 - 5.1m t of grains
 - 3.0m t of sunflower seeds

3 Grain storages

- **#1 private inland grain silo network in Ukraine** with **2.4** million tons of storage capacity

4 Grain railcars

- **#1 private grain railcars fleet in Ukraine** (3.4k hoppers)

5 Export terminals

- 2 deep-water grain terminals in **Chornomorsk** (Ukraine) with 8.8m tons annual grain transshipment capacity
- **#1 grain exporter from Ukraine** with 16.2% of country's total grain export in 9M FY2021

6 Oilseed processing

- **#1 sunflower oil producer** (7% of global production) and **exporter** (15% of global export) in the world
- **8 oilseed processing plants** with 3.5m t annual sunflower seed processing capacity
- Export-oriented business model with limited reliance on local economy

7 Refining and bottling

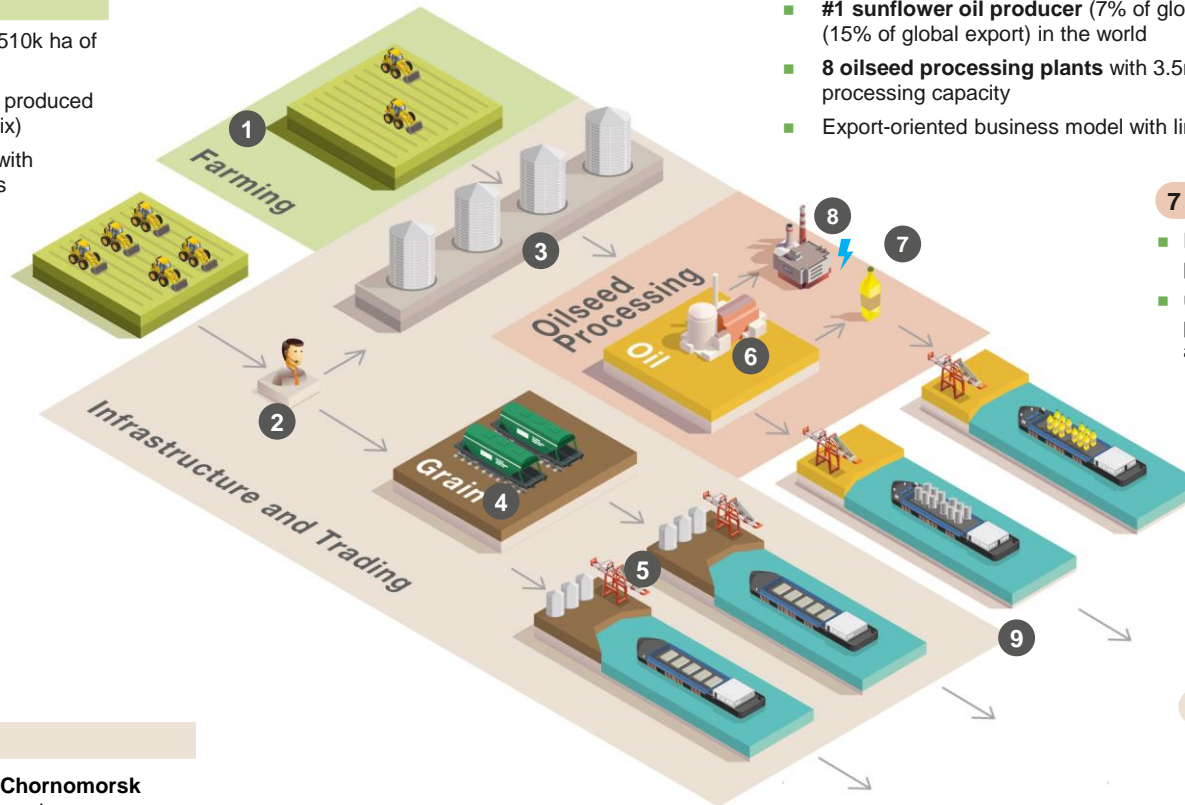
- Leading bottled sunflower oil producer and marketer in Ukraine
- up to 10% of crude sunflower oil produced is further refined, bottled and sold domestically and abroad.

8 Renewable energy

- Sunflower husk (biomass) is used to produce renewable energy
- 7.5MW cogeneration heat&power plant currently in operation;
- 95MW total installed capacity by FY2022, producing annually >700 GWh of renewable energy

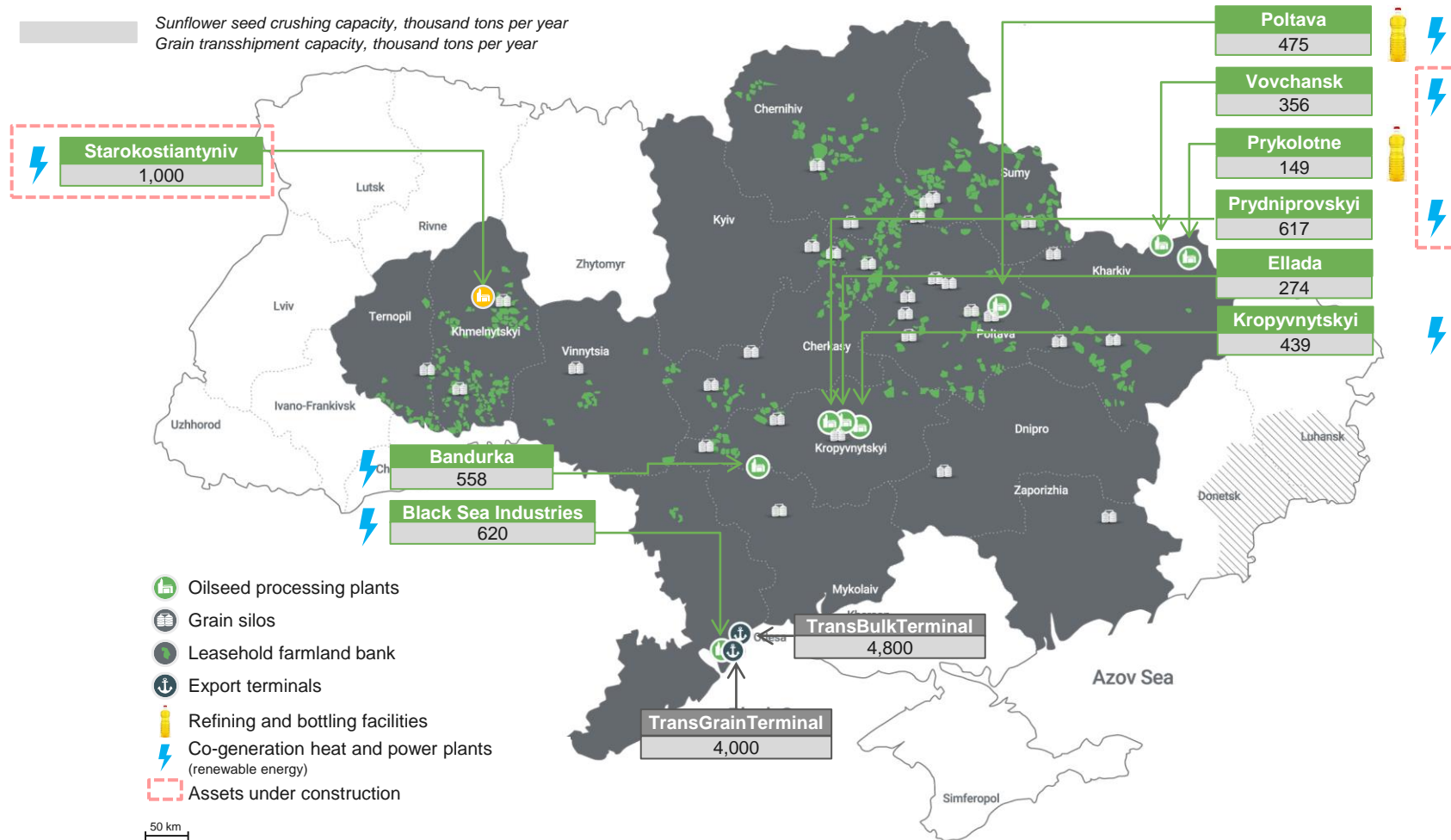
9 Avere operations

- Research, knowledge and trading platform involved in:
 - the sale of Kernel's sunflower oil;
 - support with hedging of grain produced by farming segment;
 - proprietary trading.



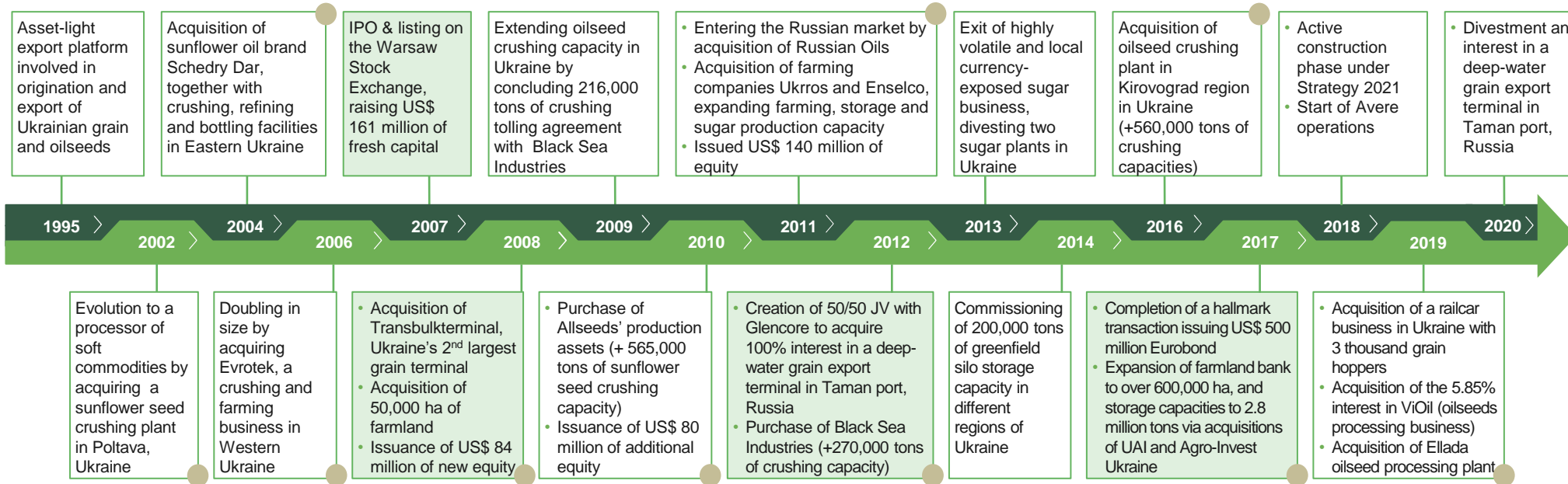
Kernel bridges Ukrainian farmers with the global marketplace using its efficient, scalable and integrated resources and processes

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

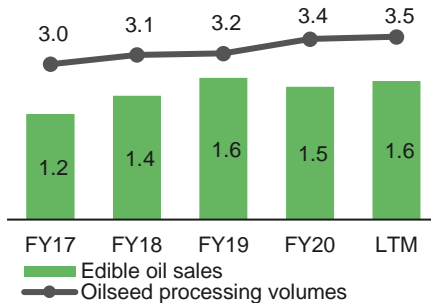
Unparalleled track record of continuous development

2.5 Oilseed Processing segment

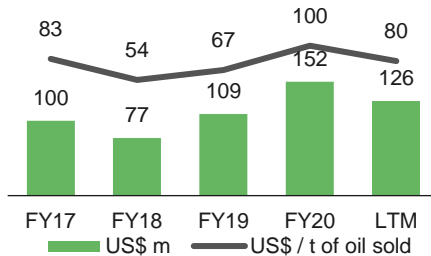


Segment performance

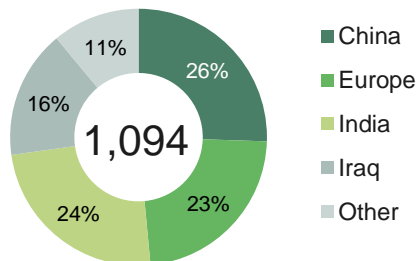
Segment volumes million tons



EBITDA and EBITDA margin



Sunflower oil sales markets in 9m FY2021 thousand tons



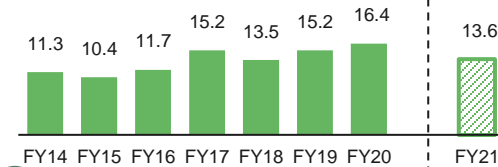
- **Record oilseed processing volumes:** 3.5m t on the LTM basis → 100% capacity utilization level;
- Sunflower oil sales largely in line with production volumes
- 3.2m t of sunflower seeds processing volumes and 1.4m t of sunflower oil sales volumes expected for FY2021

- Solid **EBITDA margin** on the LTM basis driven by FY2020 strong results, but substantial decline expected for the whole FY2021

- China, Europe, India and Iraq are key sunflower oil sales markets.

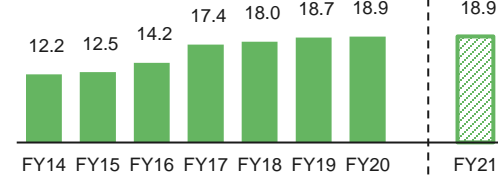
Profitability drivers and FY2021 outlook

1 Ukraine sunflower seed harvest million tons



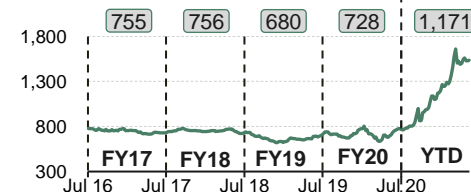
- Sunflower seeds harvest in Ukraine in 2020 lost 2.8m tons y-o-y
- Farmers are selling seeds very slowly

2 Industrial crushing capacities million tons



- No change envisaged for crush capacities for FY2021

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



- Skyrocketing sunflower oil prices in the current season

Source: APK Inform, USDA, Kernel's estimates

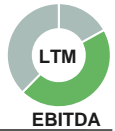
4 Sales volumes to reduce

- **FY2021 EBITDA margin to reduce to 45-55 US\$ per ton of oil sold (incl. minor contribution from renewable energy)**

- **Lower oilseed processing volumes expected (1.4m tons)**

FY2021 EBITDA to decline vs FY2020 level

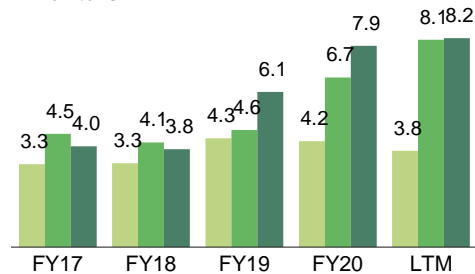
2.6 Infrastructure and Trading segment



Segment performance

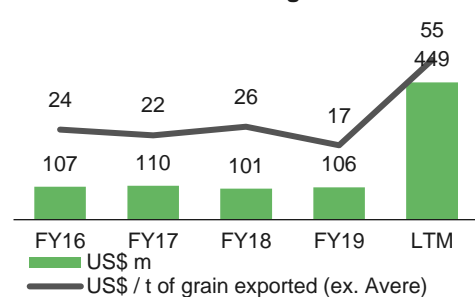
Segment volumes

million tons



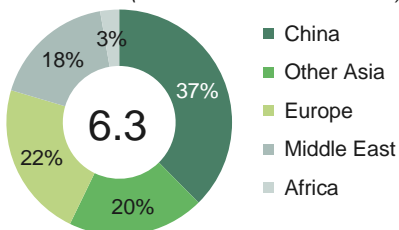
- Inland silos in-takes volumes
- Export terminal's throughput (Ukraine)
- Grain export volumes (ex. Avere)

EBITDA and EBITDA margin



Key export markets in 9m FY2021

million tons (excl. Avere traded volumes)



- Record grain export volumes from Ukraine
 - #1 grain exporter, 16.2% share in total country grain export in 9M FY2021
- Record grain transshipment volumes following the launch of operations on our new terminal in Chornomorsk port

- **LTM EBITDA** reached US\$ 449m
 - Exceptional Avere performance
 - Solid contribution from grain export value chain in Ukraine

- Asia, Europe and Middle-East are key grain export markets.

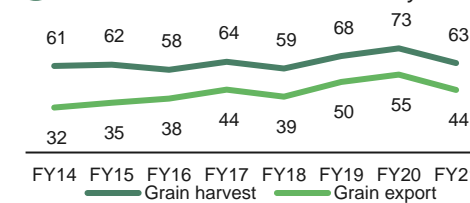
Profitability drivers and FY2021 outlook

1 Avere trading operations

- Key driver of segment earnings in FY2021

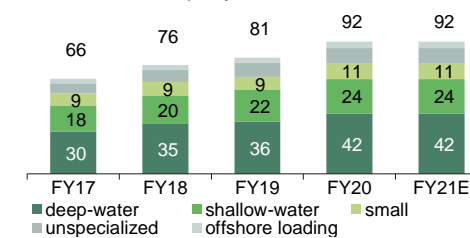
2 Grain supply in Ukraine

million tons of corn + wheat + barley



3 Demand: grain export terminals transshipment capacity

million tons per year



Source: USDA, Ports.ua, Zertech, Kernel

4 Growing export and transshipment volumes

- In FY2021 crop size reduced to 63 million tons.

5 Grain silo busines

- No major changes in the transshipment capacities in FY2021

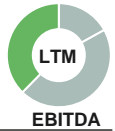
6 Grain railcars

Lower FY2021 margins in value chain of grain export from Ukraine

- Target to export 8.5m t
- Full-year contribution from new terminal
- Normalization of profitability after market saturation

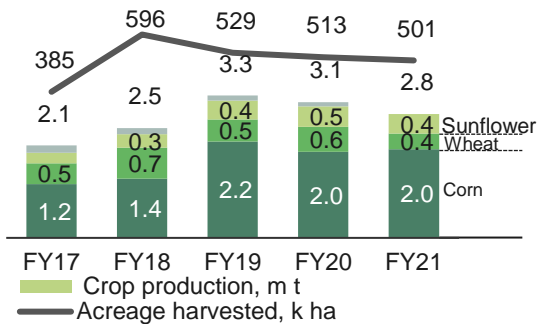
Total segment EBITDA in FY2021 above US\$ 400 million

2.7 Farming segment

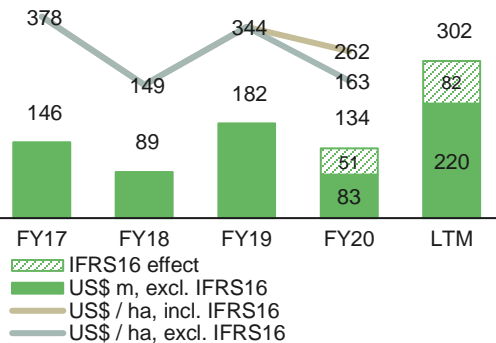


Segment performance

Kernel's key crop production



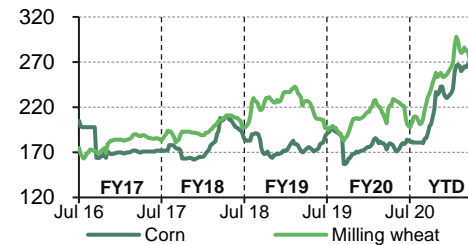
EBITDA and EBITDA margin



- 501k ha harvested in FY2021
- Yields expectedly reduced due to bad weather conditions:
 - Corn yield ↓7% y-o-y (vs ↓24% est. for Ukraine average)
 - Sunflower yield ↓13% y-o-y (vs ↓20% est. for Ukraine average)
 - Wheat yield ↓16% y-o-y (vs ↓10% est. for Ukraine average), as spring frosts and dryness hit our regions of operations more severely than most other regions in Ukraine
- Segment **EBITDA** on LTM basis amounted to US\$ 302m (or US\$ 220m net of IFRS 16 impact) driven by recent grain and oilseeds price boom.

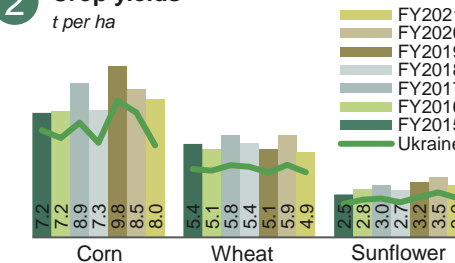
Profitability drivers and FY2021 outlook

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



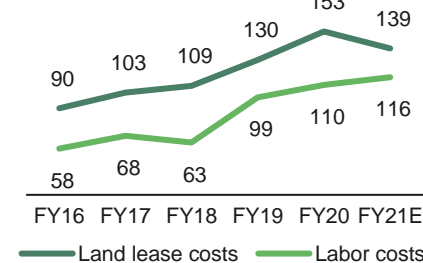
- Skyscraping prices in the current season serve as a key profitability driver

2 Crop yields t per ha



- Lower yields this season for all our key crops negatively impacts segment earnings

3 Selected farming costs US\$ per ha





- Weak Ukrainian hryvnia mitigates the negative cost impact in FY2021.

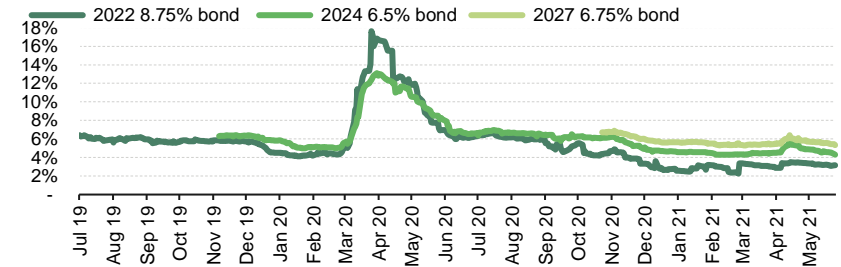
FY2021 segment EBITDA is expected at US\$ 230 million (net of IFRS 16 effect and revaluation of biological assets)

2.8 Credit highlights

Credit portfolio as of 31 March 2021, US\$ m

	Amount outstanding	Undrawn facilities	Interest rate	Maturity
Eurobond 2022	212		8.75%	Jan 2022
Eurobond 2024	297		6.50%	Oct 2024
Eurobond 2027	297		6.75%	Oct 2027
 European Investment Bank	198	52	Libor + 1.44% + CoF	2029- 2030
 EBRD / CTF	56	-	Libor + 4.5% Libor + 1.0%	May 2027
Oil PXF (pre-export facility)	-	300		Aug 2022 Aug 2023
Grain PXF (pre-export facility)	-	254		June 2022 June 2023
Other bank debt	35	402	Libor + 1.9-4.5%, 6.7%	Short-term debt
Lease liabilities (IFRS 16)	302			
Accrued interest	22			
Total debt liabilities	1,419	1,021		
Cash and cash equivalents	346			
Net debt	1,073			
Readily marketable inventories	567			
of which sunflower oil and meal	210			
Sunflower seeds	201			
Grains and other RMIs	156			
Adjusted net debt	506			
Net debt / EBITDA	1.4x			
Adjusted net debt / EBITDA	0.6x			
EBITDA / Interest	5.1x			

Kernel Eurobonds mid-YTM, %



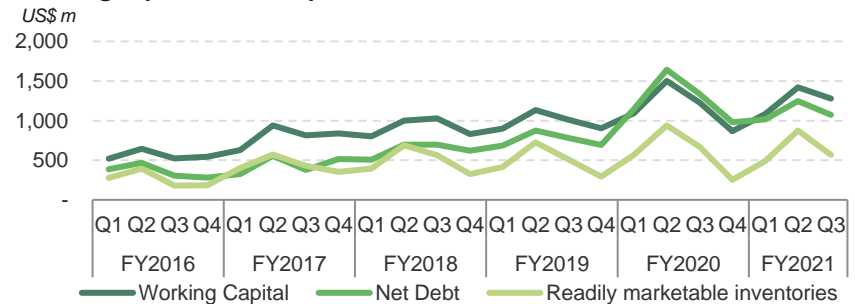
Credit ratings

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 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 (short-term borrowings, current portion of long-term borrowings, current portion of lease liabilities, current bonds issued and interest on bonds issued).

Content

1. Q3 FY2021 results and outlook

2. Kernel today

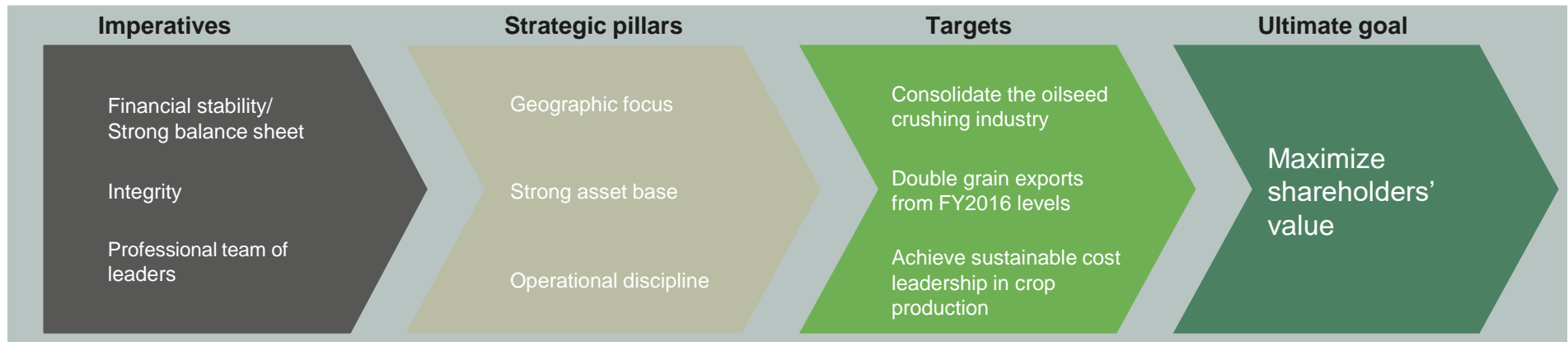
3. Balanced growth strategy

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 May 2021)	Segment
I	Leasehold farmland bank expansion (+ 200k ha)	152	47	-	-	-	-	199	✓	Farming
II	Construction of greenfield oilseed processing plant 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 co-generation heat and power units (renewable energy) on 6 our plants throughout (FY2019-2020)	0	12	30	64	63	-	169	🟢	Oilseed Processing
IV	Construction of new grain export terminal 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	2	139	✓	Infrastructure and Trading
V	Grain railcars investments (500 brand-new + 2,949 used)	-	16	65	8	-	-	89	✓	Infrastructure and Trading
VI	Construction and upgrade of silo facilities	-	19	36	7	1	-	63	✓	Infrastructure and Trading
VII	Acquisition of assets of Ellada oilseed processing plant	24	-	-	21	-	-	45	✓	Oilseed Processing
Total key expansion investments		177	150	186	184	179	8	883		
Maintenance and other various growth CapEx		35	61	72	68	88	66			
Total investments		211	211	258	252	267	74			

Content

1. Q3 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
Revenue	215	350	663	1,047	1,020	1,899	2,072	2,797	2,393	2,330	1,989	2,169	2,403	3,960	4,107	5,179
Net IAS 41 gain / (loss)	-	-	-	-	-	-	-	15	(17)	(7)	20	(3)	19	9	(21)	46
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)	(4,421)
Gross profit	21	44	106	174	177	289	258	213	145	314	302	284	160	334	462	804
Other operating income	1	8	25	17	18	26	66	67	60	83	45	41	59	42	7	55
G&A expenses	(11)	(13)	(20)	(24)	(27)	(38)	(67)	(78)	(77)	(68)	(59)	(60)	(80)	(107)	(132)	(176)
Profit from operating activities	12	39	112	167	167	277	257	201	129	328	287	265	140	269	337	683
Financial costs, net	(9)	(19)	(28)	(32)	(23)	(42)	(63)	(75)	(72)	(69)	(57)	(62)	(65)	(82)	(147)	(154)
FX gain(loss), net	(1)	(1)	3	(3)	11	2	5	3	(99)	(153)	30	(3)	5	13	(1)	(0)
Other non-operating items	(2)	(2)	5	(4)	(4)	(28)	(3)	(8)	(48)	(5)	(13)	(3)	(30)	(9)	(44)	13
Income tax	0	2	(9)	5	0	18	9	(6)	(11)	(0)	(4)	(19)	6	(12)	(22)	(44)
Net profit from continuing operations	0	19	82	132	152	226	206	115	(102)	101	244	179	56	179	123	497
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	123	497
Net profit/(loss) attributable to shareholders	1	20	83	136	152	226	207	112	(98)	107	225	176	52	189	118	390
<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	4.6
<i>ROE¹</i>		37%	36%	36%	32%	29%	19%	9%	(8%)	11%	24%	16%	5%	15%	8%	25%
<i>ROIC²</i>		21%	25%	26%	22%	23%	17%	9%	(1%)	11%	21%	15%	10%	13%	11%	7%
<i>Net Income / Invested Capital</i>		14%	36%	21%	23%	24%	15%	6%	(5%)	6%	17%	13%	4%	9%	5%	5%
EBITDA, incl.	17	46	123	190	190	310	319	288	223	397	346	319	223	346	443	793
Oilseeds Processing	-	-	81	89	101	202	198	199	178	213	129	100	77	109	152	126
Infrastructure and Trading	-	-	40	112	80	94	59	59	126	114	107	110	101	106	216	449
Farming	-	-	20	7	23	32	74	67	(44)	98	146	146	89	182	134	302
Unallocated expenses and other	-	-	(18)	(18)	(14)	(18)	(12)	(38)	(36)	(29)	(36)	(36)	(44)	(51)	(59)	(84)
<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>16%</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>8%</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	FY20	31 Mar 2021
Cash & cash equivalents	6	25	89	129	59	116	83	79	65	129	60	143	132	77	369	346
Net trade accounts receivable	9	10	49	32	65	112	146	151	100	56	75	87	92	183	215	583
Prepayments to suppliers & other current assets	7	9	30	26	94	81	90	110	57	61	53	83	113	130	149	157
Prepaid taxes	9	22	23	73	206	221	236	210	156	105	138	143	122	127	133	209
Inventory	32	40	145	99	148	184	410	270	300	159	200	387	368	358	303	725
of which: readily marketable inventories	29	38	139	91	143	141	336	157	243	140	184	354	325	293	252	567
Biological assets	3	10	42	19	26	96	153	247	183	147	190	256	289	309	252	52
Other current assets	-	-	-	-	-	-	-	23	12	2	4	21	87	73	109	222
Intangible assets and goodwill	10	28	103	81	118	152	228	321	233	172	159	219	208	223	192	181
Net property, plant & equipment	72	128	232	222	379	503	728	763	643	535	539	570	588	765	984	1,036
Right-of-use assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	347	339
Other non-current assets	5	3	43	19	29	109	41	187	170	100	91	100	210	220	110	91
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	3,165	3,942
Trade accounts payable	1	6	6	8	11	27	25	47	33	27	42	53	74	136	88	392
Advances from customers & other current liabilities	5	9	22	26	131	102	155	202	80	63	77	89	105	105	171	210
Debt liabilities	93	157	256	295	345	422	693	725	743	463	339	655	751	768	1,350	1,419
Short-term debt	29	44	127	160	210	266	266	450	483	367	254	152	246	203	73	290
Long-term debt	54	102	98	133	135	156	427	276	260	95	84	8	11	69	172	234
Corporate bonds issued	10	10	31	2	-	-	-	-	-	-	-	494	495	496	794	594
Lease liabilities	5	3	7	11	8	3	13	19	12	6	2	3	8	5	310	302
Other liabilities	9	18	32	14	32	24	33	35	32	21	55	56	104	109	63	87
Total liabilities	108	190	315	342	520	575	906	1,009	888	575	512	851	1,033	1,118	1,671	2,107
Total equity	48	85	440	357	605	997	1,211	1,352	1,031	891	997	1,158	1,178	1,346	1,494	1,834
Debt / equity ratio	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
Debt / assets ratio	60%	57%	34%	42%	31%	27%	33%	31%	39%	32%	22%	33%	34%	31%	43%	36%

Liquidity position and credit metrics

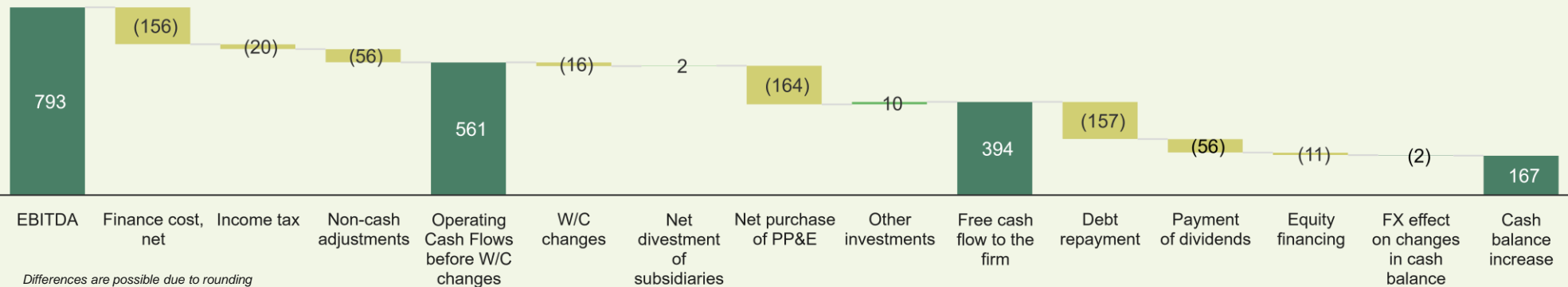
Debt liabilities	94	158	259	300	350	428	698	734	749	469	343	657	754	770	1,350	1,419
Cash	6	25	89	129	59	116	83	79	65	129	60	143	132	77	369	346
Net debt	88	133	170	170	291	312	616	655	684	339	283	514	622	694	980	1,073
Readily marketable inventories	29	38	139	91	143	141	336	157	243	140	184	354	325	293	252	567
Adjusted net debt	58	95	32	79	148	170	280	498	441	199	99	160	297	400	729	506
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	1.4x
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	0.6x
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	5.1x

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	793
Finance cost paid	(9)	(18)	(28)	(32)	(23)	(36)	(67)	(76)	(72)	(68)	(58)	(35)	(64)	(72)	(140)	(156)
Income tax paid	(0)	(1)	(3)	(2)	(1)	(3)	(7)	(43)	(40)	(13)	(3)	(6)	(5)	(3)	(8)	(20)
Non-cash adjustments and non-operating items	(0)	(1)	7	(32)	12	(36)	(27)	1	(41)	(70)	(18)	5	(40)	23	(16)	(56)
Operating Cash Flow before Working Capital changes	7	26	99	124	179	235	218	169	70	245	268	283	113	293	279	561
Change in working capital	(36)	(15)	(210)	(25)	(97)	(180)	(242)	135	(1)	147	(136)	(206)	(31)	(94)	(10)	(16)
Acquisition of subsidiaries and JVs, net	-	(60)	(97)	(5)	(70)	(11)	(136)	(152)	(41)	2	(30)	(141)	(24)	(41)	46	2
Net purchase of PP&E	(6)	2	(24)	(89)	(56)	(48)	(93)	(91)	(42)	(23)	(30)	(40)	(140)	(157)	(210)	(164)
Other investments	1	0	(49)	(1)	1	(66)	(0)	(23)	(1)	(4)	(1)	(42)	8	(43)	(38)	10
Free cash flow to the Firm	(34)	(46)	(281)	4	(44)	(71)	(253)	38	(14)	369	71	(146)	(74)	(43)	67	394
Debt financing	32	62	81	36	(77)	(18)	220	(45)	7	(289)	(115)	178	98	50	233	(157)
Equity financing	(1)	3	235	-	81	141	5	(2)	-	(1)	-	15	-	-	14	(11)
Dividends paid	-	-	-	-	-	-	-	-	-	(20)	(20)	(20)	(20)	(20)	(21)	(56)
Financing cash flow	31	64	315	36	4	124	225	(48)	7	(310)	(134)	173	77	30	226	(225)
Cash at the year end	6	25	59	98	58	110	83	73	65	124	60	87	90	76	367	346
Cash conversion cycle	n/a	66	86	79	117	91	117	90	85	67	63	84	83	49	51	85
Payment period, days	n/a	(4)	(4)	(3)	(4)	(4)	(5)	(5)	(7)	(6)	(7)	(9)	(10)	(10)	(11)	(22)
Inventories processing, days	n/a	43	61	51	53	38	60	48	47	42	38	57	61	36	33	65
Receivables collection, days	n/a	10	16	14	18	17	23	19	19	12	12	14	14	13	18	29
VAT receivables, days	n/a	17	13	17	50	41	40	28	26	18	20	22	19	11	11	13

Sources and uses of cash in Apr'20-Mar'21 (LTM), US\$ million



IR contact and investor calendar

Michael Iavorskyi

Investor Relations Manager

ir@kernel.ua

Tel.: +38 (044) 461 88 01, ex. 7275

3 Tarasa Shevchenka Lane,
Kyiv Ukraine, 01001

Investor calendar

Q4 FY2021 Operations Update

FY2021 Financial Report

22 July 2021

4 October 2021

Content

1. Q3 FY2021 results and outlook

2. Kernel today

3. Balanced growth strategy

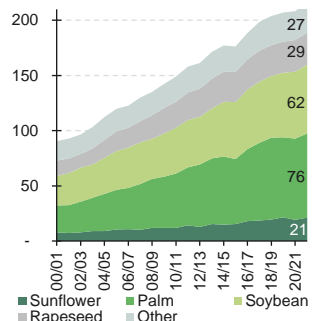
4. Financials

Appendices

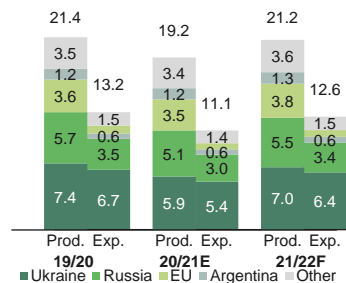
A1. Markets and business environment

Oilseed Processing

Global production of vegetable oils
million tons

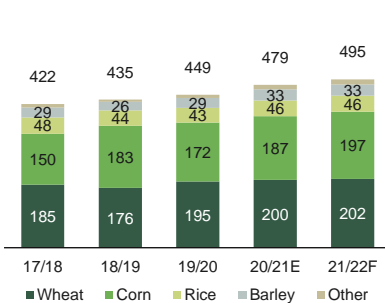


Global production and export of sunflower oil
million tons

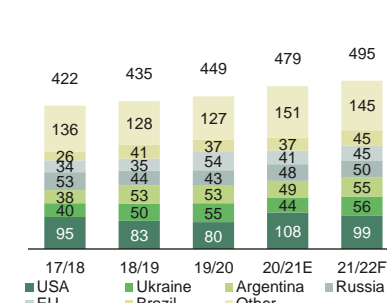


Infrastructure and Trading

Global grain exports
million tons

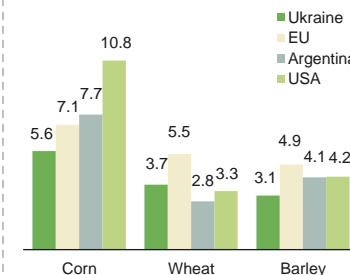


Top grain exporting countries
million tons

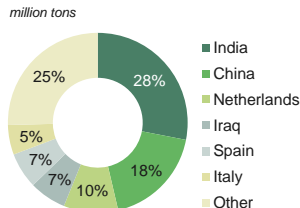


Farming

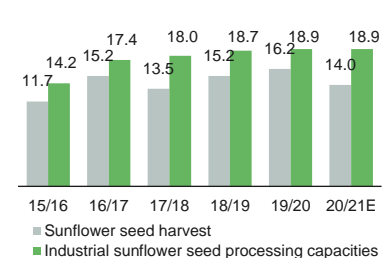
Grain yields in MY2020/21
t/ha



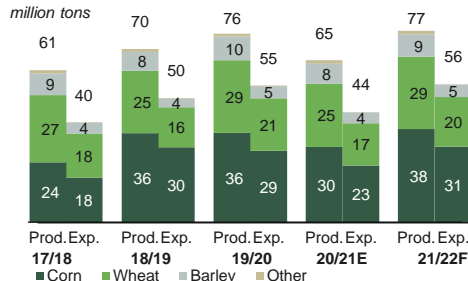
Destinations of Ukrainian sunflower oil in CY2020
million tons



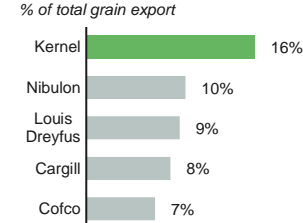
Sunflower seed balance in Ukraine
million tons



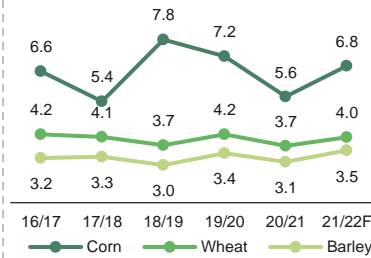
Ukraine grain production and export
million tons



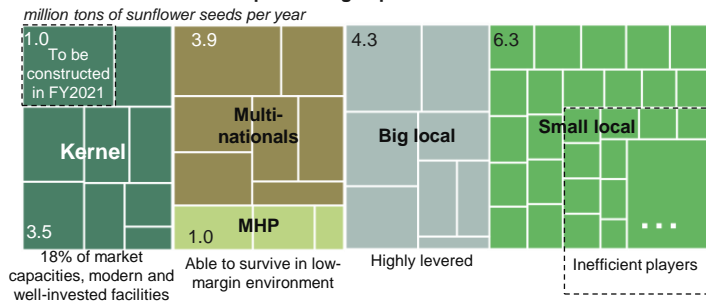
Top grain exporters from Ukraine in 10m FY2021
% of total grain export



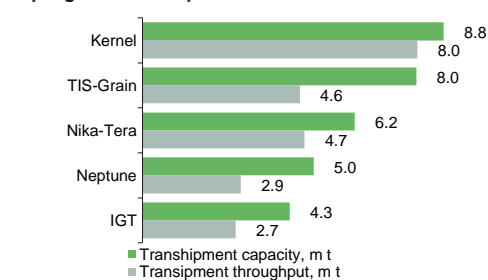
Grain yields in Ukraine
t/ha



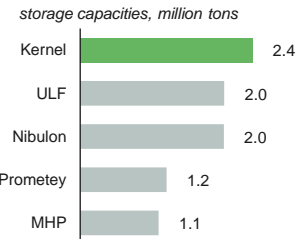
Industrial sunflower seed processing capacities in Ukraine in FY2021
million tons of sunflower seeds per year



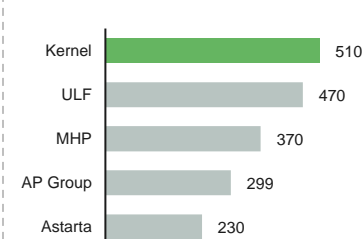
Top 5 grain transshipment terminals in Ukraine in 2020



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

Achievements

- **Proper set of internal policies and procedures** to drive sustainable development¹:
- Certified Environmental and OHS management systems (ISO 14001, 45001) at key assets.
- Robust sustainability disclosures: Sustainability Report (GRI + Independent assurance), CDP
- US\$ 169m **investment program in renewable energy** generation
- >50% of energy consumed is received from renewable sources
- Sustainability progress is regularly reviewed by the Board of Directors

Commitments

- Kernel is a signatory of **UN Global Compact** (the world's largest CSR 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.
- ISO 14001, 45001 (EMS and OHSMS) certification for all Kernel's assets until 2022.
- Zero-tolerance to corruption
- Kernel signed a [Declaration on gender equality and preventing domestic violence](#).

Recognitions

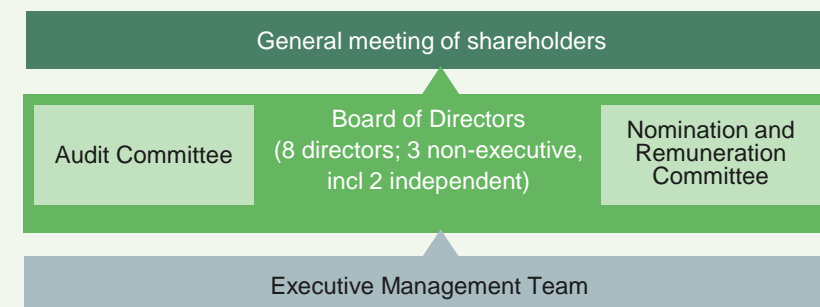
- **Top-3 corporate** in the Sustainable Ukraine – first professional integrated rating of corporate sustainability in Ukraine:
 - #1 corporate in Ukraine in resource efficiency, HR management and development;
 - #2 in corporate governance quality, health and safety, biodiversity approach, labor relations.
- 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

Note 1 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

Key non-financial KPIs

Environment		FY16	FY17	FY18	FY19	FY20
Total GHG emission	ths t CO ₂ e	1,074	1,439	1,417	1,783	1,679
Direct (Scope 1)	ths t CO ₂ e	662	748	922	980	955
Biogenic (Scope 1)	ths t CO ₂ e	339	587	401	712	628
Gross indirect (Scope 2)	ths t CO ₂ e	73	104	94	90	96
GHG emissions per ton of seeds crushed	kg CO ₂ e	147	146	134	131	128
GHG emissions per ton of grain grown	kg CO ₂ 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



- 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](#)