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dated 07 March 2022

### **Operations update – impact of the Russian war against Ukraine**

Kernel Holding S.A. (the “**Company**”) announces certain material events affecting the Company and its subsidiaries (the “**Group**”).

On 24 February 2022, Russia launched a military invasion of Ukraine. As at today’s date, active conflict is underway in and around several major Ukrainian cities, including Kyiv, Kharkiv, Odessa, Mariupol, Mykolaiv and other cities and towns across the north, south and east of the country (such ongoing events and any consequential events being the “**Ukrainian Events**”). The situation remains dangerous and uncertain, and the expectation is that casualty numbers, both civilian and military, will increase. Business operations of the Group in some of Ukrainian regions with the most intensive military actions are paralyzed.

The Group’s key priority is the safety and security of its employees and their families. The Group is co-ordinating, to the extent possible, the evacuation of employees from regions engaged in active military action and is covering associated relocation costs and providing additional assistance needed. The business processes have been reorganized to adjust to the existing challenges and to provide continuity to the Group’s governance. Luckily, there have been no fatalities among Group employees as a result of the Ukrainian Events since the date of the previous Operations Update published on 1 March 2022.

The Group’s additional priority is the preservation of its business and assets. As at today’s date, none of the Group’s critical facilities or infrastructure has suffered any significant damage. However, based on safety and security concerns arising from the Ukrainian Events and the inability to operate ports in Ukraine, the Group temporarily suspended grain export and oilseed processing operations in Ukraine, including the procurement of grain and oilseeds, infrastructure and logistics activities. Given that the Group is not able to export goods from Ukraine, the Group invokes force majeure clauses under export contracts according to GAFTA rules, minimizing the risk of claims for non-performance under commercial contracts.

Although the Group's financial performance was strong in 2021 calendar year, the Ukrainian Events create significant current uncertainty for the Group, including risks of damage of assets (and insurance unlikely to meet the replacement costs), loss of inventory (either physical loss as a result of military actions, or appropriation for military needs under Martial Law in Ukraine) and disruptions of the sowing campaign for the Group and for Ukraine in general. The full extent of the impact of the Ukrainian Events on this year's harvest and on the Group's business generally is not yet known and will be largely dependent on the duration and extent of the current conflict. The Group continues to monitor its available liquidity given the current uncertainties. Based on the Group's current liquidity reserves and the wider situation, the Group's current expectation is that it will be able to pay scheduled interest falling due in the near term under the terms of all of its outstanding financial indebtedness. The Group will keep its liquidity position under review and will update creditors in due course.

The Group will continue to review the impact of the continuing Ukrainian Events, will provide further information and updates when possible and will make further announcements as necessary. The Group will continue normal course disclosure going forward.

**This announcement is released by Kernel Holding S.A. and contains information that qualifies as inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 ("MAR"). For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, this announcement is made by Anastasiia Usachova and Viktoriia Lukianenko on behalf of Kernel Holding S.A.**