

# KERNEL HOLDING S.A.

## OPERATIONS UPDATE FOR THE THREE MONTHS ENDED 30 JUNE 2021

### Segment volumes

metric tons	Q4 FY2020	Q4 FY2021	y-o-y	FY2020	FY2021	y-o-y
Oilseeds processed	916,007	617,499	(33%)	3,436,377	3,183,022	(7%)
Edible oil sales <sup>1</sup>	488,903	273,142	(44%)	1,517,752	1,366,661	(10%)
Grain and oilseeds received in inland silos	37,858	58,221	54%	4,157,872	3,801,278	(9%)
Export terminal's throughput (Ukraine)	1,841,060	1,850,979	1%	6,665,997	8,159,212	22%
Grain export from Ukraine <sup>2</sup>	1,863,473	1,667,979	(10%)	7,901,748	8,013,158	1%

**Note 1** Includes sales of sunflower oil in bulk and bottled sunflower oil.

**Note 2** Excluding physical trading volumes reported by Avere, a subsidiary of Kernel involved in physical and proprietary trading.

Preliminary figures; financial year ends 30 June.

Differences are possible due to rounding.

### Key highlights:

- Kernel oil-extraction plants **processed 617 thousand tons of oilseeds** in the last quarter of FY2021, a 33% decline y-o-y, due to a weak supply of feedstock given the low 2020 harvest of sunflower seeds in Ukraine.
  - Full-year crushing volume totaled 3.2 million tons, down 7% y-o-y, implying 87% crushing capacity utilization (including tolling on third-party-owned oilseed processing plant of 97 thousand tons).
- Volume of sunflower oil sold** in Q4 FY2021 amounted to 273 thousand tons, down 44% y-o-y, in line with production volume decrease.
- In Q4 FY2021, **grain export volume from Ukraine** declined by 10% y-o-y, to 1.7 million tons, of which 26% was produced by company's farming division, and the remaining was originated from external suppliers. Slowdown in the grain export volume was caused by overall decline in grain harvest this season.
  - While full-year grain export volume is virtually unchanged standing at 8.0 million tons, Kernel market share of grain exports materially increased, reaching 18.0% for FY2021 compared to 14.3% in the previous season. Kernel remains the undisputed No 1 grain exporter from Ukraine, with the export volumes nearly two times exceeding the closest competitor<sup>1</sup>.
- Company's **export terminal throughput volume in Ukraine** added a mere 1% y-o-y, to 1.9 million tons in Q4 FY2021. Transshipment volumes exceeded the pace of grain exports from Ukraine, as Kernel substantially increased the scale of sunflower meal transshipment on its terminals in Chornomorsk by replacing 3<sup>rd</sup> party service providers.
  - For the full FY2021 Kernel transshipped 8.2 million tons of goods through its port facilities, up 22% y-o-y, strengthening its position as No 1 grain export terminal operator in Ukraine.
- Silo in-take volume** exceeded 3.8 million tons for FY2021, down 9% y-o-y, mostly reflecting lower crop size of Group's farming business in the current season.

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<sup>1</sup> Source: Stark Research