

KERNEL HOLDING S.A.

Société Anonyme

9, rue de Bitbourg

L-1273 Luxembourg

R.C.S. Luxembourg B 109173

ANNUAL ACCOUNTS AS AT AND FOR THE YEAR ENDED

30 JUNE 2022

AND REPORT OF THE RÉVISEUR D'ENTREPRISES AGRÉÉ

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Report of the Board of directors to the shareholders

Dear Shareholders,

Kernel Holding S.A., (the “Company”) was incorporated in Luxembourg on 15 June 2005 as a Société Anonyme (“S.A.”) subject to the Luxembourg law for an unlimited period of time.

The Company is registered with the “Registre de Commerce et des Sociétés” in Luxembourg under the number B 109173.

The subsidiaries of Kernel Holding S.A. (forming together with the Company, the “Group”) holds assets primarily in Ukraine and operate across the agricultural value chain.

The Group operates in farming, grain origination, storage, transport, and in the production, refining, bottling and marketing of sunflower oil.

The Group’s goal is the continuous development of profitable and sustainable business that enhances its position a leader in the field of low-cost production, sourcing, processing and handling of agricultural commodities, bridging the resource-rich Black Sea region with large international consumer markets.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing both the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Overview

Kernel Holdings S.A. being a holding company with no operational activity, the overview below is mainly done from the Group perspective, taking into account the performance of Kernel Holding S.A. as well as its subsidiaries.

During the year ended 30 June 2022, the Group generated USD 220 million EBITDA (down by 73% y-o-y) and net loss attributable to shareholders of Kernel Holding S.A. USD 41 million (30 June 2021: profit USD 513 million).

Acquisitions/ disposals

During the year ended 30 June 2022, Etrecom Investments Limited issued and allotted additional ordinary shares for a total amount of EUR 86,309,300.00 (equivalent to USD 102,000,000.00). In fact, the increase in authorized capital of Etrecom Investments Limited was conducted in two stages: 16th August 2021 by 42,258,600 fully paid ordinary shares totalling EUR 42,258,600.00 (equivalent to USD 51,000,000.00) and 11th October 2021 by 44,050,700 fully paid ordinary shares totalling EUR 44,050,700.00 (equivalent to USD 51,000,000.00). The payments of shares in full were settled in cash in several tranches.

During the year ended 30 June 2022, the Company acquired and disposed participation interest in Avere Commodities S.A. On 1 October 2021, the Company entered into two separate share purchase agreements, whereby it acquired a total of 250 ordinary shares for an aggregate amount of USD 88,023,404.00. On 30 November 2021, the Company subscribed to an additional 50 fully paid ordinary shares totalling CHF 5,000.00 (equivalent to USD 5,369.00) and 375 fully paid participation certificates totalling CHF 3,750.00 (equivalent to USD 4,027.00). On 14 December 2021, the Company entered into a Contribution Agreement, whereby, it contributed 375 participation certificates held in Avere Commodities S.A., to Baobab Capital S.A. for a total value of CHF 81,861,765.00 (equivalent to USD 88,023,404.00).

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Report of the Board of directors to the shareholders

Acquisitions/ disposals (continued)

On 1 December 2021, the Company incorporated a new affiliated undertaking, Baobab Capital S.A. with a subscribed capital of CHF 100,000.00 (equivalent to USD 107,344.00). On 14 December 2021, the Company entered into a Contribution Agreement, whereby, it contributed 375 participation certificates held in Avere Commodities S.A., to Baobab Capital S.A. for a total value of CHF 81,861,765.00 (equivalent to USD 88,023,404.00). On 15 December 2021, the Company entered into a Share Purchase and recharge agreement, whereby it sold all of its holding in Baobab Capital S.A., amounting to CHF 81,961,765.00 (equivalent to USD 88,130,748.00).

On 9 March 2022, the minority shareholders of Avere Commodities S.A. exercised put options, whereby, it obliged the Company to acquire their participation interest in Avere Commodities S.A. The consideration amount was USD 64,626,348.00, out of which USD 32,000,000.00 was paid as of 30 June 2022, which resulted in increased to 100% ownership in Avere Commodities S.A. As of 30 June 2022, the outstanding amount equalled USD 32,626,348.00.

Both the investments held by the Company, Chorna Kamianka LLC and Urozhai Agricultural LLC, at amounts of USD 6,215,549.01 and UAH 28,320,960.00 (equivalent to USD 2,740,328.51) respectively, have been merged into Ahrofirma Khliborob LLC.

During the year ended 30 June 2022, the Company increased value of its participation interest through additional financial contributions to the following companies:

- Estron Corporation LTD for an amount of EUR 200,000.00 (equivalent to USD 236,280.00).
- Starokonstantynivskyi OEZ LLC for an amount of USD 54,188,730.00 in accordance with the agreement dated 1 December 2021.
- Sentix Polska for an amount of PLN 8,000.00 (equivalent to USD 1,873.21) in accordance with the share purchase agreement dated 6 June 2022.

As of 30 June 2022, considering the financial situation of some subsidiaries, the management decided to record the following impairments and reversals of value adjustment:

- USD 164,129,530.73 in relation to its participation held in Etrecom Investments Limited reducing the net book value of investment from USD 329,014,080.63 to USD 164,884,549.90.
- USD 41,650.43 in relation to its participation held in Cherkaskyi, Public Joint Stock Company reducing the net book value of investment from USD 486,789.42 to USD 445,138.99.
- USD 410,040.00 in relation to its participation held in Bilovodskyi Kombinat Khliboprodyktiv reducing the net book value of investment from USD 3,909,048.00 to USD 3,499,008.00
- USD 1,873.21 in relation to its participation held in Sentix Polska reducing the net book value of investment from USD 1,873.21 to USD 0.00.
- USD 50,227,497.43 in relation to its participation held in Kernel Trade LLC reducing the net book value of investment from USD 231,867,105.22 to USD 181,639,607.79.
- USD 1,343,625.03 in relation to its participation held in Kernel Capital LLC reducing the net book value of investment from USD 354,283,302.49 to USD 352,939,677.46.

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Report of the Board of directors to the shareholders

1. Income statement highlights

The Group generated USD 5,332 million revenue in FY2022, down 5% y-o-y on the back of lower sunflower oil and meal sales volumes due to difficulties with exporting produce from Ukraine in March-June 2022.

The Group recognized a USD 13 million gain from net change in fair value of biological assets and agricultural produce in FY2022, compared to a USD 133 million gain a year ago.

Costs of sales in FY2022 decreased by 3% y-o-y, to USD 4,692 million, and includes US\$ 98 million loss from reduction of net realizable value of inventories below cost. Adjusting for such loss, cost of sales declined by 5% y-o-y, in line with the revenue reduction during FY2022.

Other operating income, net of other operating expenses in FY2022 was USD 19 million, comprising primarily gains on contracts wash-out and stock-take, related mostly to the Group's subsidiary Avere Commodities S.A. trading operations in comparison and losses incurred as a result of Group's operations with securities and derivatives.

General and administrative expenses in FY2022 reduced by 28% y-o-y, to USD 230 million, as the result of recognized additional payroll related expenses in FY2021 related to accounting of profit-shares arrangements in Avere Commodities S.A.

Additionally, the net impairment losses on financial assets reached US\$ 33 million, primarily related to expected credit losses on Group's accounts receivable.

Reflecting the direct impact of war, Kernel recognized the loss on impairment of assets of US\$ 317 million in FY2022, comprising the impairment of PP&E, goodwill, intangible assets, assets held for sale, write-off of inventories destroyed, allowance created for inventories located at the temporary occupied territories.

Finance costs in FY2022 curtailed by 12% y-o-y, to USD 131 million, primarily driven by the reduced interest on bonds due to the redemption of Group's 2022 bonds. Such savings on interest were partially offset by increased interest payments on bank debt as a result of the postponement of the seasonal bank loans principal repayment due to stretched situation with sales and liquidity after 24 February 2022. Together with that, the Group generated USD 11 million finance income in FY2022 up by 1.9x y-o-y.

The Group also recognized a USD 10 million foreign exchange gain following the Ukrainian hryvnia depreciation against USD over the reporting period.

Other expenses, net, amounted to USD 25 million, mostly driven by all-time high social spending of USD 26 million, but also reflects USD 3 million gain on the disposal of PP&E.

With the loss before income tax generated, Group recognized income tax benefit of USD 3 million in FY2022 and ended the year with USD 41 million net loss attributable to share-holders of Kernel Holding S.A. Considering the financial results achieved, uncertainties around the outcome of the war in Ukraine, stretched liquidity position, ongoing negotiations with Group's creditors on the postponement of the debt principal repayment, and the presence of restrictive covenants in the additional agreements already signed with the lenders, the Board of Directors recommended the general meeting of shareholders to declare a dividend at nil for the year ended on 30 June 2022

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Report of the Board of directors to the shareholders

1. Income statement highlights (continued)

The Group is presenting its segment results within three operating segments: Oilseed Processing, Infrastructure and Trading, and Farming. For a detailed explanation of operating and financial performance for operations, please refer to the annual report of Kernel Group available at kernel.ua.

2. Allocation of results

The Company's financial year as of 30 June 2022 ends with a gain of USD 10,385,435.50.

The board of directors of the Company intends to propose to the Annual General Meeting of the Shareholders of the Company the following allocation of this result, taking into account the annual dividends:

Result brought forward (before dividends)	USD	459,739,460.22
Statutory dividends for year end 30 June 2021	USD	(34,068,861.20)
Result brought forward (after dividends)	USD	425,670,599.02
Profit for the year ended 30 June 2022	USD	10,385,435.50
Result carried forward	USD	436,056,034.52

3. The Company's business has developed normally during the financial year under review. During the year ended 30 June 2022, the Company did not exercise any development activity, neither has a branch nor acquired its own shares.

4. Details on corporate governance and other required information disclosures according to Law of 10 December 2010 (Art. 68ter) are available on the Company website <http://www.kernel.ua> and in the consolidated annual report of the Company for the year ended 30 June 2022, available at the Company website.

5. Principal risks and uncertainties

At Kernel Holding S.A., management defines risk as an event, action or lack of action, which can lead to non-achievement of the Company's objectives. As a result of the latest review cycle, the Board approved Top-10 risks faced by the Group for FY2023.

Strategic (Business) risks:

1. Logistics disruption
2. Loss of critical infrastructure
3. Low global soft commodities prices
4. Loss of inventories
5. Shortfall of proceeds from renewable energy sale

Financial risks:

6. Liquidity associated risks

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Report of the Board of directors to the shareholders

5. Principal risks and uncertainties (continued)

Operational risks:

7. Trade position management issues
8. Credit and counterparty risks
9. Investment projects issues
10. Information security and IT

Other risks identified by the Company's management include (but are not limited to):

- Weak harvest in Ukraine;
- Failure to maintain the integrity of the leasehold farmland bank;
- Fraudulent activities;
- COVID-19 related risks;
- Human capital risks;
- Increase in competition;
- Sustainability-related risks: non-compliance with environmental standards; undermined profitability due to more severe environmental requirements applicable to farming and oilseed processing related with implementation of European Green Deal; low sustainability rating of Kernel may increase cost of capital;
- Weak economic growth, either globally or in the Group's key markets;
- Economic policy, political, social, and legal risks and uncertainties in countries other than Ukraine in which Kernel Holding S.A. operates;
- Any loss or diminution in the services of Mr. Andrii Verevskyi, Kernel Holding S.A.'s chairman of the Board of Directors;
- The risk that changes in the assumptions underlying the carrying value of certain assets, including those occurring as a result of adverse market conditions, could result in the impairment of tangible and intangible assets, including goodwill;
- The risk of fluctuations in the exchange rate of the Ukrainian hryvnia to the US dollar;
- The risk of disruption or limitation of natural gas or electricity supply;
- The risk of disruptions in Kernel Holding S.A.'s manufacturing operations;
- The risk of product liability claims;
- The risk of potential liabilities from investigations, litigation, and fines regarding antitrust matters;
- The risk that Kernel Holding S.A.'s governance and compliance processes may fail to prevent regulatory penalties or reputational harm, both at operating subsidiaries and in joint ventures; and
- The risk that Kernel Holding S.A.'s insurance policies may provide inadequate coverage.

The principal risks and uncertainties which the Company is facing relate to the recoverability of shares in affiliated undertakings and amounts owed by affiliated undertakings.

In accordance with the Luxembourg law, the Board confirms that to the best of its knowledge; the annual accounts for the year ended 30 June 2022 give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company.

The report of the Board of Director's gives a true and fair view of the position as per 30 June 2022 and the developments during the financial year of the Company and describes the principal risks the Company is facing.

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Report of the Board of directors to the shareholders

5. Principal risks and uncertainties (continued)

Credit risk

Credit risk is the risk of the financial loss to the Company if counterparty fails to meet its contractual obligations and arises principally from the Company's credit linked assets. The Company's principal financial assets are amounts owed by affiliated undertakings, other debtors, other investments and cash at bank and in hand, which represent the Company's maximum exposure to credit risk in relation to financial assets.

As of 30 June 2022, the Board of the Company are of the opinion that there is currently no indication of an impairment of the abovementioned financial assets.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations arising from its financial liabilities as they fall due, mainly related to Eurobonds.

Market risk

Market risk is the risk that changes in prices, foreign exchange rates and interest rates will affect the Company's income or its value of its financial assets.

Market risk embodies the potential for both gains and losses and includes currency risk, interest rate risk and price risk.

(a) Currency risk

The presentation currency of the Company is US Dollar ("USD").

Currency risk is the risk which arises due to the assets and liabilities of the Company held in foreign currencies, which will be affected by fluctuations in foreign exchange rates and limited to balances of cash in bank and in hand.

(b) Interest rate risk

Interest rate risk is the risk that the Company does not receive adequate interest from the Loans to secure interest payments on the Notes. The Company is not exposed to any interest risk since both the Loans and Notes bear almost the same terms and conditions.

(c) Price risk

No specific risks for the Company identified.

Financial Reporting Process

The Board is responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

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Report of the Board of directors to the shareholders

5. Principal risks and uncertainties (continued)

The Board assesses the performance of the Company as well as the recoverability of shares in affiliated undertakings, amounts owed by affiliated undertakings and other investments, reporting preparation process as well as before approving the Annual Accounts. From time to time the Board also examines and evaluates the external auditors' performance, qualifications, and independence.

Powers of Directors

The Board is responsible for managing the business affairs of the Company in accordance with the Articles of Association. The Board may delegate certain functions to other parties, subject to the supervision and direction by the Directors.

Internal control

The Board is responsible for the establishment and adequate functioning of internal control in the Company. Consequently, the Board has implemented a range of processes designed to provide control by the Board of Directors over the Company's operations. These processes and procedures include measure regarding the general control environment as well as specific internal control measures.

All these processes and procedures are aimed at ensuring a reasonable level of assurance that the Board has identified and managed the significant risks of the Company and that it meets the operational and financial objectives in compliance with applicable laws and regulations.

6. Corporate governance statement

The Company is subject to and complies with the relevant applicable laws and regulations, including the Luxembourg Law of 10 August 1915 on commercial companies as amended, and the regulations applied by the relevant trading venues and Stock Exchange and the Listing Rules of the Warsaw Stock exchange. The Company does not apply additional requirements in addition to those required by the above. Each of the service providers engaged by the Company is subject to their own corporate governance requirements.

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association, the relevant applicable laws and regulations, including the Luxembourg Law of 10 August 1915 on commercial companies as amended, and the regulations applied by the by the relevant trading venues and Stock Exchange and the Listing Rules of the Warsaw Stock exchange.

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Report of the Board of directors to the shareholders

7. Board of Directors

The board of Directors is formed of eight Directors, of whom three are independent directors. All eight Directors were elected to the Board by the Shareholders at General Meetings of the Shareholders:

(1) Mr. Andrii Verevskyi, chairman of the board of directors, was reappointed for a five-year term at the general meeting of shareholders held on 11 December 2020. Mr. Verevskyi founded the Group's business in 1995, holding various executive positions within the Group. Presently, he oversees the strategic development and overall management of the Group. Member of the nomination and remuneration committee.

(2) Mr. Andrii Miski-Oglu was appointed as independent non-executive director until ratification thereto by the next general meeting of shareholders of the Company, and with effect as of 15 April 2022. Mr. Miski-Oglu has 20 years' experience in public accounting and audit in Ernst&Young, involved in major EY Global audit-related initiatives. Mr. Miski-Oglu is Certified Public Accountant in the US since 2011 and a member of The American Institute of Certified Public Accountants (AICPA). Chairman of the audit committee.

(3) Mrs. Daria Danilczuk was appointed as independent non-executive director until ratification thereto by the next general meeting of shareholders of the Company, and with effect as of 22 May 2022. Mrs. Danilczuk experienced in agricultural commodity brokerage, specialized in Black Sea commodity markets, experienced in international trade and biofuels trade and regulatory framework. Member of the audit committee and chairman of the nomination and remuneration committee.

(4) Mr. Mykhaylo Mishov was appointed as independent non-executive director until ratification thereto by the next general meeting of shareholders of the Company, and with effect as of 14 September 2022. Mr. Mishov has over 17 years' experience in consulting, including Ernst & Young, Deloitte and KPMG, leading numerous strategy and performance improvement projects for agribusiness clients. Member of the audit committee and member of the nomination and remuneration committee.

(5) Mrs. Viktoriia Lukianenko was re-elected to the Board for a one-year term at the general meeting of shareholders held on 10 December 2021. Mrs. Lukianenko is responsible for providing legal advice and counselling in all aspects of Group's business operations.

(6) Mr. Yevgen Osypov was re-elected to the Board for a one-year term by the shareholders at the general meeting of the shareholders held on 10 December 2021. Mr. Osypov is responsible for the day-to-day management of the Company's subsidiaries, execution of strategy, budgets, and the Board decisions.

(7) Mrs. Anastasiia Usachova was re-elected to the Board for a one-year term by the shareholders at the general meeting of the shareholders held on 10 December 2021. Mrs. Usachova has served the Group since 2003, and today oversees the Group's financial reporting, auditing, budgeting, financial planning and risk assessment.

(8) Mr. Yuriy Kovalchuk was re-elected to the Board for a one-year term by the shareholders at the general meeting of the shareholders held on 10 December 2021. Mr. Kovalchuk oversees investor relations and new investment opportunities for the Group.

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Report of the Board of directors to the shareholders

8. Looking ahead:

For a detailed outlook for the financial year ending 30 June 2022, please refer to the annual report of the Group which is available on web-site www.kernel.ua.

There are subsequent events as disclosed in Note 21.

The Board of Directors

By:

Mr. Andrii Verevskyi

By:

Mr. Andrii Miski-Oglu

By:

Mrs. Daria Danilczuk

By:

Mr. Mykhaylo Mishov

By:

Mrs. Viktoriia Lukianenko

By:

Mr. Yevgen Osypov

By:

Mrs. Anastasiia Usachova

By:

Mr. Yuriy Kovalchuk



Audit report

To the Shareholders of
KERNEL HOLDING S.A.

Report on the audit of the annual accounts

Our opinion

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of KERNEL HOLDING S.A. (the "Company") as at 30 June 2022, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Our opinion is consistent with our additional report to the Audit Committee.

What we have audited

The Company's annual accounts comprise:

- the balance sheet as at 30 June 2022;
- the profit and loss account for the year then ended; and
- the notes to the annual accounts, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the EU Regulation No 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the annual accounts" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts. We have fulfilled our other ethical responsibilities under those ethical requirements.

To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited under Article 5(1) of the EU Regulation No 537/2014.

Material Uncertainty Related to Going Concern

We draw attention to Note 19 in the annual accounts, which indicates that since 24 February 2022 the Company's direct and indirect subsidiaries operations are significantly affected by the ongoing military invasion of Ukraine and magnitude of the further developments or timing of cessation of those are uncertain. These events or conditions, along with other matters as set forth in Note 20, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matters described in the "Material Uncertainty Related to Going Concern" section above, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p><i>Recoverability of shares in affiliated undertakings and amounts owed by affiliated undertakings</i></p> <p>Shares in affiliated undertakings are valued at cost, less impairment where management considers it to be of a durable nature. Amounts owed by affiliated undertakings are recorded in the balance sheet at their nominal value and are subject to value adjustments where their recoverability is compromised.</p> <p>On an annual basis, management assesses the need for value adjustment by comparing for each investment its net book value with its net assets and preparing the discounted cash flow forecasts where deemed necessary.</p> <p>Amount of shares in affiliated undertakings and amounts owed by affiliated undertakings were 1,580,719,650USD, in aggregate, and represented approximately 96% of total assets of the Company as of 30 June 2022.</p>	<p>Our procedures over the recoverability of shares in affiliated undertakings and amounts owed by affiliated undertakings included, but were not limited to the following:</p> <ul style="list-style-type: none"> • We obtained an understanding of the management's processes and controls over the recoverability of shares in affiliated undertakings and amounts owed by affiliated undertakings; • We obtained management's recoverability assessment for those assets; • We compared the historical cost of investment in the subsidiaries as per the Company's annual accounts with the amount of net assets of the respective subsidiaries; • If case where net assets of an underlying subsidiary were lower than the amount of the investment as per the Company's annual accounts, we obtained discounted cash flows forecasts for the respective subsidiaries and evaluated and challenged significant assumptions used in the forecasts, such as the discount rate;

Key audit matter

How our audit addressed the key audit matter

We considered the recoverability of shares in affiliated undertakings and amounts owed by affiliated undertakings to be a key audit matter due to the magnitude of the amounts and the judgment involved in the assessment of the recoverability of those assets.

- We also challenged the reliability of the forecasted cash flows used for the determination of the recoverable value by comparing the budgeted figures to the actual figures;
- We considered the appropriateness of the disclosures in Note 2 ("Significant accounting policies") and Note 3 ("Financial assets") to the annual accounts.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the report of the board of directors and the Corporate Governance Statement but does not include the annual accounts and our audit report thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and those charged with governance for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

The Board of Directors is responsible for presenting the annual accounts in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format ("ESEF Regulation").

Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- conclude on the appropriateness of the Board of Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter.

We assess whether the annual accounts have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

Report on other legal and regulatory requirements

The report of the board of directors is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the report of the board of directors. The information required by Article 68ter Paragraph (1) Letters c) and d) of the Law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

We have been appointed as "Réviseur d'Entreprises Agréé" by the General Meeting of the Shareholders on 30 August 2021 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 1 year.

We have checked the compliance of the annual accounts of the Company as at 30 June 2022 with relevant statutory requirements set out in the ESEF Regulation that are applicable to annual accounts.

For the Company it relates to the requirement that annual accounts are prepared in a valid XHTML format.

In our opinion, the annual accounts of the Company as at 30 June 2022, identified as kernel-2022-06-30-e, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 15 November 2022

A large, stylized handwritten signature in black ink, consisting of a long horizontal stroke followed by a large loop and a final upward stroke.

Andrei Chizhov

KERNEL HOLDING S.A.

9, rue de Bitbourg
L-1273 Luxembourg
R.C.S. Luxembourg B 109173

Statement of the Board of Directors' responsibilities for the preparation and approval of annual accounts

For the year ended 30 June 2022

The Board of Directors ("the Board") is responsible for the preparation, publication and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

We confirm that to the best of our knowledge and belief:

→ The annual accounts of Kernel Holding S.A. (the 'Company') presented in this Annual Report and established in accordance with Luxembourg legal and regulatory requirements under the historical cost convention give a true and fair view of the balance sheet, profit and loss accounts for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies; and

→ The Report of the Board of Directors includes a fair review of the development and performance of the business and position of the Company and the undertakings included, together with a description of the principal risks and uncertainties it faces.

14 November 2022

On behalf of the Board of Directors

Andrii Verevskyi
Chairman of the Board of Directors



Anastasiia Usachova
Director, Chief Financial Officer



KERNEL HOLDING S.A.

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Balance sheet as of 30 June 2022

ASSETS					
			Notes	30.06.2022	30.06.2021
				USD	USD
B.	FORMATION EXPENSES			---	---
C.	FIXED ASSETS			1,104,350,491.22	1,099,442,080.84
	III.	Financial assets	3	1,104,350,491.22	1,099,442,080.84
		1.	Shares in affiliated undertakings	1,104,350,473.94	1,099,442,063.56
		5.	Investments held as fixed assets	17.28	17.28
D.	CURRENT ASSETS			545,400,027.43	749,174,881.32
	II.	Debtors	4	481,569,418.76	657,570,878.66
		1.	Trade debtors	3,016,624.19	12,408.17
		a)	becoming due and payable within one year	3,016,624.19	12,408.17
		2.	Amounts owed by affiliated undertakings	476,369,159.07	594,383,554.46
		a)	becoming due and payable within one year	111,721,994.30	26,923,917.67
		b)	becoming due and payable after more than one year	364,647,164.77	567,459,636.79
		4.	Other debtors	2,183,635.50	63,174,916.03
		a)	becoming due and payable within one year	1,183,635.50	56,198,916.03
		b)	becoming due and payable after more than one year	1,000,000.00	6,976,000.00
	III.	Investments	5	63,280,324.35	90,741,194.67
		3.	Other Investments	63,280,324.35	90,741,194.67
	IV.	Cash at bank and in hand		550,284.32	862,807.99
E.	PREPAYMENTS		6	4,859,872.77	6,233,728.69
TOTAL ASSETS				1,654,610,391.42	1,854,850,690.85

Annual accounts for the year ended

30 June 2022

The accompanying notes form an integral part of the annual accounts

KERNEL HOLDING S.A.

9, rue de Bitbourg
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Balance sheet as of 30 June 2022

LIABILITIES			
	Notes	30.06.2022 USD	30.06.2021 USD
A. CAPITAL AND RESERVES	7	945,565,899.38	969,249,325.08
I. Subscribed capital		2,218,928.64	2,218,928.64
II. Share premiums and similar premiums		507,069,043.22	507,069,043.22
IV. Reserves		221,893.00	221,893.00
1. Legal reserve		221,893.00	221,893.00
V. Profit or loss brought forward		425,670,599.02	552,146,900.92
VI. Profit or loss for the financial year		10,385,435.50	(57,114,324.10)
VII. Dividends		---	(35,293,116.60)
B. PROVISIONS	8	38,386,501.26	36,216,890.16
3. Other provisions		38,386,501.26	36,216,890.16
C. CREDITORS	9	670,518,223.60	849,149,708.45
1. Debenture loans		607,611,973.07	828,491,608.48
b) Non-convertible loans		607,611,973.07	828,491,608.48
i) becoming due and payable within one year		607,611,973.07	228,491,608.48
ii) becoming due and payable after more than one year		---	600,000,000.00
4. Trade creditors		1,264,094.08	1,139,207.15
a) becoming due and payable within one year		1,264,094.08	1,139,207.15
6. Amounts owed to affiliated undertakings		8,577,825.11	18,097,207.72
a) becoming due and payable within one year		27,845.11	18,097,207.72
b) becoming due and payable after more than one year		8,549,980.00	---
8. Other creditors		53,064,331.34	1,421,685.10
a) tax authorities		400,270.20	1,405,379.85
b) social securities authorities		3,010.61	123.71
c) other creditors		52,661,050.53	16,181.54
i) becoming due and payable within one year		52,664,696.37	20,003.58
ii) becoming due and payable after more than one year		(3,645.84)	(3,822.04)
D. DEFERRED INCOME	10	139,767.18	234,767.16
TOTAL LIABILITIES		1,654,610,391.42	1,854,850,690.85

Annual accounts for the year ended

30 June 2022

The accompanying notes form an integral part of the annual accounts

KERNEL HOLDING S.A.

9, rue de Bitbourg
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Profit and loss account for the year ended 30 June 2022

PROFIT AND LOSS ACCOUNT				
		Notes	From 01.07.2021 to 30.06.2022 USD	From 01.07.2020 to 30.06.2021 USD
4.	OTHER OPERATING INCOME	3	22,374,004.93	209,535.66
5.	RAW MATERIALS AND CONSUMABLES AND OTHER EXTERNAL EXPENSES	11	(7,281,534.19)	(6,802,792.62)
	b) Other external expenses		(7,281,534.19)	(6,802,792.62)
6.	STAFF COSTS	12	(160,257.72)	(5,344.86)
	a) Wages and salaries		(142,481.20)	(4,607.68)
	b) Social security costs		(17,441.90)	(564.13)
	c) Other staff costs		(334.62)	(173.05)
7.	VALUE ADJUSTMENTS		(5,976,000.00)	---
	b) in respect of current expenses		(5,976,000.00)	---
8.	OTHER OPERATING EXPENSES	14	(3,062,237.36)	(4,312,160.35)
9.	INCOME FROM PARTICIPATING INTERESTS	3	250,203,000.00	35,111,724.79
	a) derived from affiliated undertakings		250,203,000.00	35,111,724.79
10.	INCOME FROM OTHER INVESTMENTS AND LOANS FORMING PART OF THE FIXED ASSETS	5	6,474,609.42	717,543.31
	b) other income not included under a)		6,474,609.42	717,543.31
11.	OTHER INTEREST RECEIVABLE AND SIMILAR INCOME		39,957,845.40	61,198,097.11
	a) derived from affiliated undertakings		38,865,256.23	61,020,804.16
	b) other interest and similar income		1,092,589.17	177,292.95
13	VALUE ADJUSTMENTS IN RESPECT OF FINANCIAL ASSETS AND OF INVESTMENTS HELD AS CURRENT ASSETS	3	(216,154,216.83)	(49,946,062.88)
14.	INTEREST PAYABLE AND SIMILAR EXPENSES		(75,048,612.76)	(93,279,046.78)
	a) derived from affiliated undertakings	3	(22,359,182.22)	---
	b) other interest and similar expenses		(52,689,430.54)	(93,279,046.78)
15.	TAX ON PROFIT OR LOSS		(935,669.11)	---
16.	PROFIT OR LOSS AFTER TAXATION		10,390,931.78	(57,108,506.62)
17.	OTHER TAXES NOT SHOWN UNDER ITEMS 1 TO 16		(5,496.28)	(5,817.48)
18.	PROFIT OR (LOSS) FOR THE FINANCIAL YEAR		10,385,435.50	(57,114,324.10)

KERNEL HOLDING S.A.

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Notes to the annual accounts as at 30 June 2022

Note 1 – General information

Kernel Holding S.A. (the “Company”) was incorporated on 15 June 2005 and organized under the laws of Luxembourg in the form of a “Société Anonyme” (“S.A.”) for an unlimited period of time.

The registered office is established at 9, rue de Bitbourg, L-1273 Luxembourg.

The Company’s financial year starts on 1 July and ends on 30 June of each year.

The Company is the holding company for a group of entities which together form the Kernel Group (the “Group”). The subsidiaries of the Group own assets primarily in Ukraine and operate across the agricultural value chain.

The Company’s object is the acquisition, the management, the enhancement and the disposal of participations in whichever form in domestic and foreign companies. The Company may also finance the Group entities via granting all kinds of support, loans, advances and guarantees.

It may open branches in Luxembourg and abroad. Furthermore, the Company may acquire and dispose of all other securities by way of subscription, purchase, exchange, sale or otherwise.

It may also acquire, enhance and dispose of patents and licenses, as well as rights deriving therefrom or supplementing them.

In addition, the Company may acquire, manage, enhance and dispose of real estate located in Luxembourg or abroad.

On the basis of the offering prospectus (the “Prospectus”) approved on 25 October 2007 by the Commission de Surveillance du Secteur Financier, shares in the Company were delivered to investors in either through a public offering in Poland or an international offering by way of private placements to selected institutional investors in certain jurisdictions outside of Poland.

On 23 November 2007, the Company made a listing on the Warsaw Stock Exchange (“WSE”).

As of 30 June 2022, the Company’s shares were allocated as follows: 38.05% (30 June 2021: 39.16%) held by Namsen Limited Liability Company, 54.09% (30 June 2021: 60.84%) are in free-float, and 7.86% are own shares purchased by other Group’s entity.

On 24 September 2021 and 3 February 2022, as the result of a share buy-back program, the Group purchased the Company’s equity instruments (3,227,000 shares constituting 3.84% and 3,375,000 shares constituting 4.02% of the total share capital, respectively) paying the consideration equal USD 96,897 thousand, including any directly attributable incremental costs. The purchased shares will be retained by the Group without any voting or dividend rights.

The Company also prepares Group consolidated financial statements which are published on the basis of the law dated 10 August 1915, as amended. The consolidated annual report of the Company for the year ended 30 June 2022 available at the Company website, <http://www.kernel.ua>.

Notes to the annual accounts as at 30 June 2022

Note 2 – Significant accounting policies

2.1 General principles

These annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention. Accounting policies and valuation rules are, besides the ones laid down by the Law of 19 December 2002 and 10 December 2010, determined and applied by the Board of Directors.

The preparation of these annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise significant judgment in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2.2 Comparative figures

A re-classification adjustment has been reflected in the profit & loss account, whereby USD 29,250.00 previously disclosed under "Other external expenses" have now been moved under "Interest payable and similar expenses". This re-classification did not have an impact on the net equity and profit or loss of the year ended 30 June 2021. Moreover, another re-classification adjustment was done to move USD 33,507,274.59 of interest from 'Other interest receivable and similar income' sub section b) other interest and similar income, to sub section a) as it is derived from affiliated undertakings.

2.3 Significant accounting policies

The following are the significant accounting policies and valuation rules adopted by the Company in the preparation of these annual accounts.

2.3.1 Financial assets

Historical cost model

Shares in affiliated undertakings are valued at the lower of the purchase price including the expenses incidental thereto or the market value. Investments held as fixed assets ("Investments") shown under "Financial assets" are recorded at their nominal value. Where, in the opinion of the Board of Directors, a durable diminution in value of financial asset has occurred, a value of adjustment is established. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.3.2 Debtors

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Notes to the annual accounts as at 30 June 2022

Note 2 – Significant accounting policies (continued)

2.3.3 Investments

Transferable securities are valued at the lower of the purchase price including the expenses incidental thereto or at the market value. The market value or recovery value corresponds to:

- For securities listed on a stock exchange or traded on another regulated market, the fair value is based on the last available quote.
- For unlisted securities or securities that are not traded on another regulated market or where the last quote is not representative, the fair value is based from the most probable market value estimated with due care and in good faith by the Board of Directors.

2.3.4 Cash at bank and in hand

Cash is valued at its nominal value.

2.3.5 Foreign currency translation

The Company maintains its books and records in United-States dollar ("USD"). The balance sheet and the profit and loss account are expressed in USD.

Transactions expressed in currencies other than USD are translated into USD using the exchange rates prevailing at the dates of the transactions.

Financial assets expressed in currencies other than USD are translated into USD at the exchange rate effective at the time of the transaction. At the balance sheet date, these assets remain translated at their historical exchange rates.

Cash at bank and in hand are translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the year.

Other assets and liabilities are translated separately respectively at the lower or at the higher of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date. The unrealized exchange losses are recorded in the profit and loss account. The realized exchange gains are recorded in the profit and loss account at the moment of their realization.

Where there is an economic link between an asset and a liability, these are valued in total according to the method described above and the net unrealized loss is recorded in the profit and loss account and the net unrealized gains are not recognized.

2.3.6 Prepayments

Prepayments include expenditure items incurred during the financial year but relating to a subsequent financial year.

Loan issue costs included as part of prepayments is capitalized and amortized to the profit and loss account over the period of the related loan.

2.3.7 Provisions

Provisions are intended to cover losses or debts which originate in the financial year under review or in the previous financial year, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date they will arise.

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Notes to the annual accounts as at 30 June 2022**Note 2 – Significant accounting policies (continued)**

Provisions may also be created to cover charges which originate in the financial year under review or in a previous financial year, the nature of which is clearly defined and which at the date of the balance sheet are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

Provisions for taxation corresponding to the tax liability estimated by the Company for the financial years for which the tax return has not yet been filed are recorded under the caption "Creditors becoming due and payable within one year". The advance payments are shown in the assets of the balance sheet under the "Debtors becoming due and payable within one year" item.

2.3.8 Creditors

Creditors are valued at their reimbursement value.

2.3.9 Deferred income

Deferred income includes income items received during the financial year but relating to a subsequent financial period.

Note 3 – Financial assets

For assets following the historical cost model the movements of the year are as follows:

	Share in affiliated undertakings USD	Investments held as fixed assets USD	Total 2022 USD
Gross book value – opening balance	1,152,825,980.42	49.00	1,152,826,029.42
Additions for the year	406,172,656.73	---	406,172,656.73
Disposals for the year	(185,110,029.52)	---	(185,110,029.52)
Transfers for the year	---	---	---
Gross book value – closing balance	1,373,888,607.63	49.00	1,373,888,656.63
Accumulated value adjustment – opening balance	(53,383,916.86)	(31.72)	(53,383,948.58)
Allocation for the year	(216,154,216.83)	---	(216,154,216.83)
Reversals for the year	---	---	---
Transfers for the year	---	---	---
Accumulated value adjustment – closing balance	(269,538,133.69)	(31.72)	(269,538,165.41)
Net book value – opening balance	1,099,442,063.56	17.28	1,099,442,080.84
Net book value – closing balance	1,104,350,473.94	17.28	1,104,350,491.22

During the year ended 30 June 2022, Etrecom Investments Limited issued and allotted additional ordinary shares for a total amount of EUR 86,309,300.00 (equivalent to USD 102,000,000.00). In fact, the increase in authorized capital of Etrecom Investments Limited was conducted in two stages: 16th August 2021 by 42,258,600 fully paid ordinary shares totalling EUR 42,258,600.00 (equivalent to USD 51,000,000.00) and 11th October 2021 by 44,050,700 fully paid ordinary shares totalling EUR 44,050,700.00 (equivalent to USD 51,000,000.00). The payments of shares in full were settled in cash in several tranches.

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Notes to the annual accounts as at 30 June 2022

Note 3 – Financial assets (continued)

During the year ended 30 June 2022, there were certain changes in Company's participation interest in Avere Commodities S.A. ("Avere"):

On 1 October 2021, the Company entered into two separate share purchase agreements, whereby it acquired 25% or 250 ordinary shares for an aggregate amount of USD 88,023,404.00 from minority shareholders (also management of Avere), which resulted in increase of ownership in Avere to 85%.

On 30 November 2021, the Company subscribed to an additional 50 fully paid ordinary shares totalling CHF 5,000.00 (equivalent to USD 5,369.00) and 375 fully paid participation certificates totalling CHF 3,750.00 (equivalent to USD 4,027.00), after which capital of in Avere consisted of 1,125 shares (225 of which belonged to a minority shareholder) and 375 participation certificates

On 1 December 2021, the Company incorporated in Switzerland a new affiliated undertaking, Baobab Capital S.A. ("Baobab") with a subscribed capital of CHF 100,000.00 (equivalent to USD 107,344.00). On 14 December 2021, the Company entered into a Contribution Agreement, whereby, it contributed 375 participation certificates held in Avere, to Baobab for a total value of CHF 81,861,765.00 (equivalent to USD 88,023,404.00). According to the updated Charter of Avere, participation certificates have the same power for dividend distribution as ordinary shares.

On 15 December 2021, the Company entered into a Share Purchase and recharge agreement, whereby it sold all of its holding in Baobab, amounting to CHF 81,961,765.00 (equivalent to USD 88,130,748.00) to previous holders of Avere shares for the consideration equivalent of USD 65,870,148.00, considering a 25% discount, amounting to USD 22,260,600.00. The discount was applied as the shares were sold without the transferring of the related voting rights. This aforementioned discount has been treated as an expense for the Company under the classification of Interest payable and similar expenses concerning affiliated undertakings. Similarly, the relating recharging income from Avere Commodities S.A. of the same discount was disclosed under the classification of Other Operating Income.

On 9 March 2022, the minority shareholders of Avere exercised put options, whereby, it obliged the Company to acquire their participation interest in Avere. The consideration amount was USD 64,626,348.00, out of which USD 32,000,000.00 was paid as of 30 June 2022, which resulted in increased to 100% ownership in Avere. As of 30 June 2022, the outstanding amount of USD 32,626,348.00 was presented in line "Other creditors" (Note 9).

During the year ended 30 June 2022, the Company increased value of its participation interest through additional financial contributions to the following companies:

- Estron Corporation LTD for an amount of EUR 200,000.00 (equivalent to USD 236,280.00).
- Starokonstantynivskyi OZE LLC for an amount of USD 54,188,730.00 (equivalent to UAH 1,488,531,371.60). As of 30 June 2021, an additional financial contribution to the authorized capital Starokonstantynivskyi OZE LLC was presented as Contribution advances in Debtors balance sheet line. In accordance with the agreement, the increase in investment arose from the moment of amendments displayed to the United State Register of Legal Entities, Individual Entrepreneurs and Public Organizations.
- Sentix Polska for an amount of PLN 8,000.00 (equivalent to USD 1,873.21).
- Chorna Kamianka LLC and Urozhai Agricultural LLC have been merged into the absorbing affiliated undertaking Ahrofirma Khliborob LLC.

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Notes to the annual accounts as at 30 June 2022

Note 3 – Financial assets (continued)

As at 30 June 2022, considering the financial situation of some subsidiaries, the management decided to record the following impairments and reversals of value adjustment:

- USD 164,129,530.73 in relation to its participation held in Etrecom Investments Limited reducing the net book value of investment from USD 329,014,080.63 to USD 164,884,549.90.
- USD 41,650.43 in relation to its participation held in Cherkaskyi, Public Joint Stock Company reducing the net book value of investment from USD 486,789.42 to USD 445,138.99.
- USD 410,040.00 in relation to its participation held in Bilovodskyi Kombinat Khlipoprodyktiv reducing the net book value of investment from USD 3,909,048.00 to USD 3,499,008.00
- USD 1,873.21 in relation to its participation held in Sentix Polska reducing the net book value of investment from USD 1,873.21 to USD 0.00.
- USD 50,227,497.43 in relation to its participation held in Kernel Trade LLC reducing the net book value of investment from USD 231,867,105.22 to USD 181,639,607.79.
- USD 1,343,625.03 in relation to its participation held in Kernel Capital LLC reducing the net book value of investment from USD 354,283,302.49 to USD 352,939,677.46.

During the year ended 30 June 2022, the Company received the following dividends from its affiliated undertakings:

- Avere Commodities S.A. for an aggregate amount of CHF 193,032,089.90 (equivalent to USD 207,203,000.00);
- Inerco Trade S.A. for an amount of CHF 39,994,730.00 (equivalent to USD 43,000,000.00).

Notes to the Annual accounts for the year ended 30 June 2022
Note 3 – Financial assets (continued)

Undertakings in which the Company holds a percentage in their share capital or in which it is a general partner are as follows:

Name of undertakings	Registered office	Direct Ownership %	Last balance sheet date	Currency	Net equity at the balance sheet date (unaudited)	Currency	(Loss)/Profit the last financial year (unaudited)	Currency	Net Book Value
Inerco Trade S.A.	Rue Jules Gachet 9, CH1260 Nyon, Switzerland	100.00%	30.06.2022	USD	\$ 144,909,000.00	USD	\$ 43,470,000.00	USD	\$ 3,532,673.50
Kernel Capital LLC	3 Tarasa Shevchenka lane, Kyiv, 01001 Ukraine	99.97%	30.06.2022	USD	\$ 245,712,300.71	USD	\$ (3,000.00)	USD	\$ 352,939,677.46
Kernel Trade LLC	3 Tarasa Shevchenka lane, Kyiv, 01001 Ukraine	15.87%	30.06.2022	USD	\$ 47,148,862.76	USD	\$ 10,166,000.00	USD	\$ 181,639,607.79
Ukragrobusiness LLC	3 Tarasa Shevchenka lane, Kyiv, 01001 Ukraine	100.00%	30.06.2022	USD	\$ 341,955,000.00	USD	\$ (4,000.00)	USD	\$ 896,417.35
Estron Corporation Ltd	29A, Annis Komninis, P.C., 1061 Nicosia, Cyprus	100.00%	30.06.2022	USD	\$ (82,037,402.66)	USD	\$ (9,190,000.00)	USD	\$ 97,762,995.48
Etrecom Investments LTD	13, Agiou Prokopiou, 2406 Egkomi Cyprus	100.00%	30.06.2022	USD	\$ 164,884,549.90	USD	\$ (35,931,000.00)	USD	\$ 164,884,549.90
Bilovodskiy Kombinat Khiboprodyktiv	2, Bilovodska Street, Romny district, Sumy region, Bilovod village, 42065, Ukraine	91.12%	30.06.2022	USD	\$ 3,499,008.00	USD	\$ (74,000.00)	USD	\$ 3,499,008.00
Avere Commodities SA	15 bis Rue des Alpes, 1201 Geneva, Switzerland	100.00%	30.06.2022	USD	\$ 185,023,000.00	USD	\$ 178,996,000.00	USD	\$ 64,696,199.64
Filstar Limited	Prosfygon, 4, Agia Varvara, 2560, Nicosia, Cyprus	100.00%	30.06.2022	USD	\$ (31,017.00)	USD	\$ (13,000.00)	USD	\$ -
Sentix Polska	Chmielna 73, 00-8021, Warsaw, Poland	100.00%	30.06.2022	USD	\$ (2,000.00)	USD	\$ (3,000.00)	USD	\$ -
Prydniprovskiy Krai ALLC	52/3 Obuhova str, Zolotonosha, Cherkas'ka region, 19700 Ukraine	99.99%	30.06.2022	USD	\$ 159,182,248.98	USD	\$ 93,868,000.00	USD	\$ 7,512,088.26
Agroservise LLC	66410, Odessa region, Ananyev district, village Stallions, STREET PRIVOKZALNA, building 4	99.99%	30.06.2022	USD	\$ -	USD	\$ -	USD	\$ 1,170,213.96

Sub-total \$ 878,533,431.34

Notes to the Annual accounts for the year ended 30 June 2022
Note 3 – Financial assets (continued)

Name of undertakings	Registered office	Direct Ownership %	Last balance sheet date	Currency	Net equity at the balance sheet date (unaudited)	Currency	(Loss)/Profit the last financial year (unaudited)	Currency	Net Book Value
Ahrofirma Khliborob LLC	Nalyvayka, Holovanivs'kyi district, Kirovohrads'ka region, 26512 Ukraine	99.99%	30.06.2022	USD	\$ 154,852,257.00	USD	\$ 62,239,000.00	USD	\$ 21,460,728.58
Hovtva Agricultural LLC	38400, Poltava oblast, Reshetilovsky district, Reshetilovka city, POLTAVSKA STREET, building 96	99.99%	30.06.2022	USD	\$ 82,211,218.11	USD	\$ 25,543,000.00	USD	\$ 4,478,278.36
Enselco Agro LLC	59 Tsentral'na str, Sakhnivtsi, Starokostiantynivs'kyi district, Khmelnytskyi region, 31134 Ukraine	99.99%	30.06.2022	USD	\$ 233,672,630.40	USD	\$ 126,060,000.00	USD	\$ 742,196.36
Druzhba-Nova Agricultural LLC	59 Komarova str., Varva, Varvynskyi district, Chernihiv region, 17600 Ukraine	100.00%	30.06.2022	USD	\$ 372,818,883.81	USD	\$ 93,115,000.00	USD	\$ 76,452,610.43
Agropolis LLC	1 Ivana Franka str, Zavods'ke, Chortkivs'kyi district, Ternopil's'ka region, 48523 Ukraine	99.93%	30.06.2022	USD	\$ 44,057,138.40	USD	\$ 18,980,000.00	USD	\$ 346,464.80
Cherkaskyi Public Joint Stock Company	Retsyukivshchyna, Drabivs'kyi district, Cherkas'ka region, 19836 Ukraine	65.08%	30.06.2022	USD	\$ 445,138.99	USD	\$ (54,000.00)	USD	\$ 445,138.99
Mriia Agricultural LLC	Petrivka, Krasnohrads'kyi district, Kharkivs'ka region, 63340 Ukraine	99.97%	30.06.2022	USD	\$ 41,386,580.30	USD	\$ 5,621,000.00	USD	\$ 9,361,531.52
Ahro Lohistyka Ukraina LLC	24 Pavlenkivska square, Poltava, Poltava region, 36014 Ukraine	100.00%	30.06.2022	USD	\$ 5,630,000.00	USD	\$ 10,000.00	USD	\$ 5,006,000.00
Starokonstantynivskyi OEZ LLC	31100, Khmelnytskyi oblast, Starokostiantyniv city, VESNYANSKE SHOSE STREET, building 5	78.54%	30.06.2022	USD	\$ 53,813,995.17	USD	\$ 643,000.00	USD	\$ 60,204,180.73
Prydniprovskyi Oliinoekstraktsiyni Zavod LLC	Murmanska street, building 53, Kropyvnytskyi city, Kirovohrad oblast, 25014	34.92%	30.06.2022	USD	\$ 33,420,733.71	USD	\$ (2,762,000.00)	USD	\$ 37,000,000.00
Transgrainterminal Investments	Odessa region, Chernomorsk city, Transportna street, house 44	22.82%	30.06.2022	USD	\$ 8,879,233.59	USD	\$ 1,053,000.00	USD	\$ 10,319,912.83
JV TransBulkTerminal LLC	Ukraine, 68000, Odesskaya district, city Illichivsk, 58, Sukhomlinskaya str.	<0.01%	30.06.2022	USD	\$ 17.58	USD	\$ (130,00.00)	USD	\$ 17.28

Sub-total \$ 225,817,059.88

Total **\$ 1,104,350,491.22**

Notes to the annual accounts for the year ended 30 June 2022

Note 4 – Debtors

Debtors are mainly composed of:

	becoming due and payable within one year USD	becoming due and payable after more than one year USD	Total 30.06.2022 USD	Total 30.06.2021 USD
Amounts owed by affiliated undertakings	111,721,994.30	364,647,164.77	476,369,159.07	594,383,554.46
Loans to affiliated undertakings (indirect shareholding)	26,773,852.19	229,528,308.75	256,302,160.94	232,159,261.23
Loans to affiliated undertakings (direct shareholding)	84,921,035.44	135,118,856.02	220,039,891.46	362,197,186.56
Current receivable from affiliated undertakings (direct shareholding)	27,106.67	---	27,106.67	27,106.67
Trade debtors	3,016,624.19	---	3,016,624.19	12,408.17
Deferred account - TAG Aviation Malta	2,990,604.17	---	2,990,604.17	---
Receivable from suppliers	26,020.02	---	26,020.02	12,408.17
Other debtors	1,183,635.50	1,000,000.00	2,183,635.50	63,174,916.03
Receivable - Khmelnytskhhleboproduct - 24,9% *	---	---	---	3,124,794.37
Receivable - Stiomi - Holding 24,9% *	---	---	---	2,851,205.63
Contribution advances to Starokonstantynivskyi Oliinoekstraktsiinyi Zavod	---	---	---	54,188,730.00
Loans to related party	783,986.29	1,000,000.00	1,783,986.29	1,768,986.30
VAT receivable	387,563.34	---	387,563.34	1,207,246.88
Receivable from third party	7,084.53	---	7,084.53	28,562.46
Advance Net Wealth Tax 2022	5,001.34	---	5,001.34	---
Advance Net Wealth Tax 2020	---	---	---	5,390.39
Total	115,922,253.99	365,647,164.77	481,569,418.76	657,558,470.49

Notes to the annual accounts for the year ended 30 June 2022

Note 4 – Debtors (continued)

Loans to affiliated undertakings (direct shareholding)	Interest Rate %	Maturity	Currency	Interest Income for the year ending 30.06.22	Accrued Interest 30.06.22	Outstanding Principal 30.06.22	Accrued Interest 30.06.21	Outstanding Principal 30.06.21
Inerco Trade S.A. (#17/10)	6,50%	31.12.2023	USD	5,240,363.14	6,368,344.43	80,789,464.82	1,127,981.29	76,889,464.82
Etrecom Investment Limited (w/n)	6,80%	31.12.2023	USD	2,354,558.69	567,928.54	32,590,000.00	4,231,835.63	35,000,000.00
Inerco Trade S.A. (#01/09)	6,50%	31.12.2023	USD	1,484,426.84	156,712.33	20,000,000.00	---	---
Etrecom Investment Limited (#04-08)	6,80%	31.12.2023	USD	482,556.78	---	---	---	---
Etrecom Investment Limited (#24/10)	9,80%	31.12.2023	USD	185,485.70	---	---	1,548,337.60	2,310,500.00
Inerco Trade S.A. (#1)	8,75%	31.12.2023	USD	152,196.75	234,712.74	1,739,391.20	82,515.99	1,739,391.20
Inerco Trade S.A. (#10/12)	6,50%	31.05.2023	USD	4,675,026.09	5,669,858.53	71,923,478.87	994,832.44	71,923,478.87
Kernel Trade LLC - Credit Line	7,50%	15.10.2021	USD	1,745,156.08	---	---	16,780,355.57	149,568,493.15
				16,319,770.07	12,997,556.57	207,042,334.89	24,765,858.52	337,431,328.04

Loans to affiliated undertakings (indirect shareholding)	Interest Rate %	Maturity	Currency	Interest Income for the year ending 30.06.22	Accrued Interest 30.06.22	Outstanding Principal 30.06.22	Accrued Interest 30.06.21	Outstanding Principal 30.06.21
Restomon Limited (Inerco)	9,80%	31.12.2023	USD	16,084,209.74	13,438,879.38	164,119,109.34	1,432,725.21	164,619,109.34
Restomon Limited (Jerste)	9,80%	31.12.2023	USD	6,410,101.52	4,733,817.91	65,409,199.41	698,227.27	65,409,199.41
Estron Corporation Limited (#25-02)	6,50%	15.02.2023	USD	4,380.38	4,380.38	199,980.00	---	---
Restomon Limited (#03-03)	5,00%	31.01.2023	USD	46,794.52	46,794.52	8,350,000.00	---	---
				22,545,486.16	18,223,872.19	238,078,288.75	2,130,952.48	230,028,308.75

Loan to related party	Interest Rate %	Maturity	Currency	Interest Income for the year ending 30.06.22	Accrued Interest 30.06.22	Outstanding Principal 30.06.22	Accrued Interest 30.06.21	Outstanding Principal 30.06.21
Emmark Capital Ltd – 17th May 2018	9,50%	20.12.2023	USD	94,999.98	---	1,000,000.00	---	1,000,000.00
Emmark Capital Ltd – 26th March 2020	2,00%	31.03.2023	USD	14,999.99	33,986.29	750,000.00	18,986.30	750,000.00
				109,999.97	33,986.29	1,750,000.00	18,986.30	1,750,000.00

Notes to the annual accounts for the year ended 30 June 2022

Note 4 – Debtors (continued)

Loans to affiliated undertakings (direct shareholding)

Inerco Trade S.A. (#17/10)

During the financial year, the Company issued a loan for an aggregate amount of USD 3,900,000.00.

Etrecom Investment Limited (w/n)

During the financial year, the Company has received aggregate repayments amounting to USD 8,428,465.78 out of which USD 2,410,000.00 was for the principal amount and USD 6,018,465.78 for the accrued interest.

Inerco Trade S.A. (#01/09)

On 1 September 2021, the Company entered into a new loan agreement #01/09 with Inerco Trade S.A. and granted loan for an aggregate amount of USD 193,505,968.39, out of which USD 173,505,968.39 were repaid till 30 June 2022. Also, during the year, the Company received interest repayments for an aggregate amount of USD 1,327,714.51.

Etrecom Investment Limited (#04-08)

On 4 August 2021, the Company entered into a new loan agreement #04-08 with Etrecom Investment Limited. During the financial year, the Company has received aggregate repayments amounting to USD 36,482,496.78 out of which USD 35,999,940.00 was for the principal amount and USD 482,556.78 for the accrued interest.

As of 30 June 2022, the loan principal and interest accrued were fully repaid.

Etrecom Investment Limited (#24/10)

During the financial year, the Company has received aggregate repayments amounting to USD 4,044,323.30 out of which USD 2,310,500.00 was for the principal amount and USD 1,733,823.30 for the accrued interest.

As of 30 June 2022, the loan principal and interest accrued were fully repaid.

Inerco Trade S.A. (#1)

There were no principal and interest repayments during the year ended 30 June 2022. The interest income for the year ended 30 June 2022 amounted to USD 152,196.75.

Inerco Trade S.A. (#10/12)

There were no principal and interest repayments during the year ended 30 June 2022. The interest income for the year ended 30 June 2022 amounted to USD 4,675,026.09.

Kernel Trade LLC – Credit Line

During the financial year, the Company has received aggregate repayments amounting to USD 168,094,004.80, out of which USD 149,568,493.15 was for the principal amount and USD 18,525,511.65 for the accrued interest.

As at 30 June 2022, the loan principal and interest accrued were fully repaid.

Loans to affiliated undertakings (indirect shareholding)

Restomon Limited (Inerco)

During the financial year, the Company received aggregate repayments for an amount of USD 4,578,055.57, out of which USD 500,000.00 was for principal amount and USD 4,078,055.57 was for accrued interest.

Restomon Limited (Jerste)

During the financial year, the Company received interest payments for an aggregate amount of USD 2,374,510.88.

Estron Corporation Limited (#25-02)

On 25 February 2022, the Company entered into a new loan agreement #25-02 with Estron Corporation Limited and granted loan for an aggregate amount of USD 199,980.00.

Notes to the annual accounts for the year ended 30 June 2022

Note 4 – Debtors (continued)

Restomon Limited (#03-03)

On 3 March 2022, the Company entered into a new loan agreement #03-03 with Restomon Limited and granted loan for an aggregate amount of USD 8,350,000.00.

Loans to related party

Emmark Capital Ltd - 17th May 2018

As at 30 June 2022, the outstanding loan balance is that of USD 1,000,000.00 and the interest income for the year amounted to USD 94.999,98. There were no repayments during the year ended 30 June 2022.

Emmark Capital Ltd - 26th March 2020

As at 30 June 2022, the outstanding loan balance is that of USD 750,000.00 and the interest income for the year amounted to USD 14,999.99. There were no repayments during the year ended 30 June 2022.

Note 5 – Investments

Investments becoming due and payable within one year are composed of the following:

	30.06.2022 USD	30.06.2021 USD
Non-convertible loans		
Investment certificates	63,280,324.35	90,741,194.67
Total	63,280,324.35	90,741,194.67

During the financial year, the Company traded in two different 'Investment certificates – Nominal Shares' investments.

During the financial year, the Company purchased investment certificates with ISIN code UA4000125959 for an aggregate amount of USD 8,275,570.00 and further sold all investments certificates.

The Company purchased investment certificates with ISIN code UA4000179790 for an aggregate amount of USD 94,825,097.40 and further sold part of it in amount of USD 121,789,552.13.

In aggregate, for the year ending 30 June 2022, the Company made a gain on disposal on its investment certificates for an amount of USD 6,474,609.42 (30 June 2021: nil).

Notes to the annual accounts for the year ended 30 June 2022

Note 6 – Prepayments

Prepayments are composed of:

	30.06.2022 USD	30.06.2021 USD
Eurobonds issuance fees	---	1,329,646.47
Eurobonds issuance fees - Amortisation	---	(1,174,521.06)
Eurobonds repayment premium	---	1,057,025.60
Eurobonds repayment premium - Amortisation	---	(933,705.94)
Issuance Cost/Discount - Eurobonds (\$300m)	4,234,732.33	4,234,732.33
Issuance Cost/Discount - Eurobonds issued 27.10.2020	3,039,419.17	3,039,419.17
Issuance Cost/Discount - Amortisation	(1,959,026.70)	(1,186,104.54)
Issuance Cost/Discount - Amortisation	(455,252.03)	(132,763.34)
Total	4,859,872.77	6,233,728.69

The above prepayments originate related to Eurobonds issued by the Company, for which these are disclosed under Note 9.

Note 7 – Capital and Reserves

	Subscribed Capital USD	Share premiums and similar premiums USD	Legal reserve USD	Profit or loss brought forward USD	Result for the financial year USD	Dividends USD	Total USD
As at 30 June 2021	2,218,928.64	507,069,043.22	221,893.00	552,146,900.92	(57,114,324.10)	(35,293,116.60)	969,249,325.08
Movements for the year:							
• Allocation of prior year's result	---	---	---	(92,407,440.70)	57,114,324.10	35,293,116.60	---
• Profit for the year	---	---	---	---	10,385,435.50	---	10,385,435.50
• Dividend payments / allocation	---	---	---	(34,068,861.20)	---	---	(34,068,861.20)
As at 30 June 2022	2,218,928.64	507,069,043.22	221,893.00	425,670,599.02	10,385,435.50	---	945,565,899.38

The allocation of prior year's results was approved by the General Shareholders' Meeting of 10 December 2021.

Subscribed capital

The Company's share capital as of 30 June 2022 and 2021 amounts to USD 2,218,928.64 divided into 84,031,230 shares without indication of a nominal value.

Share premium and similar premiums

The share premium account as of 30 June 2022 and 2021 amounts to USD 507,069,043.22.

Legal reserve

Under Luxembourg law, the Company is obliged to allocate to a legal reserve a minimum of 5% of its annual net profit until this reserve reaches 10% of the subscribed share capital. This reserve is not available for distribution.

As of 30 June 2022 and 2021, the legal reserve of the Company amounts to USD 221,893.00, and is fully allocated.

Notes to the annual accounts for the year ended 30 June 2022

Note 7 – Capital and Reserves (continued)

Dividends

On 10 December 2021, the Company declared a dividend at USD 0.44 per ordinary share for the financial year ended on 30 June 2021, dividends were fully repaid during the financial year.

Note 8 – Provisions

Provisions are made up as follows:

	30.06.2022 USD	30.06.2021 USD
Provision for legal claims	38,386,501.26	36,216,890.16

During the financial year, the Company has increased the carrying amount of the provision to legal claims from USD 36,216,898.16 to USD 38,386,501.26. There were no payments for respective legal claims during the financial year, for the details on the provision nature, please refer to Note 18.

Note 9 – Creditors

Amounts due and payable for the accounts shown under “Creditors” are as follows:

	Due and payable within one year USD	Due and payable after more than one year USD	Total 30.06.2022 USD	Total 30.06.2021 USD
Non-convertible loans	607,611,973.07	---	607,611,973.07	828,491,608.48
Eurobonds - Guaranteed notes (Principal amount)	600,000,000.00	---	600,000,000.00	813,110,000.00
Eurobonds - Guaranteed notes (Accrued interest)	7,611,973.07	---	7,611,973.07	15,381,608.48
Amounts owed to affiliated undertakings	27,845.11	8,549,980.00	8,577,825.11	18,097,207.72
Trade creditors	1,264,094.08	---	1,264,094.08	1,139,207.15
Tax authorities	400,270.20	---	400,270.20	1,405,379.85
Other creditors	52,667,706.98	(3,645.84)	52,664,061.14	16,305.25
Total	661,971,889.44	8,546,334.16	670,518,223.60	849,149,708.45

Notes to the annual accounts for the year ended 30 June 2022

Note 9 – Creditors (continued)

Non-convertible loans

In the table below presented aggregate information on guaranteed notes issued on the Irish stock exchange and principal outstanding amounts as at reporting dates:

	Date of issuance	Maturity Date	ISIN Code	30.06.2022 USD	30.06.2021 USD
Non-convertible loans					
Guaranteed Notes - 6.75% Eurobonds	27 October 2020	27 October 2027	XS2244927823	300,000,000.00	300,000,000.00
Guaranteed Notes - 6.50% Eurobonds	17 October 2019	17 October 2024	XS2010040983	300,000,000.00	300,000,000.00
Guaranteed Notes - 8.75% Eurobonds	31 January 2017	31 January 2022	XS1533923238	---	213,110,000.00
Total				600,000,000.00	813,110,000.00

During the financial year, the Company also proceeded with interest payments for:

- '8.75% Eurobonds': USD 16,575,695.80, out of which USD 7,252,133.30 paid by Avere Commodities S.A. as Company set-off respective amount against a dividend receivable from Avere Commodities S.A. and the remaining USD 9,323,562.50 was paid in cash;
- '6.50% Eurobonds': USD 19,500,000.00, out of which USD 9,750,000.00 was paid by Inreco Trade S.A. as Company set-off respective amount against a dividend receivable from Inreco Trade S.A. and the remaining USD 9,750,000.00 was paid in cash;
- '6.75% Eurobonds': USD 20,250,000.00 was paid in cash.

For the year ended 30 June 2022, the interest expense accrued on the guaranteed notes amounted to USD 48,556,060.39 (2021: USD 60,187,549.55), whereas:

- USD 20,250,000.00 was accrued for the '6.75% Eurobonds' (2021: USD 13,741,071.00);
- USD 19,500,000.00 was accrued for the '6.50% Eurobonds' (2021: USD 19,500,000.00);
- USD 8,806,060.39 was accrued for the '8.75% Eurobonds' (2021: USD 26,946,478.55).

On 20 December 2021, the Company has fully repaid the '8.75% Eurobonds' principal for an amount of USD 213,110,000.00.

As of 30 June 2022, being the relevant covenant testing date, the Group's subsidiaries had exceeded certain ratios for the purposes of financial covenants in certain of its bank loans. Although effective waivers were in place, such waivers had an expiry date within 12 months of 30 June 2022, and, accordingly, such could trigger a cross-acceleration event of default under the Company's outstanding Eurobonds. As result, the Company does not have an unconditional right to defer settlement of Eurobonds for 12 month or longer from 30 June 2022, therefore Eurobonds balance was reclassified in line "due and payable within one year" amounting to USD 600,000,000.00

Amounts owed to affiliated undertakings

Inreco Trade S.A. (#15-02)

On 15 February 2022, the Company entered into a loan agreement #15-02 with Inreco Trade S.A. and received loan for an aggregate amount of USD 8,549,980.00.

As at 30 June 2022, the outstanding loan balance is that of USD 8,549,980.00 and the interest expense for the year amounted to USD 19,676.11.

Notes to the annual accounts for the year ended 30 June 2022

Note 9 – Creditors (continued)

Other creditors

Sale transaction

On 26 April 2022, the Company, as a “Seller”, entered into legally binding share purchase agreement for sale of two of its affiliated undertakings to the related party directly controlled by Mr. Andrii Verevskyi, for the consideration amounting to USD 210,000,000.00 subject to fulfilment of certain conditions. According to share purchase agreement terms amount of USD 20,000,000.00 should be paid to the Company as a “prepayment” before sale transaction occurrence. Following “prepayment” amount was received by the Inerco Trade S.A. and the balance has been considered as an additional loan principal issued under the agreement (#01/09). As of 30 June 2022, the sale transaction did not occur as certain conditions stated in share purchase agreement were not met.

Avere Commodities S.A. minority participation acquisition

The unpaid amount of the consideration for the acquisition of the participation interest in Avere Commodities S.A. from the minority shareholders USD 32,626,348.00 and based on contractual terms classified in line “Due and payable within one year”, for more details refer to Note 3.

Note 10 – Deferred Income

Deferred income is made up as follows:

	30.06.2022 USD	30.06.2021 USD
Deferred Income		
Deferred accrued interest on loans	139,767.18	234,767.16
Total	139,767.18	234,767.16

Notes to the annual accounts for the year ended 30 June 2022**Note 11 – Other external expenses**

The other external expenses are composed as follows:

	2022	2021
	USD	USD
Business trips expenses	(2,660,372.39)	(3,742,797.68)
Legal fees	(1,661,785.94)	(647,130.47)
Accounting and audit fees	(760,646.34)	(1,312,864.96)
Insurances costs	(555,317.30)	(245,074.40)
Bank charges	(295,967.31)	(187,859.29)
Professional fees - Arendt Services	(135,063.95)	(166,472.12)
Tax advisory fees	(76,765.74)	(21,504.47)
Legal fees*	-	(70,037.95)
Contributions to professional associations	(41,408.36)	(36,776.77)
Rental of buildings	(22,066.40)	(22,717.13)
Investment fees	(12,648.00)	-
Translation fees	-	(2,329.53)
Telephone and other telecommunication costs	(6.30)	(540.78)
Other sundry external charges	(73,836.48)	(102,135.27)
Other fees	(985,649.68)	(244,551.80)
Total	(7,281,534.19)	(6,802,792.62)

Note 12 – Staff

During the financial year ended 30 June 2022, the Company had an average of 2 employees (2021: 1).

Notes to the annual accounts for the year ended 30 June 2022

Note 13 – Emoluments granted to the members of the management and supervisory bodies and commitments in respect of retirement pensions for former members of those bodies

The emoluments granted to the members of the management and supervisory bodies in that capacity are broken down as follows:

	2022 USD	2021 USD
Directors' fees: amounts accrued during the year	624,601.21	739,924.38

During the year ended 30 June 2022, a new management incentive plan was introduced, according to which the Company shall grant to the management put options in a form of right to sell to the Company and the obligation to the Company to purchase in total up to 2,792,435 ordinary shares of the Company. The consideration for each share will be a minimum of (i) USD 23.80 and (ii) operating profit before working capital changes minus interest paid plus interest received minus interest tax paid minus maintenance capital expenditures in the fixed amount of USD 155,000,000, where all amounts, except for the maintenance capital expenditures, are specified in United States Dollars (USD) as appropriately classified and disclosed in the consolidated statement of cash flows of the audited annual consolidated accounts of the Company and its subsidiaries for the Financial Years 2022-2024, divided by three divided by 12% and divided by 84,031,230. The option exercise period is set for a period commencing on 1 November 2024 and expiring on 31 December 2025. As of 30 June 2022, the new management incentive plan classified as off balance sheet commitments.

Note 14 – Other operating expenses

	2022 USD	2021 USD
Other operating expenses		
Fines, sanctions and penalties (Note 8)	(2,260,829.61)	(2,169,764.93)
Director's fees (Note 13)	(624,601.21)	(739,924.38)
Non-refundable VAT	(176,806.54)	(1,156,917.10)
Book value write-off of current receivables	---	(245,553.94)
Total	(3,062,237.36)	(4,312,160.35)

Note 15 – Audit fees

Audit fees are made up as follows:

	2022 USD	2021 USD
Total audit fees	(430,710.57)	(925,511.89)

The fees of the PricewaterhouseCoopers Société cooperative for the audit of these annual accounts were USD 25,000.

Notes to the annual accounts for the year ended 30 June 2022

Note 16 – Off balance sheet commitments

The financial commitments of the Company are as follows:

The Company is a Guarantor under two syndicate pre-export credit facilities with European banks for a total amount of USD 620,000,000.00.

Also the Company guarantees all the obligations under long-term CapEX financing from European Investment Bank and European Bank for Reconstruction and Development Bank for the total amount of USD 306,000,000.00. As of 30 June 2022, outstanding principal amount under these financing stated USD 187,388,888.04 and USD 47,040,000.00, respectively.

The Company has commitment as a Guarantor under agreements signed between Avere Companies and European banks for trading facility for the total amount of USD 264,000,000.00.

Additionally, the Company guarantees all the obligations under agreements in total amount of USD 327,959,353.82 signed by subsidiaries of Kernel Holding S.A. with Ukrainian subsidiaries of European banks (covering credit lines, contraguarantees, letter of credit issuance and operations with non-deliverable forwards).

As of 30 June 2021, the Company has a commitment to execute options and buy Avere Commodities S.A. shares from the minority shareholders if they ask to do so.

Note 17 – Tax Status

The Company is fully taxable under Luxembourg tax regulations.

Note 18 – Contingencies

Capital Commitments

As of 30 June 2022, the Group had commitments under contracts with a group of suppliers for a total amount of USD 32,595 thousand, mostly for the construction of an oilseed crushing plant (30 June 2021: USD 50,062 thousand, mostly for the construction of an oilseed crushing plant).

Contractual Commitments on Sales

As of 30 June 2022, the Group had entered into commercial contracts for the export of 838,000 tons of grain, 50,572 tons of sunflower oil and 75,676 tons of sunflower meal and other related products, corresponding to an amount of USD 244,633 thousand, USD 73,032 thousand and USD 32,733 thousand, respectively, in contract prices as of the reporting date.

As of 30 June 2021, the Group had entered into commercial contracts for the export of 3,296,959 tons of grain, 198,077 tons of sunflower oil and 305,642 tons of sunflower meal and other related products, corresponding to an amount of USD 784,281 thousand, USD 220,702 thousand and USD 112,012 thousand, respectively, in contract prices as of the reporting date.

Taxation and Legal Issues

In April 2012, the Group entered into a call option agreement to acquire Stiomi Holding, a farming company located in the Khmelnytskyi region of Ukraine. As of 30 June 2022, the consideration paid for Stiomi Holding by the Group comprised USD 33,472 thousand. A final payment was due and payable only after fulfilment of certain conditions to the satisfaction of the Group and subject to rights of set-off in respect of claims against the sellers. The Group submitted several claims to the sellers (the “Stiomi Sellers”) in respect of the non-fulfilment of the Stiomi Sellers’ obligations. In December 2012, the Group received a request for arbitration from the Stiomi Sellers in which the Stiomi Sellers claimed amounts alleged to be payable to them. The arbitral tribunal delivered its award in late February 2018. That award was in part subject to challenge by the Group in the High Court in London. In March 2019, the High Court remitted the award to the tribunal for reconsideration in certain respects and a further hearing took place before the tribunal in September 2019. Pursuant to the tribunal’s revised award, which was delivered in December 2019, the Group is required to pay the Stiomi Sellers an aggregate amount of approximately USD 30,300 thousand.

Notes to the annual accounts for the year ended 30 June 2022

Note 18 – Contingencies (continued)

The Stiomis Sellers have made further claims against the Group for interest on the amounts due to them at the rate of 10% per annum (corresponding to USD 5,944 per day since the date of the initial arbitral award in late February 2019) and have initiated court proceedings in Luxembourg and Switzerland in respect of such interest due, as well as took actions to enforce the payment of the arbitral award. The Group disputes the Stiomis Seller's claims for interest due.

In Switzerland, the Stiomis Sellers have obtained attachment orders against certain bank accounts of the Group. The proceeds of these attachments were allocated to the Stiomis Sellers by the debt collection office. The amount frozen, however, did not exceed some tens of thousands Swiss Francs. The Stiomis Sellers have also obtained an attachment on intergroup receivables. Furthermore, former counsel to the Stiomis Sellers has also obtained a Swiss attachment order against one of the Stiomis Sellers on the basis of unpaid fees in an amount of close to EUR 6,000 thousand.

In Luxembourg, the Stiomis Sellers have initiated attachment proceedings to put in place conservatory measures against Kernel's bank accounts.

In early 2020, a third party brought claims both before Luxembourg and Ukrainian courts asserting that one of the Stiomis Seller's claims has been assigned to them, which the Stiomis Sellers dispute. As a result of these conflicting claims and proceedings, the Group has been unable to discharge its payment obligations in respect of the arbitral award to the Stiomis Sellers, pending the resolution of these issues.

Facing such uncertainty as to the identity of its creditors, the Group filed a request for discharge payment in March 2020 before the Swiss courts. After having heard all the parties involved, the Swiss court have rendered a judgement in June 2021 granting the Group's prayers for relief. Following an appeal launched by the third party, the above-mentioned judgement has been confirmed and became enforceable in late January 2022.

On 16 December 2020, the Stiomis Sellers filed a bankruptcy petition against Kernel in Luxembourg. The judgment was rendered on 15 January 2021 in favour of Kernel as the Luxembourg court agreed that the conditions of bankruptcy were not fulfilled in the case at hand.

Meanwhile, criminal investigations have been conducted in Ukraine against this third-party. In this context, it appears that the investigators have come to the conclusion that the signature of Mrs. Stadnyk on the power of attorney used for the alleged assignment was genuine. The Stiomis Sellers challenge this finding.

On the other hand, the Group has discovered, in September 2021, that some of the Stiomis Sellers initiated criminal proceedings against the third party, claiming that the assignment agreement is a forged document. Kernel also discovered that the Stiomis Sellers have extended their complaint against Kernel and possibly Kernel officers. Swiss jurisdiction has been confirmed and the investigation appears to be ongoing. So far, Kernel has not been auditioned and has no possibility to access the file. Kernel has provided to the Public Prosecutor of Geneva a spontaneous letter with the purpose of clarifying facts and to demonstrate that accusations against the Group are unfounded/contradicted by robust evidence.

From a civil perspective, as of 30 June 2018, the Group recognized a provision regarding the arbitral and the related proceedings. The provision represents the directors' best estimate of the maximum future outflow that will be required in respect of the award. The carrying amount of the payables for legal claims was USD 38,387 thousand as of 30 June 2022 (2021: USD 36,217 thousand), and related expenses in the amount of USD 2,170 thousand were recognized within the year ended 30 June 2022 (2021: USD 2,170 thousand) and included within the line "Other expenses, net".

Notes to the annual accounts for the year ended 30 June 2022

Note 18 – Contingencies (continued)

As of 30 June 2022, one of the Group's subsidiaries in Switzerland has uncertain tax positions which may result in economic outflow although timing of this is uncertain due to early stage of this matter.

As of 30 June 2022, the Group's management assessed its maximum exposure to tax risks related to VAT refunds claimed by the Group, the deductibility of certain expenses for corporate income tax purposes and other tax issues for total amount of USD 97,287 thousand (30 June 2021: USD 101,601 thousand), from which USD 82,260 thousand related to VAT recoverability (30 June 2021: USD 87,687 thousand), USD 14,777 thousand related to corporate income tax (30 June 2021: USD 13,578 thousand) and USD 250 thousand related to other tax issues (30 June 2021: USD 328 thousand).

As of 30 June 2022, companies of the Group had ongoing litigations with the tax authorities concerning tax issues for USD 89,796 thousand (30 June 2021: USD 21,702 thousand), included in the abovementioned amount. Out of this amount, USD 4,787 thousand relates to cases where court hearings took place and where the court in either the first or second instance has already ruled in favour of the Group (30 June 2021: USD 4,507 thousand). Management believes that based on the past history of court resolutions of similar lawsuits by the Group, it is unlikely that a significant settlement will arise out of such lawsuits and no respective provision is required in the Group's financial statements as of the reporting date.

Note 19 – Operating environment

As main investments of the Company and the Group's operating assets located in Ukraine, the operating environment of Ukraine has the most significant impact on the Group's operations and therefore on the Company as well.

On 24 February 2022 the Russian Federation started a full-scale military invasion of Ukraine which, due to broad security concerns, became challenging for the further stable development of economical and finance segments in Ukraine, and the operating environment remains risky and with high levels of uncertainty since then.

Given the fast-moving nature of the situation and the unpredictability of war, it will likely take time to assess the economic fallout. For now, the government has prioritized defence and social spending. In June 2022, annual inflation in Ukraine had reached 21.5%. The Ukrainian economy experienced significant challenges and the government heavily relied on international financial support.

The Ukrainian government received financing and donations from international organizations and various countries to support financial stability and to finance social related payments and military needs (International Monetary Fund, European Union, and directly from numerous countries).

It should be noted that starting from April 2022, economic activity began to restore itself; businesses and the Ukrainian population showed adaptation to the new conditions. According to the National Bank of Ukraine ('the NBU') reports, at the end of spring only 14% of enterprises working before the war remained idle.

The NBU increased the key policy rate to 25% in June 2022. According to its most recent forecast, the real GDP of Ukraine is expected to fall by 33% for the calendar year 2022.

The NBU has imposed certain restrictions regarding withdrawals hryvnia by customers and switched from a flexible to a fixed exchange rate regime at UAH 29.25 for 1 USD (UAH 36.57 for 1 USD starting from 21 July 2022) on the foreign currency exchange market to ensure the sound and stable operation of the country's financial system. As a result, commercial interbank quotes remained close to the officially imposed by the NBU, and bid rate was fixed as UAH 29.25 for USD 1, at a maximum point. The NBU stated that as soon as the economy and financial system of Ukraine return to normal operation regime, the floating exchange rate will be restored. Moreover, the NBU has determined that the ban on transactions in Ukraine using the accounts of residents of Russia or Belarus and legal entities whose ultimate beneficial owners are based in Russia or Belarus, does not apply to social benefits, wages, utilities, taxes, fees, and other required payments. Despite the current unstable situation, the banking system remains stable, with sufficient liquidity even as martial law continues, and all banking services are available to its customers, both legal entities and individuals. Companies operating in Ukraine are paying taxes and money is still flowing through its financial system.

Notes to the annual accounts for the year ended 30 June 2022

Note 19 – Operating environment (continued)

Months after the initial full-scale military attack, fighting continues in and around several major Ukrainian cities in the East and South of Ukraine, causing tens of thousands of civilian casualties. Russian attacks are targeted for destroying civilian infra-structure all over Ukraine, including hospitals and residential complexes. At the same time, logistics routes in occupied territories were damaged and there is no access to them. Other railway and car logistic routes are available for usage as Ukraine has an extensive road and railway network. Assets belonging to different businesses, except those located on temporary occupied territory, were not destroyed materially, based on available information, as air attacks and missile strikes primarily destroyed military infrastructures, objects, airfields, and civilian buildings.

Upon the start of the invasion, all Ukrainian Black Sea ports stopped work due to armed conflict in the territory of Ukraine, including seas' areas and fully froze exports made via Ukrainian seaports. According to the deal brokered on 22 July by the United Nations and Turkey, also referred as "grain deal", three Ukrainian Black Sea ports (Odesa, Chornomorsk and Pivdenyi) were unblocked beginning in August.

In the face of the invasion, the Ukrainian government has imposed export restrictions for meat and livestock, rye, oats, millet, buckwheat, sugar and dietary salt. Furthermore, the Ukrainian Ministry of Economy will issue export permits for the group of products, subjected for licensing: wheat, chicken meat and eggs.

Recent multiple Russian missile attacks on the Ukrainian civil energy infrastructure damaged the Ukrainian power stations and electricity distribution infrastructure, which caused power supply outages. The risk for the most exposed Oilseed Processing business is partially mitigated by the Group's recent investments in co-generation heat and power facilities, four of which had been already constructed at the crushing plants and now allow to fully cover the consumption needs of the respective oilseed processing operations. In addition, any massive power outages for railway infrastructure as well as export terminals or key silos may disrupt the grain export capabilities.

In 2020, a new coronavirus disease (COVID-19) has begun rapidly spreading all over the world, resulting in the announcement of the pandemic status by the World Health Organization in March 2020. The Management assesses that COVID-19 had low effect on the Group's and Company's operations during the year ended 30 June 2022, as Group's business model of supplying food commodities to global markets is resilient to some extent to COVID-19-related risks and disruptions given the consistent demand for food and feed worldwide.

Note 20 – Going concern

On 24 February 2022 Russian Federation launched a full-scale military invasion of Ukraine, which had a disruptive affect in Ukraine, causing an economical and humanitarian crisis.

The Group considers the direct and indirect exposures to the impacts arising from the war on the business, as mentioned below:

- For the period after the Russian invasion of Ukraine 1150 employees joined Ukrainian military forces and territorial defence, approximately 350 of them were demobilized. Personnel of oil plant production activities and farming business remained in their working area.
- The Group's critical facilities or infrastructure have not suffered any significant damage. The amount of partially or fully damaged fixed assets is USD 592 thousand. Two oilseed crushing plants (Vovchansk and Prykolotne), one district of the agro company with the total land bank 1.5 thousand ha and 290 rail cargo were in the occupied parts of Kharkiv region, with the book value equals to USD 50,300 thousand, as at 30 June 2022. However, as the result of successful counter actions of Ukrainian military forces, Ukraine regained control over this territory. The Group recognized the write-off of inventories, due to the suspension of export and subsequent expiration date of the goods as well as destruction as a result of military actions.
- Export sales of the company consist of 97 % of total external sales, but due to the war, export flow via Ukrainian ports was reduced significantly. Alternative export routes are limited by capacity of the railways and significantly more expensive in comparison with sea. Domestic sales significantly increased, driven by the moderate availability to export goods in ordinary way.

Notes to the annual accounts for the year ended 30 June 2022

Note 20 – Going concern (continued)

- On 22 July 2022 Ukraine together with Turkey and UNN signed Initiative on the Safe Transportation of Grain and Foodstuffs from Ukrainian ports (ISTGFUP), but huge uncertainty remains over its continuation.
- Logistics difficulties and restriction of access to the market led to the lack of crops protection, fuel, fertilizers.
- Oil extraction plants operated partially due to the temporary inability to export sunflower oil via Ukrainian Black Sea ports, two of them Vovchansk and Prykolotne were ceased due to the occupation as of 30 June 2022.
- Military activity in the southern part of Ukraine remains too risky for resuming export operations through seaports, operations of which are partially opened and, consequently, the Group stopped procurement of grain and oilseeds from farmers.
- Group's liquidity position goes under the pressure due to the reduction of revenue and growth of logistic cost for alternative ways of export.
- Bank facilities appeared to be limited.
- Considering the disruptions described above the Group's ability to service debt suffered. The Group successfully negotiated with the banks waivers on the repayment of the loan principal for the period ending 30 September 2022. Respective waivers were obtained prior 30 June 2022 and the Group settled interest payments in a timely manner. As at the date of these consolidated financial statements issue, the Group obtained waivers to extend the terms of repayment of principal of USD 626,694 thousand with the lenders and waiving of the debt covenants and some other conditions by 30 June 2023 and USD 246,353 thousand are in the process of formalizing their waivers.
- As of 30 June 2022, the Group classified its long-term bank borrowings as short-term. As at 30 June 2022 (being the relevant covenant testing date), the Group had exceeded certain ratios for purposes of financial covenants in certain of its bank facilities. Although an effective waiver was in place, such waiver had an expiry date within 12 months of 30 June 2022, and, accordingly, the Group did not have an unconditional right to defer settlement for 12 months or longer with respect to its bank facilities as at 30 June 2022. Accordingly, there was a risk that such loans would be accelerated and become due and payable at a future date within 12 months of the end of the reporting period, which could in turn trigger a cross-acceleration event of default under the Group's outstanding bonds. As a result, the Group also did not have an unconditional to defer settlement of its bonds for 12 months or longer. The Group therefore classified its long-term bonds as short-term as well as the Company in these annual accounts.

Management has reorganized the business process in response to abovementioned impacts:

- The Group's key priority is the safety and security of its employees and their families. The Group is coordinating, 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 activities.
- The Group's land bank accounts 494 thousand hectare and the Group managed to plant 95% of its land bank. The Group finished harvesting of winter crops, and started harvesting of sunflower seeds, the other crops can be harvested in due course.
- In autumn sowing, the Group plans to change the crop structure and increase the area of wheat and soybeans in order to reduce costs for the production of grain crops. As usual corn production requires more fertilizes to grow and more natural gas to dry after harvest.
- Management set up new logistics routes for grain and oil export through Poland, Romania, Lithuania by truck and railway including usage of own railway wagons (accessible quantity is 2,8 thousand). Applying new logistic routes via land borders for the period when the Black Sea ports were closed till 30 June 2022, the Group exported goods for amount USD 120 million for 4th quarter of FY 2022.
- Moreover, on July 22 an Initiative was signed in Istanbul to create a humanitarian corridor for the safe transportation of grain and food products from Ukrainian ports. The Group exported through the corridor 930 thousand tons of grain and 153 thousand tons of meal till 20th of October 2022.

Notes to the annual accounts for the year ended 30 June 2022

Note 20 – Going concern (continued)

- The Group is fully compliant with all sanction's rules and regulations against Russia and Belarus, including those imposed or published by various countries and organizations. Besides, the Group refrains from dealing with person or organization listed in the list of sanction. In this situation the Group does not expect any influence on the supplying chain and payments flow.
- The Group suspended the implementation of several investment projects and reduced the investments in non-current assets.
- The Group's subsidiary Avere keeps operating in the usual mode.
- The Group intends to continue paying interests to its lenders and the coupon to the bondholders while there won't be the repayment of principal amount due to renegotiated terms and continue paying coupons to the bondholders.

The management prepared two scenarios of cash flow forecasts for the next 12 months from the date of the approval of these consolidated financial statements, assuming full operation of the "Grain Corridor" and its suspension from November 2022. The following assumptions were used in the scenarios:

- the "Grain Corridor" deal will continue to be in force until the end of November 2022 and neither of the parties will withdraw from the deal. Respectively, selling prices and transportation costs will be kept at the current level. Under the second scenario, selling prices will be increased as well as transportation cost due to reliance largely on the overland's means of transportation;
- availability of alternative export routes via land borders and other ports;
- availability of railway roads and roads;
- spring sowing and harvesting campaigns will be successful;
- maintaining minimum sales level domestically and export to cover minimum operational expenses level and debt servicing.
- repayment of the loans principal occurs according to the renegotiated terms;
- purchase of grains from the market to maximize its trading margins; under the second scenario, released cash flows will be used to cover increased transportation costs;

Although the Group's financial performance was strong in 2021 calendar year, military actions occurring after 24 February 2022 create material uncertainty for the Group in the future, including the risk of damage of assets (and insurance unlikely to meet the replacement costs), loss of inventory as a result of military actions, ability of Black Sea ports to continue its operations, availability of alternative export routes and disruptions of the farming and oil processing business for the Group and for Ukraine in general. The full extent of the impact of further development of military actions on the Group's business is unknown, but its magnitude might be severe.

Management acknowledges that future development of military actions and their duration represent a single source of material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern and, therefore, the Group may be unable to realize its assets and discharge its liabilities in the normal course of business. Further, as the Company is holding company assessment of its ability to continue as a going concern is highly dependent on the Group's ability to going concern, therefore material uncertainty exists that may cast significant doubt on the Company's ability to continue as going concern.

Note 21 – Subsequent events

In addition to the subsequent events disclosed in Notes 19 and 20 there were the following subsequent events.

As of 31 August 2022, the Company, as the buyer, entered into a share purchase sale agreement to acquire 24% of shares in the authorized capital of the LLC Transshippingservice with the net book value of UAH 16,800.00. In accordance with the agreement the price of share is USD 6,435,533.21.

On 23 September 2022, the Extraordinary General Meeting of Shareholders was held. According to one of the adopted resolutions, the Company approved the creation of an authorized share capital of Kernel Holding S.A., excluding the current issued share capital, of an amount of USD 5,704 thousand consisting of 216,000,000 shares without nominal value.