

KERNEL HOLDING S.A.

OPERATIONS UPDATE FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2021

Segment volumes

metric tons	Q1 FY2021	Q1 FY2022	y-o-y
Oilseeds processed	662,613	482,266	(27%)
Edible oil sales ¹	296,241	220,708	(25%)
Grain and oilseeds received in inland silos	1,254,649	1,019,184	(19%)
Export terminal's throughput (Ukraine)	1,868,593	2,206,913	18%
Grain export from Ukraine ²	2,125,650	2,226,755	5%

Note 1 Includes sales of sunflower oil and rapeseed 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 482 thousand tons of oilseeds** in Q1 FY2022, down 27% y-o-y. With 373 thousand tons of sunflower seeds crushing volume, the business suffered from insufficient supply of sunflower seeds on the market at the end of the sunflower seed processing season (September-August) following the poor harvest of sunflower seeds in autumn 2020. To maintain capacities utilization, two Kernel plants switched to rapeseed crush, processing in total 109 thousand tons of rapeseed of new 2021 harvest.
- Edible oil sales volume** in Q1 FY2022 totaled at 221 thousand tons, a 25% decrease y-o-y, largely in line with production pattern. Of that, sunflower oil sales constituted 192 thousand tons (including 30 thousand tons of bottled sunflower oil), and the remaining was rapeseed oil.
- Grain export volume from Ukraine** in July-September 2021 increased by 5% y-o-y, to 2.2 million tons, of which 86% was grain originated from external suppliers and the remaining was produced by Group's Farming segment.
- Export terminals throughput volume in Ukraine** amounted to 2.2 million tons, up 18% y-o-y, reflecting the growth in the transshipment of grain and sunflower meal.
- Company's **silos in-take volume** decreased by 19% y-o-y, to 1.0 million tons, due to delayed harvesting campaign for corn and sunflower.

Harvesting update:

- Crop yields in company's farming segment are expected to increase for all three major crops: corn, sunflower, and wheat.

	Acreage, thousand hectares			Net yield ¹ , tons / hectare		
	FY2021	FY2022	y-o-y	FY2021	FY2022	y-o-y
Corn	255.4	254.2	(0.5%)	8.0	8.5	6.5%
Sunflower	148.5	154.3	3.9%	3.0	3.0	0.9%
Wheat	73.1	64.6	(11.6%)	4.9	6.2	26.2%
Other ²	23.9	25.7	7.4%			
Total	501.0	498.8	(0.4%)			

Note 1 Net crop yields are projections based on 20.8% of corn, 92.9% of sunflower, and 100% of wheat acreage harvested as of 19 October 2021.

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

Preliminary figures; differences are possible due to rounding.

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