

KERNEL HOLDING S.A.

OPERATIONS UPDATE FOR THE THREE MONTHS ENDED 31 DECEMBER 2024

Segment volumes

<i>thousand metric tons</i>	Q2 FY2024	Q1 FY2025	Q2 FY2025	y-o-y	q-o-q	1H FY2024	1H FY2025	y-o-y
Oilseeds processed	811	684	973	20%	42%	1,421	1,657	17%
Edible oil sales ¹	368	269	408	11%	52%	708	677	(4%)
Grain and oilseeds received in inland silos	1,264	1,850	745	(41%)	(60%)	2,472	2,595	5%
Export terminal's throughput (Ukraine)	1,805	2,199	2,609	45%	19%	1,967	4,808	2.4x
Grain export from Ukraine ²	1,759	1,477	1,376	(22%)	(7%)	1,962	2,854	45%

Note 1 Includes sales of sunflower oil in bulk and bottled sunflower oil, as well as rapeseed and soybean oil sold in bulk.

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

Preliminary figures; financial year ends 30 June.

Differences are possible due to rounding.

Key operational highlights

- Kernel **processed 973 thousand tons of oilseeds** in Q2 FY2025, a 20% increase y-o-y driven by the commissioning of the brand-new oilseed processing plant in Western Ukraine in February 2024. The processing volumes in October-December 2024 also represent a 42% growth as compared to the previous quarter, during which the Group undertook a regular month-long maintenance period,
 - To maximize capacity utilization, the Group continued offering processing services to third parties under tolling agreements, achieving a total processing volume of 50 thousand tons of oilseeds in Q2 FY2025.
 - Due to the limited availability of sunflower seeds in the market, three of Kernel's plants were processing other oilseeds, crushing 93 thousand tons of soybeans and 14 thousand tons of rapeseeds during the reporting period. Nevertheless, in January 2025 one of Kernel's plants ceased operations due to the deficit of feedstock on the market.
- In Q2 FY2025, **edible oil sales** rose by 52% q-o-q and 11% y-o-y, reaching 408 thousand tons, driven by increased oilseed processing volumes. Of this total, bottled sunflower oil comprised 26 thousand tons.
- With an earlier start to the harvesting season, the Group's **silos intake volume** in Q2 FY2025 normalized at 745 thousand tons, bringing the total for H1 FY2025 to 2.6 million tons, which reflects a modest 5% y-o-y increase.
- The Group's **grain export volume** in Q2 FY2025 reached 1,376 thousand tons, reflecting a 7% decrease q-o-q and a 22% decline y-o-y on the back of lower grain harvest in Ukraine. The pressure of supply shortage will sustain for the whole season, impacting not only grain export volumes, but also margins, due to slow farmer selling.
 - At the same time, the export volumes on a semi-annual basis (2,854 thousand tons for the first six months of FY2025) resulted in a 45% y-o-y increase, primarily as a result of a low comparison base, as exports in the 1H FY2024 were undermined by blocked Black Sea for shipments from Ukraine.
- Despite the slowdown in grain exports, **export terminal throughput** in Q2 FY2025 reached 2.6 million tons, representing a 19% increase q-o-q. Grain transshipment stood at 1,859 thousand tons in October-December 2024, edible oil handling amounted to 438 thousand tons, with the remainder coming from vegetable meals.

For further information, please contact:

Michael Iavorskyi, IR Manager
+38 044 461 88 01, ext. 72-75
ir@kernel.ua

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