H1 FY2025

KERNEL

Condensed Consolidated Interim Financial Statements

for the six months ended 31 December 2024

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for the six months ended 31 December 2024

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Management discussion and analysis

for the three and six months ended 31 December 2024

Income statement highlights

- Consolidated **revenue** of Kernel Holding S.A. group of companies (hereinafter "Kernel" or the "Group") in Q2 FY2025 expanded by 10% y-o-y, totaling USD 1,149 million. This increase was primarily fueled by a rise in edible oil sales, which benefited from both higher export volumes and increased global edible oil prices.
- **Net loss arising from changes in the fair value of biological assets** amounted to USD 33 million in Q2 FY2025, compared to a USD 12 million loss for the same period of the previous year.
- Corresponding to the revenue uptick, the Group's **cost of sales** escalated by 18% y-o-y, reaching USD 960 million, mainly driven by a 45% y-o-y surge in cost of goods for sale and raw materials used, reflecting intensified competition for the feedstock and supply constraints. In contrast, shipping and handling expenses declined by 52% y-o-y, comprising just 10% of the total cost of sales, owing to the lower freight rates supported by stable Black Sea export operations.
- Driven by the surge in the cost of sales, which outpaced revenue growth, the **gross profit** for Q2 FY2025 saw a contraction of 28% y-o-y and 5% q-o-q, totaling USD 157 million.
- **Other operating income** for three months ending 31 December 2024 resulted in USD 10 million, down 55% q-o-q, primarily reflecting gains on contracts wash-outs (price difference settlement), stock take, and received fines and claims accrued for oil and grain trading operations.
- During the reporting period, **other operating expenses** totaled USD 6 million, primarily reflecting losses incurred from derivative operations.
- Additionally, **general and administrative expenses** in the second quarter of FY2025 rose sharply by 42% y-o-y, reaching USD 75 million. This surge was mainly attributable to higher payroll and payroll-related costs, as well as an increase in legal and professional fees.
- Kernel's **EBITDA** in Q2 FY2025 amounted to USD 118 million (down 42% y-o-y), with segment contributions being as follows:
  - The **Oilseeds Processing** segment generated USD 44 million, reflecting a 42% y-o-y decline, primarily due to the unfavorable supply-demand balance for sunflower seeds in Ukraine.
  - The **Infrastructure and Trading** segment EBITDA spiked by 2.1x y-o-y, reaching USD 78 million in October-December 2024, almost half of which was a contribution of Avere's trading business. The operations in Ukraine resulted in USD 41 million EBITDA, primarily driven by the export terminals' earnings.
  - The **Farming** EBITDA ended up at USD 26 million in Q2 FY2025, down 75% y-o-y, including USD 33 million non-cash loss from change in the fair value of biological assets.
  - **Unallocated corporate expenses** stood at USD 30 million, primarily comprising payroll-related costs and professional fees.
- In Q2 FY2025, the Group's finance costs amounted to USD 20 million, marking a 46% y-o-y decline, primarily driven by lower interest expenses on bank loans and corporate bonds owing to a reduced debt level over the past year. Meanwhile, finance income totaled USD 8 million, which marks a 58% decline compared to the previous year. Consequently, **net finance costs** decreased by 35%

US$ million except ratios and EPS	Q2 FY2024	Q1 FY2025	**Q2 FY2025**	y-o-y	q-o-q	H1 FY2024	**H1 FY2025**	y-o-y
Income statement highlights								
Revenue	1,044	798	**1,149**	*10%*	*44%*	1,590	**1,947**	*22%*
EBITDA [1]	205	169	**118**	*(42%)*	*(30%)*	223	**287**	*29%*
Net profit attributable to equity holders of the Company	133	121	**56**	*(58%)*	*(54%)*	102	**177**	*73%*
EBITDA margin	19.6%	21.2%	**10.3%**	*(9.4pp)*	*(10.9pp)*	14.1%	**14.7%**	*0.7pp*
Net margin	12.7%	15.2%	**4.9%**	*(7.9pp)*	*(10.3pp)*	6.4%	**9.1%**	*2.6pp*
Earnings per share [2], USD	0.45	0.41	**0.19**	*(58%)*	*(54%)*	0.46	**0.60**	*30%*
Cash flow highlights								
Operating profit before working capital changes	224	148	**49**	*(78%)*	*(67%)*	277	**197**	*(29%)*
Change in working capital	4	(56)	**(22)**	*n/a*	*(60%)*	(107)	**(78)**	*(27%)*
Finance costs paid, net	(37)	(2)	**(24)**	*(35%)*	*12x*	(54)	**(26)**	*(51%)*
Income tax paid	1	(35)	**(4)**	*n/a*	*(87%)*	(19)	**(39)**	*2.1x*
Net cash generated by / (used in) operating activities	192	56	**(2)**	*n/a*	*n/a*	97	**54**	*(44%)*
Net cash generated by / (used in) investing activities	165	(20)	**(62)**	*n/a*	*3.1x*	97	**(82)**	*n/a*

	31 Dec 2023	30 Sep 2024	**31 Dec 2024**	y-o-y	q-o-q
Liquidity and credit metrics					
Net debt	453	261	**325**	*(28%)*	*25%*
Commodity inventories [3]	448	435	**441**	*(2%)*	*1%*
Adjusted net debt [4]	4	(174)	**(116)**	*n/a*	*(33%)*
Shareholders' equity	1,871	1,966	**2,005**	*7%*	*2%*
Net debt / EBITDA [5]	1.4x	0.5x	**0.7x**	*-0.7x*	*+0.2x*
Adjusted net debt / EBITDA [5]	0.0x	(0.3x)	**(0.3x)**	*-0.3x*	*+0.1x*
EBITDA / Interest [6]	3.1x	10.7x	**10.4x**	*+7.2x*	*-0.4x*

Note: Financial year ends 30 June, Q1 ends 30 September.

1 Hereinafter, EBITDA is calculated as the sum of the profit from operating activities plus amortization and depreciation.

2 EPS is measured in US Dollars per share based on weighted average number of shares per period: 293.4 million shares for Q2 FY2024, Q1 FY2025 and for Q2 FY2025, 220.6 million shares for H1 FY2024, and 293.4 million shares for H1 FY2025.

3 Commodity inventories are inventories such as corn, wheat, sunflower oil, and other products that were easily convertible into cash before the Russian invasion of Ukraine given their commodity characteristics, widely available markets, and the international pricing mechanism. The Group used to call such inventories as "Readily marketable inventories", but after the beginning of the war in Ukraine, the Group faced difficulties selling such inventories, and therefore such inventories cannot any longer be considered as readily marketable.

4 Adjusted net debt is the sum of short-term interest-bearing debt, current maturities of long-term interest-bearing debt, long-term interest-bearing debt and lease liabilities, less cash and cash equivalents and commodity inventories at cost.

5 Calculated based on 12-month trailing EBITDA.

6 Calculated based on 12-month trailing EBITDA and net finance costs.

Hereinafter differences between totals and sums of the parts are possible due to rounding.

Segment results summary

	Revenue, USD million			EBITDA, USD million			Volume, thousand tons [1]			EBITDA margin, USD/t [2]		
	Q2 FY2024	**Q2 FY2025**	y-o-y	Q2 FY2024	**Q2 FY2025**	y-o-y	Q2 FY2024	**Q2 FY2025**	y-o-y	Q2 FY2024	**Q2 FY2025**	y-o-y
Oilseed Processing	518	**570**	*10%*	76	**44**	*(42%)*	368	**408**	*11%*	206	**107**	*(48%)*
Infrastructure and Trading	574	**640**	*12%*	37	**78**	*2.1x*	1,759	**1,376**	*(22%)*	21	**57**	*2.7x*
Farming	147	**142**	*(4%)*	103	**26**	*(75%)*						
Unallocated corporate expenses				(11)	**(30)**	*2.6x*						
Reconciliation	(195)	**(203)**	*4%*									
Total	**1,044**	**1,149**	***10%***	**205**	**118**	***(42%)***						

	Revenue, USD million			EBITDA, USD million			Volume, thousand tons [1]			EBITDA margin, USD/t [2]		
	H1 FY2024	**H1 FY2025**	y-o-y	H1 FY2024	**H1 FY2025**	y-o-y	H1 FY2024	**H1 FY2025**	y-o-y	H1 FY2024	**H1 FY2025**	y-o-y
Oilseed Processing	899	**943**	*5%*	134	**80**	*(40%)*	708	**676**	*(5%)*	189	**119**	*(37%)*
Infrastructure and Trading	881	**1,095**	*24%*	43	**131**	*3.0x*	1,962	**2,853**	*45%*	22	**46**	*2.1x*
Farming	170	**249**	*46%*	80	**110**	*38%*						
Unallocated corporate expenses				(34)	**(35)**	*2%*						
Reconciliation	(360)	**(339)**	*(6%)*									
Total	**1,590**	**1,947**	***22%***	**223**	**287**	***29%***						

Note 1 Vegetable oil sales volumes for Oilseed Processing; physical grain volumes exported (ex. Avere) for Infrastructure and Trading.
Note 2 USD per ton of oil sold for Oilseed Processing; USD per ton of grain exported (ex. Avere volumes) for Infrastructure and Trading.

y-o-y, resulting in USD 12 million.

- **Other expenses** in Q2 FY2025 dropped by 28% y-o-y to USD 10 million, mostly comprising social spending of the Group for the period.
- Accounting also for USD 13 million income tax expenses, **net profit attributable to shareholders** in Q2 FY2025 reached USD 56 million, a 58% decline y-o-y.

Cash flow highlights

- The Group generated USD 49 million in **operating profit before working capital changes** during October-December 2024, down 67% q-o-q and 78% y-o-y, being the lowest quarterly result since Q4 FY2018. This figure diverges significantly from the EBITDA result for the quarter, primarily due to the impact of a non-cash trading gain recognized by Avere and loss from change in fair value of biological assets.
- **Changes in working capital** resulted in a USD 22 million cash outflow during the reporting period. A USD 57 million reduction in trade account payable was largely offset by a USD 44 million decrease in trade receivables. Meanwhile, the accumulation of oilseed processing products and seasonal accumulation of commodity inventories following post-harvest procurement of grain drove a USD 39 million increase of inventories.
- **Net cash used in investing activities** amounted to a USD 62 million, primarily comprising USD 37 million purchase of the financial assets as a part of the allocation of the excess liquidity available, USD 23 million purchase of property, plant, and equipment together with intangible and other non-current assets, and USD 4 million paid for the acquisition of the small farming entity in Ukraine.
- In Q2 FY2025, **net cash used in financing activities** amounted to USD 182 million, mainly reflecting the repayment of USD 300 million in corporate bonds, partially offset by USD 134 million in net proceeds from borrowings.

Credit highlights

- During Q2 FY2025, the Group's **debt liabilities** declined by USD 184 million (or 16% q-o-q) to USD 945 million:
  - On 17 October 2024, Kernel successfully completed the scheduled redemption of its USD 300 million 6.5% coupon bonds due in 2024, fully settling the principal amount along with the accrued coupons.
  - Subsequently, on 23 October 2024, a USD 150 million pre-export facility became effective to support sunflower oil export operations and meet working capital needs for the current financial year. This financing was secured from a syndicate of European banks, strengthening the Group's liquidity position.
- Reflecting negative cash flows from operating, investing, and financing activities during the reporting period, the Group's cash balance contracted by 29% q-o-q to USD 620 million. Consequently, **net debt** increased by 25%, reaching USD 325 million as of 31 December 2024, compared to USD 261 million as of 30 September 2024. Nonetheless, on a y-o-y basis, net debt declined by 28%, down from USD 453 million as of 31 December 2023.
- **Commodity Inventories** (the "**CI**") saw a modest 1% increase during Q2 FY2025, totaling USD 441 million as of 31 December 2024. The value of sunflower seed inventories declined by 43% q-o-q to USD 82 million, while stock of oilseed processing products (edible oil and meal) surged 73% q-o-q to USD 163 million. At the same time, grain inventories remained stable at USD 196 million.
  - Volume wise, the edible oil in bulk rose by 43% q-o-q, reaching 134 thousand tons, while grain inventories – primarily corn, wheat, and soybeans – remained stable at 959 thousand tons. At the same time, vegetable meal stocks stood at 78 thousand tons, whereas sunflower seed inventories dropped by 49% q-o-q to 173 thousand tons.
  - Noticeably, inventory costs per ton surged compared to 31 December 2023, with grain costs rising by 50% and sunflower seed costs increasing by 68%.
- As a result, CI exceeded net debt by USD 116 million, leading to a negative **adjusted net debt** of USD 116 million as of 31 December 2024.
- The Group's **leverage** strengthened over Q2 FY2025, with the Net-debt-to-EBITDA decreasing to 0.7x. At the same time, the interest coverage ratio, calculated on the last twelve months basis, remained exceptionally strong at 10.4x EBITDA-to-Interest.
- On 3 December 2024, S&P Global Ratings upgraded Kernel's credit rating to CCC, reflecting the Group's improved financial position and repayment capacity following the successful settlement of its Eurobond in October 2024.

Segment volumes

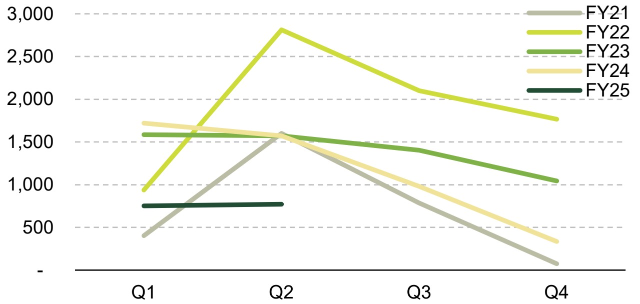
thousand tons	Q2 FY2024	Q2 FY2025	*y-o-y*
Oilseeds processed	811	973	*20%*
Sunflower oil sales	368	408	*11%*
Grain and oilseeds received in inland silos	1,264	745	*(41%)*
Export terminal throughput (Ukraine)	1,805	2,609	*45%*
Grain export from Ukraine	1,759	1,376	*(22%)*

Market environment and segment performance

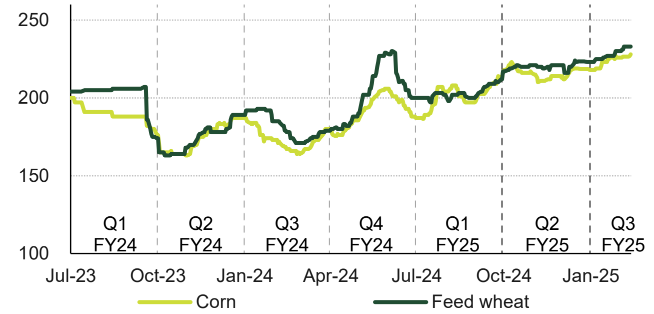
Infrastructure and Trading

- The market environment for the Infrastructure and Trading segment this season remains challenging, driven by a combination of **lower corn harvest size in Ukraine and reduced carry-over stocks**.
  - With stable export operations via Black Sea ports since mid-October 2023, most of the 2022 and 2023 harvest stocks were sold before the 2024 crop was harvested, leaving less than 2 million tons of carry-over stocks (three main crops: corn, wheat, and barley) for the 2024/25 season.
  - Ukraine's total grain harvest declined to 53 million tons, marking a 9% y-o-y decrease, largely due to lower spring crop yields. Despite stable planted areas, corn yields dropped by 16% y-o-y, affected by insufficient rainfall. In contrast, winter crops benefited from favorable weather conditions, mitigating some of the overall production decline.
  - Combination of these two factors reduced storage capacity pressure, allowing farmers greater flexibility in managing grain inventory, decreasing the urgency to sell immediately after harvest, and slowing the grain sales pace. The supply shortage is expected to persist throughout the season, weighing export volumes, margins, and infrastructure asset utilization. As a result, we estimate that the total volume of grains (corn, wheat, and barley) exported from Ukraine this season will decline by 21% y-o-y, to 38.5 million tons.
- Due to lower grain supply in Ukraine, the Group's **grain export** volume in Q2 FY2025 reached 1,376 thousand tons, down 7% q-o-q and 22% y-o-y. Nevertheless, Kernel maintained its market position, accounting for 11% of Ukraine's total grain exports.
  - As of 31 December 2024, the Group's grain inventory available for sale reached its lowest level in the past five financial years, comprising 514 thousand tons of corn and 257 thousand tons of wheat.
- Despite the slowdown in grain exports, **export terminal throughput** in Q2 FY2025 reached 2.6 million tons, representing a 19% increase q-o-q and a 45% growth y-o-y.
  - Grain transshipment volumes in Q2 FY2025 increased by 29% y-o-y to 1,859 thousand tons, mostly driven by the transshipment services provided to other parties. In total, the Group handled 583 thousand tons of third-party goods at its port facilities.
  - Edible oil handling totaled 438 thousand tons (up 3.4x y-o-y). This surge in edible oil volumes was underpinned by the acquired vegetable oil transshipment terminal in the port of Chornomorsk, which became operational in January 2024.
  - The remainder of transshipment volumes (312 thousand tons) comprised vegetable meals produced by Kernel's oilseed processing plants and exported from Ukraine.
- Given an earlier beginning of the harvesting season, in Q2 FY2025, the Group's **silo intake** volume normalized at 745 thousand tons, bringing the total volume to 2.6 million tons for H1 FY2025 (a modest 5% y-o-y increase).
- Segment's **EBITDA** in Q2 FY2025 soared 2.1x y-o-y, to USD 78 million. Of that, Avere's trading business contributed a USD 37 million in EBITDA, while Kernel's grain and edible oil export value chain in Ukraine delivered USD 41 million. Export terminals were the primary profit driver, delivering USD 27 million in October-December 2024. Additionally, silo services contributed USD 7 million to the segment's results. Grain railcars, vessel fleet, and grain trading margins were suppressed in Q2 FY2025 resulting in minor earnings.

Kernel grain inventory
thousand tons



Corn and wheat prices, FOB Ukraine
USD per ton

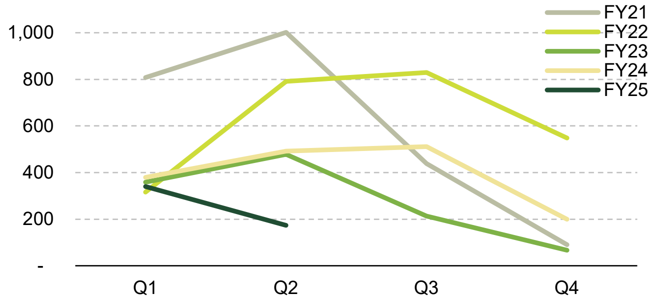


Source: Agricensus, Kernel

Oilseed Processing

- In the 2024/25 season, the oilseed processing industry is navigating a challenging supply-demand landscape, as the limited availability of sunflower seeds significantly impacts processing volumes.
  - With a harvest of 12.1 million tons of sunflower seeds in Ukraine and low incoming stocks, crushers struggle to secure sufficient feedstock, reducing utilization rates across oilseed processing plants.
  - At the same time, crushing capacity in Ukraine has surged to 20 million tons per annum this season, far exceeding the available seed supply and intensifying competition among processors. The combination of low seed availability and excess processing capacity has put margins under severe pressure.
- 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 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.
  - While Q2 FY2025 looks solid on the crushing volumes side, the rest of the year will be challenging in securing enough oilseeds to maintain high utilization of the oilseed processing plants. As of 31 December 2024, Kernel had **the lowest-ever stock of sunflower seeds** as of the middle of the season, standing at 173 thousand tons only. Due to this, in January-February 2025, four

Kernel sunflower seeds inventory
thousand tons



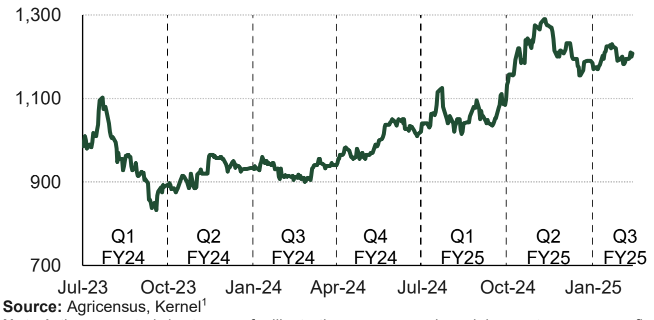
of Kernel's plants were temporarily idle or significantly underutilized due to the deficit of feedstock available on the market.

- **Edible oil sales** rose by 52% q-o-q and 11% y-o-y, reaching 408 thousand tons, reflecting higher crushing volumes in Q2 FY2025. Bottled sunflower oil accounted for 26 thousand tons of the total sales.
- For the three months ended 31 December 2024, the **EBITDA margin** contracted by 48% y-o-y to USD 107 per ton of oil sold, reflecting the challenging market dynamics in the oilseed processing sector, as outlined above. Excluding the contribution from electricity generation, the EBITDA margin amounted to USD 93 per ton of edible oil sold.
- Consequently, segment **EBITDA** declined by 42% y-o-y, reaching USD 44 million.

Farming

- During July-December 2024, the Group realized 1,025 thousand tons of crop of its own production, with wheat representing 44%, corn accounting for 43%, and the remainder comprising oilseeds, including sunflower seeds, rapeseeds, and soybeans. Over 350 thousand tons of corn, more than 140 thousand tons of wheat, and around 100 thousand tons of sunflower seeds are yet to be sold.
- Segment EBITDA in Q2 FY2025 amounted to USD 26 million EBITDA, bringing the total figure for H1 FY2025 to USD 110 million, a 38% increase y-o-y. Farming profitability this season is driven by higher sales prices and lower costs, albeit undermined by lower crop yields achieved.
  - The 2024 summer drought across Ukraine severely impacted crop production, causing notable yield declines for spring crops. Corn yields fell 17% y-o-y to 8.4 tons per hectare, while soybean yields dropped 25% y-o-y to 2.2 tons per hectare. In contrast, sunflower yields remained stable in Kernel's operating regions, demonstrating greater resilience compared to other crop-producing areas. Despite these challenges, corn and sunflower seeds emerged as the primary earnings drivers for the segment, benefiting from rising grain and oilseed prices.
- The Group is gearing up for the upcoming spring sowing campaign, strategically adjusting its crop mix for the 2025 harvest to align with the more sustainable practices maintained before the full-scale war in Ukraine.
  - Corn acreage is projected at 168 thousand hectares, nearly doubling y-o-y and accounting for 49% of the total expected sowing area.
  - In contrast, the sunflower seed acreage is set to decrease by 34% y-o-y, to 44 thousand hectares (or 13% in the crop structure), as the Group continues to optimize land use and restore long-term agronomic sustainability. Although being economically significant, sunflowers can deplete soil nutrients and are susceptible to pests and diseases when cultivated consecutively.
  - The soybean acreage, reintroduced into the Group's crop mix

Sunflower oil prices, FOB 6 Ports[1]
USD per ton of unrefined oil sold in bulk



Source: Agricensus, Kernel[1]
Note 1: the presented chart serves for illustration purposes only and does not necessary reflect prices for the sunflower oil of Black Sea origin.

  two years ago, is set to decrease to 27 thousand hectares, down from the record-high 72 thousand hectares planted year ago.
  - As of the date of this report, the winter crops – including 95 thousand hectares of winter wheat and 3.45 thousand hectares of rapeseed – are in overall good condition, with no significant risks beyond the usual seasonal factors at this stage.
- To maintain the integrity of the Group's landbank, offsetting the natural loss of land due to the non-renewal of lease agreements by landowners, Kernel acquired an agricultural enterprise with lease rights over 3.6 thousand hectares in Q2 FY2025.

Principal Risks and Uncertainties

for the three and six months ended 31 December 2024

Kernel's management identifies ten principal risks that could materially influence the Company's operations and financial results:

Strategic (Business) risks:

- Weak harvest in Ukraine
- Logistics disruption;
- Loss of critical infrastructure;
- Low global soft commodity prices;
- Loss of inventories;

Operational risks:

- Trade position risk due to the unforeseen market volatility;
- Credit and counterparty risks;
- Information security and IT;
- Disruption or limitation of the electricity supply;
- Human capital risk.

For a detailed disclosure of the possible impact of most of the key risks and our management approach, please refer to pages 30-34 of the annual report for the year ended 30 June 2024, available at www.kernel.ua.

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

- Liquidity associated risks;
- Failure to maintain the integrity of the leasehold farmland bank;
- Fraudulent activities;
- A shortfall of proceeds from sales of renewable energy;
- Investment projects management associated 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 to the implementation of the European Green Deal; low sustainability rating of Kernel may increase the 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;
- 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.

Significant Events

for the three and six months ended 31 December 2024

- On 27 November 2024, the Vice-President of Luxembourg District Court issued a summary order according to which all claims brought by the claimants in legal action against the Company and its majority shareholder, Namsen Limited, to seek the suspension of the resolutions adopted during the Company's Annual General Meeting on 11 December 2023, were declared inadmissible and, as a consequence, rejected. Additionally, the claimants were ordered to pay procedural indemnities to both the Company and Namsen Limited.

  This ruling reaffirms the Company's unwavering commitment to robust corporate governance geared towards ensuring long-term success and shareholder confidence, transparency, and strict adherence to legal frameworks. It highlights the unfounded nature of claims pursued by this small minority faction.
- On 10 December 2024, Kernel Holding S.A. held its **Annual General Meeting of Shareholders**, which adopted the following resolutions with immediate effect:
  - The general meeting, after having reviewed the management report of the board of directors of the Company and the report of the independent auditor of the Company for the financial year ended on 30 June 2024, approves these reports.
  - The general meeting, after having reviewed the management report of the board of directors of the Company and the report of the independent auditor of the Company, approves in their entirety the Consolidated Financial Statements of the Company for the financial year ended on 30 June 2024, with a resulting consolidated net profit attributable to equity holders of the Company of one hundred sixty-seven million nine hundred and fifty-two thousand US dollars (USD 167,952,000.-).
  - The general meeting, after having reviewed the management report of the board of directors and the report of the independent auditor of the Company, approves in their entirety the Parent Company's annual accounts (unconsolidated) for the financial year ended on 30 June 2024, with a resulting net profit for Kernel Holding S.A. as parent company of the Kernel Holding S.A. group of fifty-three million fifty thousand seven hundred thirteen US dollars and fifteen cents (USD 53,050,713.15).
  - The general meeting approves the proposal of the board of directors (i) to carry forward the net profit of the Parent Company annual accounts (non-consolidated) of fifty-three million fifty thousand seven hundred thirteen US dollars and fifteen cents (USD 53,050,713.15) and (ii) after allocation to the legal reserve of the Company, to declare a dividend at nil for the financial year ended on 30 June 2024.
  - The general meeting decides by an advisory vote to approve the remuneration report as contained in the annual report of the Company for the financial year ended on 30 June 2024.
  - The general meeting decides to grant discharge to the directors of the Company for their management duties and the exercise of their mandates in the course of the financial year ended on 30 June 2024.
  - The general meeting, having acknowledged the end of the mandates of directors and in consideration of the proposal to reappoint Mr. Andrii Miski-Oglu for a one-year term, decides to renew the mandate of Mr. Andrii Miski-Oglu for a one-year term mandate, which shall terminate on the date of the general meeting of shareholders to be held in 2025.
  - The general meeting, having acknowledged the end of the mandates of directors and in consideration of the proposal to reappoint Mrs. Daria Anna Danilczuk Masri for a one-year term, decides to renew the mandate of Mrs. Daria Anna Danilczuk Masri for a one-year term mandate, which shall terminate on the date of the general meeting of shareholders to be held in 2025.
  - The general meeting, having acknowledged the end of the mandates of directors and in consideration of the proposal to reappoint Mr. Mykhaylo Mishov for a one-year term, decides to renew the mandate of Mr. Mykhaylo Mishov for a one-year term mandate, which shall terminate on the date of the general meeting of shareholders to be held in 2025.
  - The general meeting, having acknowledged the end of the mandates of directors and in consideration of the proposal to reappoint Mrs. Anastasiia Usachova for a one-year term, decides to renew the mandate of Mrs. Anastasiia Usachova for a one-year term mandate, which shall terminate on the date of the general meeting of shareholders to be held in 2025.
  - The general meeting, having acknowledged the end of the mandates of directors and in consideration of the proposal to reappoint Mr. Yuriy Kovalchuk for a one-year term, decides to renew the mandate of Mr. Yuriy Kovalchuk for a one-year term mandate, which shall terminate on the date of the general meeting of shareholders to be held in 2025.
  - The general meeting, having acknowledged the end of the mandates of directors and in consideration of the proposal to reappoint Mr. Yevgen Osypov for a one-year term, decides to renew the mandate of Mr. Yevgen Osypov for a one-year term mandate, which shall terminate on the date of the general meeting of shareholders to be held in 2025.
  - The general meeting, having acknowledged the end of the mandates of directors and in consideration of the proposal to reappoint Mr. Sergiy Volkov for a one-year term, decides to renew the mandate of Mr. Sergiy Volkov for a one-year term mandate, which shall terminate on the date of the general meeting of shareholders to be held in 2025.
  - The general meeting acknowledges and, to the extent necessary, ratifies the payment of the annual director fees (tantiemes) paid to Mr. Andrii Miski-Oglu and Mr. Mykhailo Mishov, as non-executive directors, for their previous term in office, which amounted in total to one hundred sixty thousand US dollars (USD 160,000.-).
    The general meeting acknowledges, approves and, to the extent necessary, ratifies the payment of the attendance fees (jetons de présence) to Mrs. Daria Anna Danilczuk Masri, as non-executive director, for her previous term in office which amounts in total to eighty thousand US dollars (USD 80,000.-).
    The general meeting approves a total gross annual amount of one hundred sixty thousand US dollars (USD 160,000. -) as the annual director fees (tantiemes) of Andrii Miski-Oglu and Mykhailo Mishov, as non-executive directors, for the new one-year mandate, which shall terminate on the date of the annual general meeting of shareholders to be held in 2025.
    The general meeting approves a total of eight thousand US dollars (USD 8,000) per each statutory session of the board of directors, each statutory session of the audit committee, and each statutory session of the sustainability committee, as attendance fees (jetons de présence) for Mrs. Daria Anna Danilczuk Masri, as nonexecutive director, for the new one-year mandate, which shall terminate on the date of the annual general meeting of shareholders to be held in 2025.
  - The general meeting, having acknowledged that fees (tantiemes) paid to the executive directors for their previous term as members of the board of directors amounted in total to two hundred forty thousand US dollars (USD 240,000.-), approves the executive directors' fees for the new one-year mandate, which shall terminate on the date of the annual general meeting of shareholders to be held in 2025, for a total gross annual amount of two hundred forty thousand US dollars (USD 240,000.-) including two hundred thousand US dollars (USD 200,000.-) to be paid to the chairman of the board of directors.
  - The general meeting grants discharge to the independent auditor of the Company, PwC Société cooperative, having its registered office at 2, rue Gerhard Mercator B.P. L-1014 Luxembourg, registered with the Luxembourg Trade and Companies' Register under number B 65 477 for the financial year ended on 30 June

2024.

- The general meeting, following proposal by the board of directors to reappoint PwC Société cooperative, having its registered office at 2, rue Gerhard Mercator B.P. L-1014 Luxembourg, registered with the Luxembourg Trade and Companies' Register under number B 65 477 as independent auditor of the Company, resolves to reappoint PwC Société cooperative, having its registered office at 2, rue Gerhard Mercator B.P. L-1014 Luxembourg, registered with the Luxembourg Trade and Companies' Register under number B 65 477 as independent auditor of the Company for a one-year term mandate, which shall terminate on the date of the annual general meeting of shareholders to be held in 2025.

- On 28 January 2025, the Company received a notification from Namsen Limited, a legal entity closely associated with a person discharging management responsibilities at the Company, about the manager's transactions that occurred on 27 January 2025. As a result of these transactions, Namsen Limited acquired 2,032,127 Company's shares at a price of EUR 3.93 per share, thereby increasing its total shareholding to 278,947,016 shares of Kernel Holding S.A., representing 95.06% of total shares issued and voting rights.

  Consequently, Namsen Limited has become the majority shareholder (the "Majority Shareholder") within the meaning of the Luxembourg Law of 21 July 2012 on mandatory squeeze-out and sell-out of securities of companies currently admitted or previously admitted to trading on a regulated market or having been offered to the public and amending the law of 23 December 1998 establishing a financial sector supervisory commission (the "**Squeeze-Out/Sell-Out Law**").

  Under the provisions of the Squeeze-Out/Sell-Out Law, the Majority Shareholder may henceforth require the holders of remaining shares (hereafter also referred to as "**minority shareholder(s)**") to sell their shares (mandatory squeeze-out). The mandatory squeeze-out must be exercised at a fair price according to objective and adequate methods applying to asset disposals.

  Conversely, one or more minority shareholders may also require the Majority Shareholder to buy their shares (mandatory sell-out). The mandatory sell-out must be exercised at a fair price according to objective and adequate methods applying to asset disposals. Both processes are further explained in Current report no. 04/2025.

Alternative Performance Measures

for the three and six months ended 31 December 2024

To comply with the ESMA Directive on Alternative Performance Measures ("APMs"), Kernel Holding S.A. (hereinafter "the Group") presents this additional disclosure, which enhances the comparability, reliability, and comprehension of its financial information.

The Group presents its results in accordance with generally accepted accounting principles (IFRS), but, nonetheless, management considers that certain supplemental non-IFRS measures, such as

- **EBITDA**;
- **EBITDA margin**;
- **Segment EBITDA**;
- **Segment EBITDA margin**;
- **Investing Cash Flows net of Fixed Assets Investments**;
- **Net Fixed Assets Investments**;
- **Operating Cash Flows before Working Capital Changes**;
- **Free Cash Flows to the Firm**;
- **Debt Liabilities**;
- **Net Debt**;
- **Commodity Inventories**;
- **Adjusted Net Debt**; and
- **Adjusted Working Capital**;

(together, the '**Alternative Performance Measures**') provide investors with a supplemental tool to assist in evaluating current business performance.

The Group believes the **Alternative Performance Measures** are frequently used by securities analysts, investors, and other parties interested in evaluating companies in the Group's industry. The **Alternative Performance Measures** have limitations as analytical tools, and investors should not consider any of them in isolation or any combination of them together as a substitute for analysis of the Company's operating results as reported under IFRS. Other companies in the industry may calculate these **Alternative Performance Measures** differently or may use them for different purposes than Kernel Holding S.A, limiting their usefulness as comparative measures. Each of the **Alternative Performance Measures** is defined below.

EBITDA and EBITDA margin

The Group uses **EBITDA**[1] as a key measure of operating performance, and it is defined as profit from operating activities adding back amortization and depreciation.

The Group defines **EBITDA margin** as **EBITDA** divided by revenue during the reported period.

Kernel Holding S.A. views **EBITDA** and **EBITDA margin** as the key measures of the Group's performance. The Group uses **EBITDA** and **EBITDA margin** in its public reporting, which is also related to the listing of the Company's equity on the Warsaw Stock Exchange. The Group believes that these measures better reflect the Group and its subsidiaries' core operating activities and provide both management and investors with information regarding operating performance, which is more useful for evaluating the financial position of the Group and its subsidiaries than traditional measures, to the exclusion of external factors unrelated to their performance.

EBITDA and **EBITDA margin** have limitations as analytical tools, and investors should not consider these measures in isolation or in any combination with Non-IFRS Measures as a substitute for analysis of the Group's operating results as reported under IFRS. Some of these limitations are as follows:

- **EBITDA** and **EBITDA margin** do not reflect the impact of finance costs, the significance of which reflects macroeconomic conditions and has little effect on the Group's operating performance;
- **EBITDA** and **EBITDA margin** do not reflect the impact of taxes on the Group's operating performance;
- **EBITDA** and **EBITDA margin** do not reflect the impact of depreciation and amortization on the Group's performance. The assets of the Group, which are being depreciated and/or amortized, will need to be replaced in the future and such depreciation and amortization expenses may approximate the cost of replacing these assets in the future. By excluding this expense from **EBITDA** and **EBITDA margin**, such measures do not reflect the Group's future cash requirements for these replacements;
- **EBITDA** and **EBITDA margin** do not reflect the impact of the share of income/loss of joint ventures, which are accounted under the equity method;
- **EBITDA** and **EBITDA margin** do not reflect the impact of foreign exchange gain/(loss), which the Group does not consider to be part of its core operating performance because the main difference arises on transactions between entities of the Group with different functional currencies;
- **EBITDA** and **EBITDA margin** do not reflect the impact of other expenses; as such expenses are not a part of Group's core operations.

Reconciliation of profit before income tax to **EBITDA** and **EBITDA margin**:

in thousand USD except the margin	Q2 FY2024	Q2 FY2025	H1 FY2024	H1 FY2025
Profit from operating activities	**175,308**	**91,339**	**173,926**	**232,347**
add back:				
Amortization and depreciation	29,529	26,706	49,545	54,849
EBITDA	**204,837**	**118,045**	**223,471**	**287,196**
Revenue	**1,043,597**	**1,149,477**	**1,589,860**	**1,947,172**
EBITDA margin	**20%**	**10%**	**14%**	**15%**

[1] In other documents (e.g. listing particulars) the Group could use the term Adjusted EBITDA, which is calculated as profit before income tax adding back net finance costs, net foreign exchange gain, net other expenses, share of income/(loss) of joint ventures, and amortization and depreciation, and coming to the same result as EBITDA

Alternative Performance Measures continued

for the three and six months ended 31 December 2024

Segment EBITDA and Segment EBITDA margin

The Group uses **Segment EBITDA** and **Segment EBITDA margin** as the key measures of segment operating performance. The Group defines **Segment EBITDA** as profit/(loss) from operating activities adding back amortization and depreciation.

The Group defines **Segment EBITDA margin** as **Segment EBITDA** divided by the segment revenue during the reporting period.

Calculation of Segment EBITDA and Segment EBITDA margin:

in thousand USD	Q2 FY2024	Q2 FY2025	H1 FY2024	H1 FY2025
Oilseed Processing				
Profit from operating activities	68,027	34,896	118,580	62,810
plus Amortization and depreciation	7,863	8,774	15,584	17,480
Segment EBITDA	**75,890**	**43,670**	**134,164**	**80,290**
Segment revenue	517,671	569,712	899,342	942,714
Segment EBITDA margin	**15%**	**8%**	**15%**	**9%**
Trading and Infrastructure				
Profit from operating activities	30,177	70,764	29,895	116,928
plus Amortization and depreciation	7,049	7,174	13,365	14,329
Segment EBITDA	**37,226**	**77,938**	**43,260**	**131,257**
Segment revenue	573,722	640,259	881,037	1,094,791
Segment EBITDA margin	**6%**	**12%**	**5%**	**12%**
Farming				
Profit from operating activities	89,300	16,337	61,556	89,693
plus Amortization and depreciation	13,664	9,684	18,618	20,756
Segment EBITDA	**102,964**	**26,021**	**80,174**	**110,449**
Segment revenue	147,422	142,050	169,842	248,563
Segment EBITDA margin	**70%**	**18%**	**47%**	**44%**
Other				
Loss from operating activities	(12,196)	(30,658)	(36,105)	(37,084)
plus Amortization and depreciation	953	1,074	1,978	2,284
Segment EBITDA	**(11,243)**	**(29,584)**	**(34,127)**	**(34,800)**

Investing Cash Flows less Net Fixed Assets Investments

The Group uses **Investing Cash Flows less Net Fixed Assets Investments** as a measure of its expenditures on investments other than property plant and equipment and which is defined as net cash used in investing activities adding back:

- purchase of property, plant and equipment;
- proceeds from disposal of property, plant and equipment.

Reconciliation of net cash used in investing activities to **Investing Cash Flows net of Fixed Assets Investments**:

in thousand USD	Q2 FY2024	Q2 FY2025	H1 FY2024	H1 FY2025
Net cash used in investing activities	164,898	**(62,221)**	96,804	**(82,354)**
Adding back:				
Purchase of property, plant and equipment	(40,722)	(13,846)	(87,751)	(33,519)
Proceeds from disposal of property, plant and equipment	410	483	690	634
Investing Cash Flows net of Fixed Assets Investments	**205,210**	**(48,858)**	**183,865**	**(49,469)**

Net Fixed Assets Investments

The Group uses **Net Fixed Assets Investments** as a measure of its expenditures on fixed assets maintenance and which is defined as net cash used in investing activities less **Investing Cash Flows less Net Fixed Assets Investments** or alternatively may be calculated as cash used for purchase of property, plant and equipment less proceeds from disposal of property, plant and equipment.

Reconciliation of net cash used in investing activities to **Net Fixed Assets Investments**:

in thousand USD	Q2 FY2024	Q2 FY2025	H1 FY2024	H1 FY2025
Purchase of property, plant and equipment	(40,722)	(13,846)	(87,751)	(33,519)
Proceeds from disposal of property, plant and equipment	410	483	690	634
Net Fixed Assets Investments	**(40,312)**	**(13,363)**	**(87,061)**	**(32,885)**

Operating Cash Flows before Working Capital Changes

The Group uses **Operating Cash Flows** as a measure of the cash generation of its core business operations and which is defined as net cash generated by (used in) operating activities less changes in working capital, including:

- change in trade receivable and other financial assets;
- change in prepayments and other current assets;
- change in taxes recoverable and prepaid;
- change in biological assets;
- change in inventories;
- change in trade accounts payable; and
- change in advances from customers and other current liabilities.

Reconciliation of net cash generated by operating activities to **Operating Cash Flows before Working Capital Changes**:

in thousand USD	Q2 FY2024	Q2 FY2025	H1 FY2024	H1 FY2025
Net cash generated by operating activities	191,962	(1,548)	96,927	54,284
Less:				
Changes in working capital, including:	3,743	(22,295)	(107,230)	(77,967)
Change in trade receivable and other financial assets	(57,501)	52,088	(25,831)	(2,131)
Change in prepayments and other current assets	9,655	(4,441)	(20,544)	1,780
Change in taxes recoverable and prepaid	(994)	(4,141)	78,387	7,825
Change in biological assets	53,941	16,260	126,956	165,609
Change in inventories	(12,490)	(38,711)	(231,109)	(263,015)
Change in trade accounts payable	(2,173)	(56,513)	(20,980)	1,790
Change in advances from customers and other current liabilities	13,305	13,163	(14,109)	10,175
Operating Cash Flows before Working Capital Changes	**188,219**	**20,747**	**204,157**	**132,251**

Alternative Performance Measures continued

for the three and six months ended 31 December 2024

Free Cash Flows to the Firm

The Group uses **Free Cash Flows to the Firm** as a measure of the cash generation of its core business operations and which is defined as sum of net cash generated by operating activities and net cash used in investing activities**.**

Calculation of **Free Cash Flows to the Firm**:

in thousand USD	Q2 FY2024	**Q2 FY2025**	H1 FY2024	**H1 FY2025**
Net cash generated by operating activities	191,962	(1,548)	96,927	54,284
Net cash used in investing activities	164,898	(62,221)	96,804	(82,354)
Free Cash Flows to the Firm	**356,860**	**(63,769)**	**193,731**	**(28,070)**

Commodity Inventories

The Group uses **Commodity Inventories** (hereinafter '**CI**') as an additional measure of its liquidity, which the Group uses to provide a supplemental tool to assist in evaluating current business performance and in calculating credit ratios under certain of the Group's financing arrangements. The Group defines **CI** as agricultural inventories, such as corn, wheat, sunflower oil, and other products that were easily convertible into cash before the Russian invasion of Ukraine given their commodity characteristics, widely available markets and the international pricing mechanism. The Group used to call such inventories "Readily marketable inventories," but after the beginning of the war in Ukraine, the Group faced difficulties with selling such inventories, and therefore such inventories cannot be considered as readily marketable any longer.

The following table shows the Group's key inventories considered eligible for **CI** by type and the amounts of such inventory that the Group treats as **CI** as at the periods indicated:

in thousand USD	As of 31 December 2023	As of 30 September 2024	**As of 31 December 2024**
Edible oil & meal	72,109	94,238	163,276
Sunflower seed	138,696	144,124	82,092
Grains	236,915	196,597	195,699
Other	91,393	96,982	87,876
Total	**539,113**	**531,941**	**528,944**
*of which: **Commodity Inventories***	448,282	435,171	441,302

Debt Liabilities

The Group uses three metrics as the measure of its leverage and indebtedness, which consists of **Debt Liabilities**, **Net Debt** and **Adjusted Net Debt**. The Group defines **Debt Liabilities** as the sum of:

- bonds issued, interest on bonds issued;
- long-term borrowings;
- current portion of long-term borrowings;
- short-term borrowings; and
- lease liabilities (including current portion).

The Group defines **Net Debt** as **Debt Liabilities** less cash and cash equivalents. Finally, the Group defines **Adjusted Net Debt**, as Net Debt less commodity inventories.

Calculation of **Debt Liabilities, Net and Adjusted Net Debts** as at the dates indicated:

in thousand USD	As of 31 December 2023	As of 30 September 2024	**As of 31 December 2024**
Current bonds issued	596,995	598,101	298,368
Interest on bonds issued	7,612	17,440	3,616
Short-term borrowings	216,360	346,340	479,036
Lease liabilities	137,234	150,281	128,148
Current portion of lease liabilities	36,492	16,633	36,061
Debt Liabilities	**994,693**	**1,128,795**	**945,229**
less: cash and cash equivalents	542,083	867,652	619,735
Net Debt	**452,610**	**261,143**	**325,494**
less: readily marketable inventories	448,282	435,171	441,302
Adjusted Net Debt	**4,328**	**(174,028)**	**(115,808)**

Adjusted Working Capital

The Group uses **Adjusted Working Capital** as a measure of its efficiency and short-term liquidity, which is defined as current assets (excluding cash and cash equivalents and assets classified as held for sale) less current liabilities (excl. short-term borrowings, current portion of long-term borrowings, current bond issued, current portion of lease liabilities, and interest on bonds issued.

Reconciliation of total current assets to **Adjusted Working Capital** as at the dates indicated:

in *thousand USD*	As of 31 December 2023	As of 30 September 2024	**As of 31 December 2024**
Total current assets	**1,794,571**	**2,359,197**	**2,170,645**
less:			
Cash and cash equivalents	542,083	867,652	619,735
Total current liabilities	1,261,049	1,460,063	1,242,367
add back:			
Short-term borrowings	216,360	346,340	479,036
Current bonds issued	596,995	598,101	298,368
Current portion of lease liabilities	36,492	16,633	36,061
Interest on bonds issued	7,612	17,440	3,616
Adjusted Working Capital	**848,898**	**1,009,996**	**1,125,624**

Alternative Performance Measures continued

for the three and six months ended 31 December 2024

The Management believe that these APMs assist in providing additional useful information on the underlying trends, performance and position of the Group. APMs are used by the Management for performance analysis, planning, reporting and incentive setting purposes. The measures are also used in discussions with the investors, investment analyst community and credit rating agencies.

APM	Calculation	Why APM is the most important for management
EBITDA	Profit from operating activities adding back amortization and depreciation.	**EBITDA** is the main metric used by the management of the Group to measure operating performance. It is also widely used by investors when evaluating businesses, and by rating agencies and creditors to evaluate the leverage.
EBITDA margin	**EBITDA** divided by revenue during the reported period.	**EBITDA margin** is a metric widely used to measure profitability of Group's operations.
Segment EBITDA	Segment profit from operating activities adding back amortization and depreciation.	**EBITDA** is the main metric used by management of the Group to measure segment operating performance.
Segment EBITDA margin	**Segment EBITDA** divided by segment revenue during the reporting period.	**Segment EBITDA margin** is the metric widely used to measure profitability of Group's segment operations.
Investing Cash Flows net of Fixed Assets Investments	Net cash used in investing activities adding back purchase of property, plant and equipment, and proceeds from disposal of property, plant and equipment.	As the Group has grown and developed through acquisitions, this APM helps to monitor the M&A and other investing activities of the Group.
Net Fixed Assets Investments	Net cash used in investing activities less **Investing Cash Flows net of Fixed Assets Investments**.	The Group is executing a solid investment program, and fixed assets investment is an important measure to monitor capital expenditure as a part of the execution of investment program.
Operating Cash Flows before Working Capital Changes	Net cash generated by operating activities less changes in working capital activities, including: • change in trade receivables and other financial assets; • change in prepayments and other current assets; • change in taxes recoverable and prepaid; • change in biological assets; • change in inventories; • change in trade accounts payable; and • change in advances from customers and other current liabilities.	The Group uses this APM as a pre-working capital measure that reflects Group's ability to generate cash for investment, debt servicing and distributions to shareholders.
Free Cash Flows to the Firm	Sum of net cash generated by operating activities and net cash used in investing activities.	The Group uses this APM as it reflects the cash generating capability of the Group to repay debt and distribute dividends to shareholders.
Commodity Inventories	Agricultural inventories, such as corn, wheat, barley, soybean, sunflower seed, meal and oil.	The Group uses this APM as an additional measure of its liquidity, which the Group uses to provide a supplemental tool to assist management and investors in evaluating current business performance and in calculating credit ratios under certain of the Group's financing arrangements.
Debt Liabilities	Sum of bonds issued, current bonds issued, interest on bonds issued, long-term borrowings, current portion of long-term borrowings, short-term borrowings; lease liabilities and current portion of lease liabilities.	The Group uses this APM, as it is a useful measure of the leverage of the Group, which is widely used by credit investors and rating agencies.
Net Debt	**Debt Liabilities** less cash and cash equivalents and cash deposits pledged under credit facilities.	The Group uses this APM, as it is a useful measure of the leverage of the Group, which is widely used by credit and equity investors and rating agencies.
Adjusted Net Debt	**Net Debt** less commodity inventories.	The Group uses this APM as a supplemental measure of the Group's liquidity, which shows the amount of Debt Liabilities not covered by cash and commodity inventories.
Adjusted Working Capital	Current assets (excluding cash and cash equivalents, and assets classified as held for sale) less current liabilities (excluding short-term borrowings, current portion of long-term borrowings, current portion of lease liabilities, current bonds issued, interest on bonds issued, and liabilities associated with assets classified as held for sale).	The indicator of working capital is important for the Group, as the Group is involved in trading and processing activities and hold large volumes of inventories on the balance. The Group also invests in business expansion, which needs working capital investments to increase efficiency. It is useful for users and investors because it measures both a Group's efficiency and its short-term financial health. It also helps management to keep a business operating smoothly and meet all its financial obligation within the coming year.

Report on Review of Condensed Consolidated Interim Financial Statements

To the Shareholders of
Kernel Holding S.A.

We have reviewed the accompanying condensed consolidated interim financial statements of Kernel Holding S.A. (the "Company") and its subsidiaries (the "Group"), which comprise the condensed consolidated interim statement of financial position as at 31 December 2024, the condensed consolidated interim statement of profit or loss, the condensed consolidated interim statement of profit or loss and other comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the six-month period then ended, and the related notes to the condensed consolidated interim financial statements.

Board of Directors' responsibility for the condensed consolidated interim financial statements

The Board of Directors is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of condensed consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the "Réviseur d'entreprises agréé"

Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review. We conducted our review in accordance with International Standard on Review Engagements (ISRE 2410 "Review of interim financial information performed by the independent auditor of the entity") as adopted for Luxembourg by the "Institut des Réviseurs d'Entreprises". This standard requires us to comply with relevant ethical requirements and conclude whether anything has come to our attention that causes us to believe that the condensed consolidated interim financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework.

A review of condensed consolidated interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. The "Réviseur d'entreprises agréé" performs procedures, primarily consisting of making inquiries of management and others within the Group, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these condensed consolidated interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Emphasis of Matter

We draw attention to Note 4 in the condensed consolidated interim financial statements, which highlights that since 24 February 2022 the Group’s operations are significantly affected by the ongoing military invasion of Ukraine and the magnitude of further developments or the timing of the cessation of those actions, are uncertain. As stated in Note 4, these events or conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Other Matter

The accompanying condensed consolidated interim statement of profit or loss and condensed consolidated interim statement of profit or loss and other comprehensive income for the three-month period ended 31 December 2024 and 31 December 2023 and related explanatory information, were neither audited in accordance with International Standards on Auditing nor reviewed in accordance with ISRE 2410 “Review of interim financial information performed by the independent auditor of the entity” and accordingly we do not express any form of assurance on it.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 28 February 2025

Electronically signed by:
Andrei Chizhov

Andrei Chizhov

Statement of the Board of Directors' Responsibilities for the Preparation and Approval of the Condensed Consolidated Interim Financial Statements

for the three and six months ended 31 December 2024

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

In preparing the condensed consolidated interim financial statements, the Board of Directors is responsible for assessing 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.

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

- the Condensed Consolidated Interim Financial Statements of Kernel Holding S.A. prepared and established in accordance with IAS 34 Interim Financial Reporting as endorsed and adopted by the European Union;
- the Management Report includes a fair review of the development and performance of the business and position of the Company and the undertakings included within the consolidation taken as a whole, together with a description of the principal risks and uncertainties it faces.

28 February 2025

On behalf of the Board of Directors

Andrii Verevskyi
Chairman of the Board of Directors

Sergiy Volkov
Director, Chief Financial Officer

Selected Financial Data

for the six months ended 31 December 2024 (in thousands of US dollars, unless otherwise stated)

		USD[1]		PLN		EUR	
		31 December 2024	31 December 2023	31 December 2024	31 December 2023	31 December 2024	31 December 2023
I.	Revenue	**1,947,172**	1,589,860	**7,727,314**	6,553,087	**1,798,987**	1,456,630
II.	Profit from operating activities	**232,347**	173,926	**922,065**	716,888	**214,665**	159,351
III.	Profit before income tax	**195,890**	112,968	**777,386**	465,632	**180,982**	103,501
IV.	Profit for the period	**176,449**	101,969	**700,235**	420,296	**163,021**	93,424
V.	Net cash generated by operating activities	**54,284**	96,927	**215,426**	399,514	**50,154**	88,804
VI.	Net cash (used in)/generated by investing activities	**(82,354)**	96,804	**(326,820)**	399,007	**(76,087)**	88,692
VII.	Net cash used in financing activities	**(161,785)**	(605,746)	**(642,041)**	(2,496,765)	**(149,473)**	(554,984)
VIII.	Total net cash flow	**(189,855)**	(412,015)	**(753,435)**	(1,698,244)	**(175,406)**	(377,488)
IX.	Total assets	**3,392,304**	3,293,411	**13,912,517**	12,959,573	**3,255,913**	2,980,537
X.	Current liabilities	**1,242,367**	1,261,049	**5,095,196**	4,962,228	**1,192,416**	1,141,249
XI.	Non-current liabilities	**143,709**	159,790	**589,379**	628,774	**137,931**	144,610
XII.	Issued capital	**7,749**	7,923	**31,780**	31,177	**7,437**	7,170
XIII.	Total equity	**2,006,228**	1,872,572	**8,227,942**	7,368,571	**1,925,566**	1,694,678
XIV.	Weighted average number of shares	**293,421,078**	220,646,621	**293,421,078**	220,646,621	**293,421,078**	220,646,621
XV.	Profit per ordinary share (in USD/PLN/EUR)	**0.60**	0.46	**2.39**	1.91	**0.56**	0.42
XVI.	Diluted number of shares	**293,421,078**	220,646,621	**293,421,078**	220,646,621	**293,421,078**	220,646,621
XVII.	Diluted profit per ordinary share (in USD/PLN/EUR)	**0.60**	0.46	**2.39**	1.91	**0.56**	0.42
XVIII.	Book value per share (in USD/PLN/EUR)	**6.84**	6.38	**28.05**	25.11	**6.56**	5.77
XIX.	Diluted book value per share (in USD/PLN/EUR)	**6.84**	6.38	**28.05**	25.11	**6.56**	5.77

[1] Please see Note 4 for the exchange rates used for conversion.

Condensed Consolidated Interim Statement of Financial Position

for the six months ended 31 December 2024 (in thousands of US dollars, unless otherwise stated)

	Notes	As of 31 December 2024	As of 30 June 2024	As of 31 December 2023
Assets				
Current assets				
Cash and cash equivalents	8	619,735	809,584	542,083
Trade accounts receivable	18	256,387	305,246	322,056
Prepayments to suppliers	18	123,598	120,870	145,033
Corporate income tax prepaid		2,729	227	5,106
Taxes recoverable and prepaid		105,268	114,127	79,498
Inventory	9	528,944	277,660	539,113
Biological assets		22,855	187,712	11,856
Other financial assets	10, 18	511,129	339,929	149,826
Total current assets		**2,170,645**	**2,155,355**	**1,794,571**
Non-current assets				
Property, plant and equipment	11	933,405	944,104	1,063,773
Right-of-use assets		181,189	172,931	187,270
Intangible assets		35,148	36,394	59,916
Goodwill		13,196	13,196	71,632
Deferred tax assets		32,349	35,626	24,743
Non-current financial assets	18	10,859	23,307	29,849
Other non-current assets	18	15,513	15,998	61,657
Total non-current assets		**1,221,659**	**1,241,556**	**1,498,840**
Total assets		**3,392,304**	**3,396,911**	**3,293,411**
Liabilities and equity				
Current liabilities				
Trade accounts payable	18	113,535	109,672	137,704
Advances from customers and other current liabilities	12, 18	148,157	157,718	129,415
Corporate income tax liabilities		4,973	31,433	8,789
Short-term borrowings	13	479,036	315,166	216,360
Current portion of lease liabilities		36,061	27,206	36,492
Current bonds issued	14, 20	298,368	597,580	596,995
Interest on bonds issued	14, 20	3,616	7,612	7,612
Other financial liabilities	18	158,621	120,675	127,682
Total current liabilities		**1,242,367**	**1,367,062**	**1,261,049**
Non-current liabilities				
Lease liabilities		128,148	142,534	137,234
Deferred tax liabilities		14,595	20,035	21,080
Other non-current liabilities		966	986	1,476
Total non-current liabilities		**143,709**	**163,555**	**159,790**
Equity attributable to Kernel Holding S.A. equity holders				
Issued capital		7,749	7,749	7,923
Share premium reserve		457,935	457,935	554,658
Additional paid-in capital		39,944	39,944	39,944
Treasury shares		—	—	(96,897)
Revaluation reserve		96,178	96,178	104,303
Translation reserve		(1,059,026)	(1,029,114)	(965,401)
Retained earnings		2,462,137	2,291,951	2,226,295
Total equity attributable to Kernel Holding S.A. equity holders		**2,004,917**	**1,864,643**	**1,870,825**
Non-controlling interests		1,311	1,651	1,747
Total equity		**2,006,228**	**1,866,294**	**1,872,572**
Total liabilities and equity		**3,392,304**	**3,396,911**	**3,293,411**
Book value		2,004,917	1,864,643	1,870,825
Number of shares	2	293,129,230	293,429,230	293,429,230
Book value per share (in USD)		6.84	6.35	6.40
Diluted number of shares		293,129,230	293,429,230	293,429,230
Diluted book value per share (in USD)		6.84	6.35	6.40

On behalf of the Board of Directors

Andrii Verevskyi
Chairman of the Board of Directors

Sergiy Volkov
Director, Chief Financial Officer

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Statement of Profit or Loss

for the six months ended 31 December 2024 (in thousands of US dollars, unless otherwise stated)

	Notes	For the six months ended 31 December 2024	For the three months ended 31 December 2024	For the six months ended 31 December 2023	For the three months ended 31 December 2023
Revenue	15, 18	1,947,172	1,149,477	1,589,860	1,043,597
Net change in fair value of biological assets and agricultural produce	9	8,810	(32,716)	(22,486)	(12,006)
Cost of sales	16, 18	(1,634,537)	(959,748)	(1,297,526)	(813,472)
Gross profit		**321,445**	**157,013**	**269,848**	**218,119**
Other operating income	18	33,384	10,315	51,320	41,611
Other operating expenses		(11,026)	(5,912)	(24,731)	(11,266)
General, administrative and selling expenses	17, 18	(111,550)	(75,097)	(84,069)	(52,758)
Net (impairment)/reversal losses on financial assets		(6,233)	695	(20,673)	(3,909)
Reversal of impairment losses/(loss) of assets		6,327	4,325	(17,769)	(16,489)
Profit from operating activities		**232,347**	**91,339**	**173,926**	**175,308**
Finance costs	18	(44,451)	(20,401)	(74,282)	(37,809)
Finance income	18	25,000	7,849	28,493	18,625
Foreign exchange gain, net		549	22	919	2,190
Other expenses, net	18	(17,555)	(10,000)	(16,088)	(13,878)
Profit before income tax		**195,890**	**68,809**	**112,968**	**144,436**
Income tax expenses		(19,441)	(13,035)	(10,999)	(11,602)
Profit for the period		**176,449**	**55,774**	**101,969**	**132,834**
Profit for the period attributable to:					
Equity holders of Kernel Holding S.A.		**176,752**	**55,860**	**102,296**	**133,025**
Non-controlling interests		(303)	(86)	(327)	(191)
Earnings per share					
Weighted average number of shares		293,421,078	293,412,926	220,646,621	293,429,230
Profit per ordinary share (in USD)		0.60	0.19	0.46	0.45
Diluted number of shares		293,421,078	293,412,926	220,646,621	293,429,230
Diluted profit per ordinary share (in USD)		0.60	0.19	0.46	0.45

On behalf of the Board of Directors

Andrii Verevskyi
Chairman of the Board of Directors

Sergiy Volkov
Director, Chief Financial Officer

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income

for the six months ended 31 December 2024 (in thousands of US dollars, unless otherwise stated)

	Notes	For the six months ended 31 December 2024	For the three months ended 31 December 2024	For the six months ended 31 December 2023	For the three months ended 31 December 2023
Profit for the period		**176,449**	**55,774**	**101,969**	**132,834**
Other comprehensive loss					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations[1]		(29,949)	(10,837)	(33,376)	(22,058)
Other comprehensive loss		**(29,949)**	**(10,837)**	**(33,376)**	**(22,058)**
Total comprehensive income for the period		**146,500**	44,937	**68,593**	**110,776**
Total comprehensive income attributable to:					
Equity holders of Kernel Holding S.A.		146,840	45,039	68,984	111,031
Non-controlling interests		(340)	(102)	(391)	(255)

On behalf of the Board of Directors

Andrii Verevskyi
Chairman of the Board of Directors

Sergiy Volkov
Director, Chief Financial Officer

[1] Exchange differences on translating foreign operations increased mostly as a result of foreign exchange rate change.

Condensed Consolidated Interim Statement of Changes in Equity

for the six months ended 31 December 2024 (in thousands of US dollars, unless otherwise stated)

	Attributable to Kernel Holding S.A. shareholders									
	Issued capital	Share premium reserve	Additional paid-in capital	Treasury shares	Revaluation reserve	Translation reserve	Retained Earnings	**Total**	Non-controlling interests	**Total equity**
Balance as of 30 June 2023	**2,219**	**500,378**	**39,944**	**(96,897)**	**104,303**	**(932,089)**	**2,123,999**	**1,741,857**	**2,138**	**1,743,995**
Profit for the period	—	—	—	—	—	—	102,296	**102,296**	(327)	**101,969**
Other comprehensive loss	—	—	—	—	—	(33,312)	—	**(33,312)**	(64)	**(33,376)**
Total comprehensive income for the period	—	—	—	—	—	**(33,312)**	**102,296**	**68,984**	**(391)**	**68,593**
Increase of share capital	5,704	54,280	—	—	—	—	—	**59,984**	—	**59,984**
Balance as of 31 December 2023	**7,923**	**554,658**	**39,944**	**(96,897)**	**104,303**	**(965,401)**	**2,226,295**	**1,870,825**	**1,747**	**1,872,572**
Balance as of 30 June 2024	**7,749**	**457,935**	**39,944**	**—**	**96,178**	**(1,029,114)**	**2,291,951**	**1,864,643**	**1,651**	**1,866,294**
Profit for the period	—	—	—	—	—	—	176,752	**176,752**	(303)	**176,449**
Other comprehensive loss	—	—	—	—	—	(29,912)	—	**(29,912)**	(37)	**(29,949)**
Total comprehensive income for the period	**—**	**—**	**—**	**—**	**—**	**(29,912)**	**176,752**	**146,840**	**(340)**	**146,500**
Other	—	—	—	—	—	—	(6,566)	**(6,566)**	—	**(6,566)**
Balance as of 31 December 2024	**7,749**	**457,935**	**39,944**	**—**	**96,178**	**(1,059,026)**	**2,462,137**	**2,004,917**	**1,311**	**2,006,228**

On behalf of the Board of Directors

Andrii Verevskyi
Chairman of the Board of Directors

Sergiy Volkov
Director, Chief Financial Officer

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Statement of Cash Flows

for the six months ended 31 December 2024 (in thousands of US dollars, unless otherwise stated)

	Notes	For the six months ended 31 December 2024	For the six months ended 31 December 2023
Operating activities:			
Profit before income tax		**195,890**	**112,968**
Adjustments for:			
Amortization and depreciation		54,849	49,545
Finance costs		44,451	74,282
Finance income		(25,000)	(28,493)
Impairment losses on financial assets		6,233	20,673
Net foreign exchange gain		(1,684)	(672)
(Reversal) of impairment losses/loss of assets		(6,327)	17,769
Write-downs of inventories to net realizable value	9	4,289	4,067
Net change in fair value of biological assets and agricultural produce		(8,810)	22,486
Net gain arising on financial instruments		(70,517)	(9,563)
Other accruals		3,966	13,767
Operating profit before working capital changes		**197,340**	**276,829**
Changes in working capital:			
Change in trade receivable		51,046	(3,982)
Change in other financial assets		(53,177)	(21,849)
Change in prepayments and other current assets		1,780	(20,544)
Change in taxes recoverable and prepaid		7,825	78,387
Change in biological assets		165,609	126,956
Change in inventories		(263,015)	(231,109)
Change in trade accounts payable		1,790	(20,980)
Change in advances from customers and other current liabilities		10,175	(14,109)
Cash generated from operations		**119,373**	**169,599**
Interest paid		(43,873)	(71,253)
Interest received		17,634	17,514
Income tax paid		(38,850)	(18,933)
Net cash generated by operating activities		**54,284**	**96,927**
Investing activities:			
Purchase of property, plant and equipment		(33,519)	(87,751)
Proceeds from disposal of property, plant and equipment		634	690
Payment for lease agreements		(744)	(957)
Purchase of intangible, Right-of-use and other non-current assets		(10,237)	(1,131)
Proceeds from disposal of intangible and other non-current assets		866	—
Acquisition of subsidiaries, net of cash acquired		(4,338)	(24,745)
Amount advanced for subsidiary		—	(442)
Pledge deposits withdrawal	10	1,303	122,703
Proceeds from disposal of subsidiaries		—	90,711
Payment to acquire financial assets		(36,319)	(2,274)
Net cash (used in)/generated by investing activities		**(82,354)**	**96,804**
Financing activities:			
Proceeds from short-term and long-term borrowings		238,762	32,383
Repayment of short-term and long-term borrowings		(73,227)	(675,732)
Repayment of lease liabilities		(27,177)	(17,510)
Proceeds from share premium reserve increase		—	5,704
Issued capital		—	54,280
Corporate bonds repaid		(300,000)	—
Net cash used in financing activities		**(161,642)**	**(600,875)**
Effects of exchange rate changes on the balance of cash held in foreign currencies		(143)	(4,871)
Net decrease in cash and cash equivalents		(189,855)	(412,015)
Cash and cash equivalents, at the beginning of the year	8	809,579	954,093
Cash and cash equivalents, at the end of the year	8	619,724	542,078

On behalf of the Board of Directors

Andrii Verevskyi
Chairman of the Board of Directors

Sergiy Volkov
Director, Chief Financial Officer

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

for the six months ended 31 December 2024 (in thousands of US dollars, unless otherwise stated)

1. Corporate Information

Kernel Holding S.A. (hereinafter referred to as the 'Holding' or the 'Company') incorporated under the legislation of Luxembourg on 15 June 2005 (number B 109,173 in the Luxembourg Register of Companies) is the holding company for a group of entities (hereinafter referred to as the 'Subsidiaries'), which together form Kernel Group (hereinafter referred to as the 'Group' or the 'Kernel Group').

Kernel Holding S.A. has been a publicly traded company since 2007. Kernel Holding S.A. announced on 13 April 2023, indicating that their Board of Directors had decided to withdraw the company's shares from trading on the Warsaw Stock Exchange's regulated market. However, the delisting process has not been completed as of 31 December 2024, and as of the date of these condensed consolidated interim financial statements issue.

The Group's principal business activity is the production and subsequent export of sunflower oil and meal in bulk, the production and sale of bottled sunflower oil, the wholesale trade of grain (mainly corn, soybean, wheat, and barley), trading and merchandising of grains, oilseeds products and palm oil in the global market, farming, and the provision of logistics and transshipment services. The majority of the Group's manufacturing facilities are based in Ukraine.

The Group's financial year runs from 1 July to 30 June.

The Group's principal place of business is Ukraine, and its principal operating office is located at 3 Tarasa Shevchenka Lane, Kyiv, 01001, Ukraine.

The primary Subsidiaries of the Group and principal activities of the Subsidiaries consolidated by the Holding were as follows:

			Group's effective ownership interest and voting rights as of		
Subsidiary	**Principal activity**	**Country of incorporation**	**31 December 2024**	**30 June 2024**	**31 December 2023**
Inerco Trade SA	Trading in sunflower oil, meal and grain.	Switzerland	100.0%	100.0%	100.0%
Kernel-Trade, LLC		Ukraine	100.0%	100.0%	100.0%
Avere Commodities SA		Switzerland	100.0%	100.0%	100.0%
Poltavsky VOEP, PJSC	Oilseed crushing plants. Production of sunflower oil and meal.	Ukraine	99.7%	99.7%	99.7%
Bandursky VOEP, LLC		Ukraine	100.0%	100.0%	100.0%
Kropyvnytskyi OEP, PJSC		Ukraine	99.2%	99.2%	99.2%
Black Sea Industries Ukraina Limited, LLC		Ukraine	100.0%	100.0%	100.0%
Prydniprovskyi OEZ, LLC		Ukraine	100.0%	100.0%	100.0%
Starokostiantynivskyi OEZ, LLC		Ukraine	100.0%	100.0%	100.0%
Estron Corporation Ltd	Provision of grain, oil, and meal handling and transshipment services	Cyprus	100.0%	100.0%	100.0%
Transbulkterminal, JV LLC		Ukraine	100.0%	100.0%	100.0%
Transgrainterminal, LLC		Ukraine	100.0%	100.0%	100.0%
Oilexportterminal, LLC		Ukraine	100.0%	100.0%	100.0%
Kononivsky Elevator, LLC	Grain elevators. Provision of grain and oilseed cleaning, drying, and storage services.	Ukraine	100.0%	100.0%	100.0%
AF Khliborob, LLC	Agricultural farms. Cultivation of agricultural products: corn, wheat, soybean, sunflower seed, rapeseed, forage, pea and barley.	Ukraine	100.0%	100.0%	100.0%
Prydniprovskyi Krai, ALLC		Ukraine	100.0%	100.0%	100.0%
Druzhba-Nova, ALLC		Ukraine	100.0%	100.0%	100.0%
Druzhba 6, PE		Ukraine	100.0%	100.0%	100.0%
Semerenky Agrofarm, LLC		Ukraine	100.0%	100.0%	100.0%
Hovtva, ALLC		Ukraine	100.0%	100.0%	100.0%

These condensed consolidated interim financial statements were authorized for release by the Board of Directors of Kernel Holding S.A. on 28 February 2025.

for the six months ended 31 December 2024 (in thousands of US dollars, unless otherwise stated)

2. Change in Issued Capital

Since 15 June 2005, the parent company of the Group is Kernel Holding S.A. (Luxembourg). The issued capital of the Holding as of 31 December 2024, consisted of 293,429,230 ordinary shares without indication of the nominal value (30 June 2024: 293,429,230; 31 December 2023: 300,031,230). Ordinary shares have equal voting rights and rights to receive dividends (except for own shares purchased).

The shares were distributed as follows:

	As of 31 December 2024		As of 30 June 2024		As of 31 December 2023	
Equity holders	**Shares allotted and fully paid**	**Share owned**	**Shares allotted and fully paid**	**Share owned**	**Shares allotted and fully paid**	**Share Owned**
Namsen Limited registered under the legislation of Cyprus	276,914,889	94.37%	276,914,889	94.37%	276,914,889	92.30%
Free float	16,214,341	5.53%	16,514,341	5.63%	16,514,341	5.50%
Own shares purchased	300,000	0.10%	—	—	6,602,000	2.20%
Total	**293,429,230**	**100.00%**	**293,429,230**	**100.00%**	**300,031,230**	**100.00%**

As of 31 December 2024, 30 June 2024, and 31 December 2023, the Company's immediate majority shareholder was Namsen Limited ('Namsen Ltd'), and the Company was ultimately controlled by Mr. Andrii Verevskyi. As of 31 December 2024, 30 June 2024 and 31 December 2023, 100% of the beneficial interest in Namsen Ltd was held by Mr. Andrii Verevskyi.

Luxembourg companies are required to allocate to a legal reserve a minimum of 5% of the annual net income until this reserve equals 10% of the subscribed issued capital. This reserve, in the amount of USD 221 thousand as of 31 December 2024, 30 June 2024, and 31 December 2023, may not be distributed as dividends.

3. Operating Environment

On 24 February 2022, Russia launched a full-scale military invasion of Ukraine. As a response, Ukraine declared martial law, which is still in place as of the date of signing of these condensed consolidated interim financial statements as the military actions are still ongoing in the Eastern and Southern parts of Ukraine along the frontline. Some towns and cities in these regions remain temporarily occupied while Russia conducts sporadic bombardments throughout the whole Ukrainian territory.

The Ukrainian economy has features inherent to an emerging market. The development of the economy is heavily influenced by the fiscal and monetary policies adopted by the Ukrainian government, as well as developments in the legal, regulatory, and political environment, which can change rapidly.

For the six months ended 31 December 2024, inflation was 7.2% (six months ended 31 December 2023: 0.5%). In monthly terms, for January 2025 prices rose 1.2%. Actual inflation slightly exceeded the trajectory of the National Bank of Ukraine ('NBU') forecast. The main reason for the deviation of the actual inflation from the forecast was a more significant increase in the administered prices for goods and services and in the cost of market services due to further growth in production costs, including those of energy and labor, as well as tax and regulatory changes.

According to the NBU's estimates, Ukraine's real gross domestic product ('GDP') grew by 3.4% in the 2024 calendar year. Taking into account security risks and the challenging situation in the labor market, the NBU has revised its real GDP growth projection for 2025 downward, to 3.6%. At the same time, the baseline scenario of the NBU's forecast continues to envisage that the economy will gradually return to normal functioning. Therefore, the pace of economic growth is expected to accelerate moderately in 2026–2027, to around 4%.

In the 2024 calendar year, Ukraine received USD 42 billion in loans and grants from its international partners. These funds allowed the government to finance a substantial budget deficit (around 24% of GDP, excluding grants in revenues), and the NBU to maintain the sustainability of the foreign exchange market and to increase international reserves to a new all-time high (USD 43.8 billion at the end of 2024 calendar year).

In February 2025, the U.S. administration initiated negotiations between the U.S. and Russia, which may influence the geopolitical landscape, including the availability of financial aid to Ukraine. These developments may impact the Group's operating environment going forward.

It is expected that in the 2025 calendar year, Ukraine will receive USD 38.4 billion in external financing. Taking into account the government's measures to increase its revenues and borrowing on the domestic debt market, these funds should be enough to fully cover the planned budget deficit for this year (around 19% of GDP, excluding grants in revenues) without resorting to monetary financing.

The 'grain agreement' between Ukraine, Turkey, and the United Nations ('UN') was effective until 17 July 2023, when Russia officially withdrew from the deal. As a result, Ukraine introduced a new maritime route along the eastern coast of the Black Sea for shipowners. In the 2024 calendar year, 3,138 vessels utilized Ukraine's maritime corridor, with a total cargo turnover of 79.9 million tons, including 76.4 million tons of exports to 52 countries worldwide. According to preliminary data from the Ukrainian Sea Ports Authority, Ukrainian seaports handled a record-breaking 97.2 million tons of cargo in the 2024 calendar year, marking a 57% increase compared to 2023. Additionally, Ukraine exported 53.9 million tons of grain in the 2024 calendar year, reflecting a 20% increase compared to 2023 calendar year, as reported by the State Customs Service of Ukraine. This represents the second-highest grain export volume in Ukraine's history, with the record set in the 2019 calendar year at 56.7 million tons.

As of 23 January 2025, the Board of the National Bank of Ukraine has decided to raise the key policy rate to 14,5% per annum. This measure aims to support the stability of the foreign exchange market, anchor inflation expectations, reverse the inflation trend, and gradually bring inflation down to the 5% target. Given persistent price pressures, further tightening of monetary policy may be required to ensure macroeconomic stability.

As of 1 February 2025, Ukraine's international reserves stood at USD 43,003 million, according to preliminary data. Despite a 1.8% decline in January, reserves remain near record-high levels. The dynamics of international reserves were primarily influenced by several key factors, including the NBU's foreign exchange market operations, inflows to the government's accounts, servicing and repayment of public debt, and the revaluation of financial instruments due to changes in market value and exchange rate fluctuations.

As of February 2025, the war between Ukraine and Russia is ongoing, resulting in the significant destruction of property and assets in Ukraine and other serious consequences. The consequences of the war are changing daily, and the long-term implications remain unclear. Further impact on the Ukrainian economy depends on how the Russian military invasion of Ukraine is resolved, as well as on the success of the Ukrainian government in implementing new reforms, executing a recovery strategy once the invasion ends, and transforming the state to achieve European Union membership, along with continued cooperation with international financial institutions.

4. Summary of Material Accounting Policies

Basis of Preparation and Accounting

The condensed consolidated interim financial statements of the Group have been prepared in accordance with International Accounting Standard ('IAS') 34 Interim Financial Reporting, as adopted by the European Union, and do not include all the information and disclosures required in the annual consolidated financial statements. These condensed consolidated interim financial statements should be read in conjunction with the annual report for the year ended 30 June 2024, except for the adoption of new and amended standards, which have become effective from 1 July 2024. The adoption of these standards and amendments did not have a material effect on the condensed consolidated interim financial statements of the Group.

The condensed consolidated interim financial statements have been prepared under the historical cost convention, as modified by the revaluation of property, plant and equipment for the oilseeds processing segment, biological assets, agricultural produce and certain financial assets and liabilities measured at fair value. The condensed consolidated interim financial statements have been prepared on a going concern basis.

Going concern

The Group's operations have continued to be affected by the Russian full-scale military invasion of Ukraine which began 24 February 2022. This invasion has caused widespread disruption across Ukraine and triggered significant economic, humanitarian, and environmental crises. In response, Kernel Group has adjusted its business activities, focusing on continuity and safeguarding operations. The Group has considered the war's impact on its business as follows:

- Following the termination of the UN-brokered Black Sea Grain Initiative on 17 July 2023, Russia revoked its security guarantees for vessels navigating to Ukraine's deep-sea ports and commenced regular attacks targeting port and agricultural infrastructure, further destabilizing the region's ability to sustain export operations. In August 2023, the Ukrainian Navy established a temporary corridor for commercial navigation; however, normal ship traffic did not fully resume until mid-October. Despite these challenges, grain exports from Ukraine continued throughout 2024, enabling the Group to maintain cargo exports from ports during the 2025 financial year.
- The Group's facilities have not sustained significant physical damage or experienced interruptions during the current period, except for the Vovchansk and Prykolotne oil extraction plants in the Kharkiv region, which remain inaccessible due to the ongoing military invasion.
- Despite the disruptions caused by the war in Ukraine, as of 31 December 2024, the Group's current assets exceeded current liabilities, and the Group generated profit for the six months ended 31 December 2024 of USD 176,449 thousand and an operating cash flow of USD 54,284 thousand.
- As of 31 December 2024, the Group has fully completed the sowing campaign of the winter crops for the 2025 season.
- The Group continues to face employee mobilization into Ukraine's military forces. As of the date of this condensed consolidated interim financial report, 805 of our employees are actively serving in the Armed Forces of Ukraine.
- As of 31 December 2024, the Group had outstanding borrowings totaling USD 479,036 thousand. Of this amount, USD 113,900 thousand continued to be classified as short-term, despite having an initial long-term contractual maturity, because the Group's waiver for certain covenants was valid for less than 12 months (until 31 March 2025), with plans to obtain new waivers thereafter.
- The Group has outstanding bonds with a principal amount of USD 300,000 with maturity in October 2027. As disclosed in Note 14, bonds were classified as current as of 31 December 2024 and 2023.

The management has developed plans to set up the business processes in response to the impact of the war:

- For the 2025 financial year, the Group plans a total crushing volume of 3.2 million tons of oilseeds, including 320 thousand tons of soybean and 140 thousand tons of rapeseed.
- The Group aims to further increase cargo exports throughout 2025, utilizing both the main Black Sea ports and alternative routes, such as Danube ports, rail, and trucks. This growth will be fueled by the Group's team's efficient management of logistic challenges.
- The Group is seeking alternative sources of financing, such as loans from European and Ukrainian banks that have committed to providing financial support to businesses in Ukraine.

Considering the above, management has assessed the going concern assumption based on which the condensed consolidated interim financial statements have been prepared.

Management prepared cash flow forecasts for the next 12 months from the date of issuance of the condensed consolidated interim financial statements. The following key assumptions were made by management:

- No significant further advancement of Russian troops into the territory of Ukraine and no further escalation of military actions that could severely impact the Group's assets;

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- Deep water ports in Ukraine will remain open and operational during the next financial year, enabling the Group to continue exports.
- Deferral of non-essential capital expenditures that are not contractually committed or critical to operations.
- The Group plans to settle the bonds according to their initial maturity dates as it expects that it will be able to avoid their cross-acceleration.
- The Group expects to utilize available credit lines or secure new financing from European and Ukrainian banks within this financial year.

Management acknowledges that future development of military actions, and their duration, represent a material uncertainty that 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. Despite the material uncertainty relating to the war in Ukraine, management is continuing to take actions to minimize the impact on the Group and thus believes that the application of the going concern assumption for the preparation of these condensed consolidated interim financial statements is appropriate.

Functional and Presentation Currency

The Group's presentation currency is the United States dollar ('USD'). The functional currency of the majority of the Group's foreign Subsidiaries is their local currency, except for businesses engaged in the production and sale of sunflower oil and export terminals, for which USD was determined as the functional currency.

Foreign Currencies

Transactions in currencies other than the functional currencies of the Group`s companies are initially recorded at the rates of exchange prevailing on the dates of the transactions. Subsequently, monetary assets and liabilities denominated in such currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

On consolidation, the assets and liabilities of the Subsidiaries are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless the exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in the Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income accumulated in 'Translation reserve'.

The exchange rates during the period of the financial statements were as follows:

Currency	Closing rate as of 31 December 2024	Average rate for the 6 months ended 31 December 2024	Average rate for the 3 months ended 31 December 2024	Closing rate as of 30 June 2024	Closing rate as of 31 December 2023	Average rate for the 6 months ended 31 December 2023	Average rate for the 3 months ended 31 December 2023
USD/UAH	42.0390	41.2952	41.4493	40.5374	37.9824	36.5814	36.5942
USD/EUR	0.9598	0.9239	0.9373	0.9348	0.9050	0.9245	0.9297
USD/PLN	4.1012	3.9685	4.0370	4.0320	3.9350	4.1218	4.1075

The average exchange rates for each period are calculated as the arithmetic means of the exchange rates for all trading days during this period. The sources of exchange rates are the official rates set by the National Bank of Ukraine for USD/UAH and by the National Bank of Poland for USD/EUR and USD/PLN.

All foreign exchange gain or loss that occurs on revaluation of monetary balances, presented in foreign currencies, is allocated as a separate line in the Condensed Consolidated Interim Statement of Profit or Loss.

5. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In preparing condensed consolidated interim financial statements management applies judgments, assumptions and estimates. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the condensed consolidated interim financial statements. The estimates are based on the information available as of the reporting date. Actual results could differ from these estimates.

Estimates and judgments are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

There were no significant changes in the accounting judgments, estimates and assumptions applied in preparing these condensed consolidated interim financial statements compared to consolidated financial statements for the year ended 30 June 2024.

6. Operating Segments

Operating segments are reported in a manner consistent with the internal reporting as provided to the chief operating decision-makers to allocate resources to the segment and to assess its performance. The members of the Executive Management Team, who are members of the Board of Directors of the Company are identified as chief operating decision makers.

Segments in the condensed consolidated interim financial statements are defined in accordance with the type of activity, products sold, or services provided. Segmentation presented in these condensed consolidated interim financial statements is consistent with the structure of financial information regularly reviewed by the Group's executive management, including the Chief Executive Officer. The operating segments' performance is assessed based on a measure of EBITDA.

The Group is presenting its segment results within three operating segments: Oilseed Processing, Infrastructure and Trading, and Farming.

In the Oilseed Processing segment, the Group combines oilseed origination, edible oil production and sales of bottled sunflower oil, and electricity generation.

In the Infrastructure and Trading segment, the Group combines results of grain trading, silo services and export terminals operations, which also includes own railcars and vessels savings and results of the Avere Commodities SA and its subsidiaries (hereinafter, 'Avere'). These parts of the business form an integrated supply chain which is managed jointly. Under the current framework, the management considers export terminals and grain storage facilities as production assets that serve the grain merchandising business and consequently uses a combined through-put margin to evaluate the performance of the Infrastructure and Trading business.

In the Farming segment, the Group reports the results of its crop production business, which includes growing corn, wheat, soybean, sunflower seed, and rapeseed on the leasehold land, as well as some minor crops and small cattle farming operations.

Presentation of the operating segments' activities is as follows:

Operating segments	Activities
Oilseed Processing	Oilseed origination and vegetable oil production. Sales of bottled and bulk vegetable oil, sales of vegetable meals and sales of electricity produced from sunflower husk.
Infrastructure and Trading	Sourcing and merchandising of wholesale grain, provision of silo services, operating the fleet of logistics assets for inland transportation and vessels, grain and sunflower oil handling and transshipment services, trading activities of the Avere subsidiary.
Farming	Agricultural farming. Production of corn, wheat, soybean, sunflower seed, and rapeseed.

The measures of profit and loss, and assets and liabilities are based on the Group accounting policies, which comply with IFRS Accounting Standards, as adopted by the European Union.

Reconciliation eliminates intersegment items. The segment data is calculated as follows:
- Intersegment sales reflect intergroup transactions effected on an arm's length basis.
- Capital expenditures, amortization and depreciation related to property, plant and equipment, and intangible assets are allocated to segments when possible.

Income and expenses not allocated to any specific segment, which are related to the Group's administration, have been included in the 'Other' column. Since the financial management of the Group's companies is centralized, borrowings, bonds, deferred taxes, and certain other assets and liabilities are not directly allocated to the respective operating segments but are instead presented under the 'Other' column. As a result, the assets and liabilities reported for individual segments do not include borrowings, bonds, deferred taxes, or certain other assets and liabilities.

Seasonality of operations

The Oilseed Processing segment normally has seasonally lower sales in the first quarter of the financial year, which corresponds to the end of the crushing season and lower production levels. The operations of the Farming segment reflect seasonality in the context of seedling and harvesting campaigns, which are conducted mainly in November-May and June-November, respectively. The Infrastructure and Trading segment usually experiences somewhat higher volumes in the several months after the commencement of the harvesting campaign (July for early grains and September for crops harvested in autumn). In addition, the farming segment usually reflects a higher effect from the IAS 41 valuation of biological assets in the last quarter of the financial year when more acreage is revalued to fair value less costs to sell and a higher effect from the IAS 41 valuation of agricultural produce in the first half of the financial year due to the completion of the harvesting campaign.

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7. Key Data by Operating Segment

Key data by operating segment for the six months ended 31 December 2024:

	Oilseed Processing	Infrastructure and Trading	Farming	Other	Reconciliation	Total
Revenue (external)	918,564	1,002,049	26,559	—	—	**1,947,172**
Intersegment sales	24,150	92,742	222,004	—	(338,896)	—
Total revenue	**942,714**	**1,094,791**	**248,563**	**—**	**(338,896)**	**1,947,172**
Net change in fair value of biological assets and agricultural produce	—	—	8,810	—	—	**8,810**
Cost of sales	(882,467)	(937,726)	(153,240)	—	338,896	**(1,634,537)**
Other operating income	5,424	15,312	3,214	9,434	—	**33,384**
Other operating expenses	—	—	(176)	(10,850)	—	**(11,026)**
General, administrative and selling expenses	(4,441)	(51,910)	(17,477)	(37,722)	—	**(111,550)**
Net reversal/(impairment) losses on financial assets	1,739	(8,327)	—	355	—	**(6,233)**
(Loss)/reversal of impairment losses on assets	(159)	4,788	(1)	1,699	—	**6,327**
Profit/(loss) from operating activities	**62,810**	**116,928**	**89,693**	**(37,084)**	—	**232,347**
Amortization and depreciation	17,480	14,329	20,756	2,284	—	**54,849**
EBITDA	**80,290**	**131,257**	**110,449**	**(34,800)**	—	**287,196**
Reconciliation:						
Finance costs						**(44,451)**
Finance income						**25,000**
Foreign exchange gain, net						**549**
Other expenses, net						**(17,555)**
Income tax expenses						**(19,441)**
Profit for the period						**176,449**
Total assets	1,297,034	1,402,664	580,124	112,482	—	**3,392,304**
Capital expenditures	12,873	6,355	11,015	1,556	—	**31,799**
Liabilities	125,027	189,351	191,720	879,978	—	**1,386,076**

Key data by operating segment for the six months ended 31 December 2023:

	Oilseed Processing	Infrastructure and Trading	Farming	Other	Reconciliation	Total
Revenue (external)	740,165	816,547	33,148	—	—	**1,589,860**
Intersegment sales	159,177	64,490	136,694	—	(360,361)	—
Total revenue	**899,342**	**881,037**	**169,842**	**—**	**(360,361)**	**1,589,860**
Net change in fair value of biological assets and agricultural produce	—	—	(22,486)	—	—	**(22,486)**
Cost of sales	(803,091)	(776,528)	(78,268)	—	360,361	**(1,297,526)**
Other operating income	36,888	5,022	3,077	6,333	—	**51,320**
Other operating expenses	(7,389)	(5,849)	—	(11,493)	—	**(24,731)**
General, administrative and selling expenses	(5,929)	(39,766)	(9,877)	(28,497)	—	**(84,069)**
Net impairment losses on financial assets	(1,832)	(17,640)	(732)	(469)	—	**(20,673)**
Reversal of impairment losses/(loss) of assets	591	(16,381)	—	(1,979)	—	**(17,769)**
Profit/(loss) from operating activities	**118,580**	**29,895**	**61,556**	**(36,105)**	**—**	**173,926**
Amortization and depreciation	15,584	13,365	18,618	1,978	—	**49,545**
EBITDA	**134,164**	**43,260**	**80,174**	**(34,127)**	**—**	**223,471**
Reconciliation:						
Finance costs						**(74,282)**
Finance income						**28,493**
Foreign exchange gain, net						**919**
Other expenses, net						**(16,088)**
Income tax expenses						**(10,999)**
Profit for the period						**101,969**
Total assets	1,459,487	1,183,449	525,307	125,168	—	**3,293,411**
Capital expenditures	29,068	54,949	6,516	1,056	—	**91,589**
Liabilities	74,970	188,062	223,137	934,670	—	**1,420,839**

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Revenue from sales of goods and services allocated by the operating segment for the six months ended 31 December under requirements of IFRS 15 was as follows:

	For the six months ended 31 December 2024				For the six months ended 31 December 2023			
	Oilseed Processing	Infrastructure and Trading	Farming	Total	Oilseed Processing	Infrastructure and Trading	Farming	Total
Revenue from sales of commodities	857,884	901,966	26,559	1,786,409	634,623	742,085	33,148	1,409,856
Freight and other services	60,680	100,083	—	160,763	105,542	74,462	—	180,004
Total external revenue from contracts with customers	**918,564**	**1,002,049**	**26,559**	**1,947,172**	**740,165**	**816,547**	**33,148**	**1,589,860**

During the six months ended 31 December 2024, revenues of approximately USD 234,996 thousand (for the six months ended 31 December 2023: USD 92,944 thousand) were derived from a single external customer. These revenues are attributed to Oilseeds Processing and Infrastructure and Trading segments. Also, during that period, export sales amounted to 93.9% of total external sales (for the six months ended 31 December 2023: 88.6%).

During the six months ended 31 December 2024, revenue from the Group's top five customers accounted for approximately 35.9% of total revenue (for the six months ended 31 December 2023: 25.7%).

The Group's revenue from external customers (based on the country of incorporation of the sales counterparty) and information about its segment assets (non-current assets excluding non-current financial assets and deferred tax assets) by geographical location are detailed below:

	Revenue from external customers	
	For the 6 months ended 31 December 2024	For the 6 months ended 31 December 2023
Europe	1,135,369	736,728
of which Switzerland	318,858	275,659
Asia	752,444	802,838
of which India	297,309	300,431
Other locations	59,359	50,294
Total	**1,947,172**	**1,589,860**

	Non-current assets		
	As of 31 December 2024	As of 30 June 2024	As of 31 December 2023
Ukraine	1,162,555	1,166,255	1,416,486
Other locations	15,896	16,368	27,762
Total	**1,178,451**	**1,182,623**	**1,444,248**

None of the other locations represented more than 10% of total revenue or non-current assets individually.

8. Cash and Cash Equivalents

The balances of cash and cash equivalents were as follows:

	As of 31 December 2024	As of 30 June 2024	As of 31 December 2023
Cash in banks in USD	486,744	634,531	394,160
Cash in banks in UAH	119,676	150,531	131,134
Cash in banks in other currencies	13,315	24,522	16,789
Total	**619,735**	**809,584**	**542,083**
Less bank overdrafts (Note 13)	(11)	(5)	(5)
Cash for the purposes of cash flow statement	**619,724**	**809,579**	**542,078**

As of 31 December 2024, 30 June 2024 and 31 December 2023, the identified expected credit loss on cash and cash equivalents was immaterial.

9. Inventory

The balances of inventories were as follows:

	As of 31 December 2024	As of 30 June 2024	As of 31 December 2023
Products of agriculture	127,051	15,377	175,774
Goods for resale	122,105	72,699	96,282
Finished products	118,537	71,209	49,693
Raw materials	115,143	96,452	177,839
Work in progress	29,584	2,179	25,218
Fuel	4,234	8,331	5,620
Packaging materials	1,559	1,509	1,442
Other inventories	10,731	9,904	7,245
Total	**528,944**	**277,660**	**539,113**

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As of 31 December 2024, inventories a carrying amount of USD 98,577 thousand (as of 30 June 2024 and 31 December 2023: nil) have been pledged as security for short-term borrowings (Note 13).

As of 31 December 2024, write-downs of inventories to the net realizable value amounted to USD 4,289 thousand (31 December 2023: USD 4,067 thousand) recognized within the Cost of Sales.

10. Other Financial Assets

The balances of other financial assets were as follows:

	As of 31 December 2024	As of 30 June 2024	As of 31 December 2023
Government bonds	230,787	185,310	20,806
Margin account with brokers	130,100	82,215	64,263
Derivative financial instruments	94,752	25,288	20,206
Loans granted	37,707	22,306	7,316
Short-term bank deposits	—	12,747	22,760
Pledge deposits	—	1,303	—
Other financial assets	17,783	10,760	14,475
Total	**511,129**	**339,929**	**149,826**

As of 31 December 2024, the value of derivative financial instruments increased, primarily driven by a rise in the number of commodity-related contracts held by the Group.

11. Property, Plant and Equipment

During the six months ended 31 December 2024, the Group acquired property, plant and equipment in the amount of USD 30,269 thousand (31 December 2023: USD 90,458 thousand). These purchases were primarily for the oil extraction facilities, including vegetable oil storage facilities and oil extraction machinery and equipment, vehicles and agriculture equipment (31 December 2023: expansion of infrastructure and trading facilities, including vegetable oil storage facilities, vessels and barges).

For the six months ended 31 December 2024, depreciation of property, plant and equipment amounted to USD 38,724 thousand (31 December 2023: USD 35,102 thousand).

For the six months ended 31 December 2024, no fixed assets of the Group were damaged due to military operations. In contrast, for the same period in the previous year, fixed assets worth USD 7,426 thousand in the Infrastructure and Trading segments were written off as a result of such damage.

The Group assessed indicators of impairment since the most recent impairment test which was carried out as of 30 June 2024. As there were no indicators for impairment of any of the cash-generating units ('CGUs'), management has not updated any of the impairment calculations, as of 31 December 2024.

During the six months ended 31 December 2024, the Group acquired a farming entity including property, plant, and equipment valued at USD 3,258 thousand.

12. Advances from Customers and Other Current Liabilities

The balance of advances from customers and other current liabilities were as follows:

	As of 31 December 2024	As of 30 June 2024	As of 31 December 2023
Accrued payroll, payroll-related taxes and bonuses	113,977	118,747	67,629
Contract liabilities	10,437	18,598	39,338
Provision for unused vacations and other provisions	9,362	9,161	8,528
Taxes payable and provision for tax liabilities	8,786	6,938	6,267
Other current liabilities	5,595	4,274	7,653
Total	**148,157**	**157,718**	**129,415**

13. Borrowings

The balance of borrowings was as follows:

	As of 31 December 2024	As of 30 June 2024	As of 31 December 2023
Bank credit lines	327,937	147,529	32,383
Short-term borrowings	147,286	163,979	180,674
Interest accrued on short-term borrowings	3,802	3,653	3,298
Bank overdrafts (Note 8)	11	5	5
Total	**479,036**	**315,166**	**216,360**

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The balance of bank credit lines in detail by tranches was as follows:

	Interest rates in range	Currency	Amount due 31 December 2024	Amount due 30 June 2024	Amount due 31 December 2023
European bank	from 3.7% to 4.50% plus SOFR	USD	100,000	—	—
Ukrainian subsidiary of European bank	11.10%	UAH	44,007	—	—
Ukrainian subsidiary of European bank	from 5.50% to 6.50%	USD	39,000	23,000	—
Ukrainian bank	6.50%	USD	38,000	—	—
Ukrainian subsidiary of European bank	from 10.50% to 11.20%	UAH	34,159	—	—
Ukrainian bank	from 5.08% to 5.81% plus UIRD	USD	25,610	—	—
European bank	2.10% plus COF	USD	17,712	17,108	—
European bank	2.35% plus EFFR	USD	12,500	—	—
Ukrainian bank	5.05%	USD	10,000	—	—
European bank	2.50% plus COF	USD	6,960	12,578	—
Ukrainian subsidiary of European bank	7.75%	USD	—	35,000	—
Ukrainian bank	4.35% plus UIRD	UAH	—	23,348	—
Ukrainian bank	7.25%	USD	—	22,000	—
Ukrainian bank	7.00%	USD	—	10,000	—
Ukrainian subsidiary of European bank	from 6.75% to 6.90%	USD	—	4,500	—
Ukrainian subsidiary of European bank	from 11.25% to 23.73%	UAH	—	—	32,383
European bank	from 2.90% to 4.50% plus SOFR	USD	—	—	5
Total			**327,948**	**147,534**	**32,388**

The balance of the borrowings with an initial contractual maturity of more than 12 months is disclosed in the table below by tranches:

	Initial contractual maturity	Interest rates in range	Currency	Amount due 31 December 2024	Amount due 30 June 2024	Amount due 31 December 2023
European bank	2030	from 3.03% to 3.10% plus SOFR	USD	65,423	71,137	76,852
European bank	2029	from 3.03% to 3.10% plus SOFR	USD	59,463	65,962	72,462
European bank	2027	4.50% plus SOFR	USD	19,200	23,040	26,880
European bank	2027	1.00%	USD	3,200	3,840	4,480
Total				**147,286**	**163,979**	**180,674**

As of 31 December 2024, the Group classified its bank borrowings with an initial long-term contractual maturity in the amount of USD 113,900 thousand (30 June 2024: USD 130,594 thousand; 31 December 2023: USD 147,288 thousand) as short-term as the Group had waivers for technical and financial covenants for the period less than 12 months since the reporting date.

As of 31 December 2024, the undrawn amount of bank borrowings amounted to USD 309,613 thousand including available facility amounts upon bank credit lines (30 June 2024: USD 205,731 thousand; 31 December 2023: USD 162,605 thousand).

Bank borrowings were secured as follows:

	As of 31 December 2024	As of 30 June 2024	As of 31 December 2023
Property, plant and equipment	345,709	437,930	393,253
Future sales receipts	108,489	—	—
Inventory (Note 9)	98,577	—	—
Total	**552,775**	**437,930**	**393,253**

14. Bonds issued

The balances of bonds issued were as follows:

	Maturity	As of 31 December 2024	As of 30 June 2024	As of 31 December 2023
US 300,000 thousand 6.75% coupon bonds (issued October 2020)	October 2027	298,368	298,087	297,925
US 300,000 thousand 6.50% coupon bonds (issued October 2019)	October 2024	—	299,493	299,070
Total		**298,368**	**597,580**	**596,995**

As of 31 December 2024, the bonds are rated CCC by both S&P and Fitch (30 June 2024: CC, 31 December 2023: CC), one notch above the Ukrainian sovereign.

All the notes are unsecured, ranking equally with all existing and future senior unsecured indebtedness of the Company, and have been unconditionally and irrevocably guaranteed by designated Group subsidiaries on the joint and several basis to the maximum extent permitted by law.

All the bonds contain certain restrictive covenants that limit the ability of the Company and, where applicable, its restricted subsidiaries to create or incur certain liens, make restricted payments, engage in amalgamation, mergers or consolidations, or combination with other entities; make certain disposals and transfers of assets; and enter into transactions with affiliates.

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As of 31 December 2024, 30 June 2024, and 31 December 2023, the Group did not have an unconditional right (within the meaning of paragraph 69 d) of IAS 1 Presentation of Financial Statement) to defer settlement of its bonds for 12 months or longer as the effective bank waivers related to its loans covered period until 31 March 2025 and other factors (Note 13). Consequently, the Group therefore classified its long-term bonds as short-term. Nevertheless, management notes that, given the effective waivers from banks in place as of 31 December 2024, no cross-acceleration events of default under the bonds were triggered as of that date, and the Group remained otherwise in full compliance with the terms of its bonds.

On 17 October 2024, the Group completed the scheduled redemption of its USD 300,000 thousand 6.5% coupon bonds due in 2024 year.

As of 31 December 2024, accrued interest on bonds issued was USD 3,616 thousand (30 June 2024: USD 7,612 thousand; 31 December 2023: USD 7,612 thousand).

15. Revenue

The Group's revenue was as follows:

	6 months ended 31 December 2024	6 months ended 31 December 2023
Revenue from edible oils sold in bulk, and meal	1,093,288	967,554
Revenue from agriculture commodities merchandising	737,007	521,420
Revenue from bottled sunflower oil	60,777	56,798
Revenue from transshipment services	28,557	19,433
Revenue from farming	15,945	16,374
Revenue from grain silo services	11,598	8,281
Total	**1,947,172**	**1,589,860**

Revenue is obtained principally from the sale of commodities, recognized once the control of the goods has been transferred from the Group to the customer. Revenue derived from freight, storage, and other services, presented in the line Revenue from edible oils sold in bulk, and meal, is recognized over time as the service is rendered. Disaggregated revenue for each reportable segment is presented in Note 7.

For the six months ended 31 December 2024, the revenue from selling electricity, included in the line Revenue from edible oils sold in bulk, and meal, amounted to USD 17,331 thousand (31 December 2023: USD 16,176 thousand).

The transaction price allocated to outstanding performance obligations as of 31 December 2024 is USD 3,529 thousand (31 December 2023: USD 20,993 thousand). This amount represents revenue from carriage, freight, and insurance services under CIF/CFR Incoterms contracts which are to be executed in January 2025, when the goods are delivered to the point of destination and under which the Group has already recognized revenue from the sale of goods at a point in time as of 31 December 2024.

16. Cost of Sales

The cost of sales was as follows:

	6 months ended 31 December 2024	6 months ended 31 December 2023
Cost of goods for sale and raw materials used	1,344,031	911,959
Shipping and handling costs	193,816	300,147
Amortization and depreciation	53,001	46,780
Payroll and payroll-related costs	43,689	38,640
Total	**1,634,537**	**1,297,526**

For the six months ended 31 December 2024 result of operations with commodity futures, options and unrealized forwards, included in the Cost of goods for resale and raw materials, decreased the Cost of sales by USD 77,087 thousand (31 December 2023: USD 64,590 thousand).

17. General, administrative and selling expenses

General, administrative and selling expenses were as follows:

	6 months ended 31 December 2024	6 months ended 31 December 2023
Payroll and payroll-related costs	86,466	67,100
Audit, legal and other professional fees	10,658	5,062
Repairs and material costs	3,687	3,192
Business trip expenses	1,980	1,669
Amortization and depreciation	1,912	2,765
Communication expenses	1,343	638
Other expenses	5,504	3,643
Total	**111,550**	**84,069**

for the six months ended 31 December 2024 (in thousands of US dollars, unless otherwise stated)

18. Transactions with Related Parties

As of 31 December 2024, 30 June 2024 and 31 December 2023, the Group is controlled by Namsen Ltd (Note 2).

The Group had the following balances outstanding mainly from sales or purchases of goods and services, loans to or from related parties:

Related party	Statement of Financial Position line	Related party balances as of 31 December 2024	Related party balances as of 30 June 2024	Related party balances as of 31 December 2023
Entities under Common Control	Trade accounts receivable	26,341	23,303	22,513
	Prepayments to suppliers	56,812	47,112	38,986
	Other financial assets	15,222	2,327	1,917
	Non-current financial assets	—	12,961	12,711
	Trade accounts payable	7,794	1,968	13,766
	Other financial liabilities	60,370	18,177	2,142
Key management	Other financial assets	5,201	4,997	1,516
	Non-current financial assets	1,948	1,430	1,406
	Advances from customers and other current liabilities	13,035	11,166	12,941
	Other financial liabilities	59,366	66,279	64,438
Entities under Key Management control	Other financial assets	—	115	997
	Non-current financial assets	3,725	1,984	7,546
Other related parties	Trade accounts receivable	246	80	1,878
	Prepayments to suppliers	837	944	999
	Other financial assets	14,183	12,086	630
	Non-current financial assets	2,214	2,032	163
	Trade accounts payable	1,131	—	7

As of 31 December 2024, the fair value of the liability from share options amounted to USD 56,370 thousand presented within Other financial liabilities (30 June 2024 and 31 December 2023: USD 66,241 thousand and USD 61,005 thousand, respectively). The option exercise period was extended following the signing of additional agreements and shall commence on 1 November 2025 and expires on 31 December 2026 (or in certain cases 31 December 2027).

As of 31 December 2024, Other financial liabilities with entities under common control included payables under commission agreement.

Transactions with related parties are performed on terms equivalent to those that prevail in arm's length transactions. No guarantees have been provided or received for any related party receivable or payable. Loans are provided at rates comparable to the average commercial rate of interest.

Transactions with related parties were as follows:

Related party	Statement of Profit and Loss line	Related party transactions for the 6 months ended 31 December 2024	Related party transactions for the 6 months ended 31 December 2023
Entities under Common Control	Revenue	33,972	16,119
	Purchases of various goods and services	(38,958)	(169,090)
	Cost of sales	(7,005)	(5,691)
	Other income/(expenses)	(573)	297
	Other operating income	2,164	960
	Reversal of losses on financial assets	2,427	167
Key management	General, administrative and selling expenses	(5,694)	(17,868)
	Finance income	1,572	22
	Finance costs	—	(593)
Entities under Key Management control	Finance income	1,769	53
	Finance costs	—	(3,265)
Other related parties	Revenue	759	20,030
	Purchases of various goods and services	(5,522)	(505)
	Net impairment losses on financial assets	(7,970)	(11,802)
	Finance income	772	825

Remeasurement of liability related to options provided to key management as of 31 December 2024 resulted in gain recognized in General, administrative and selling expenses in the amount of USD 12,034 thousand (31 December 2023: a loss of USD 6,758 thousand).

The Group's key management personnel are the members of the Board of Directors and the management team. The remuneration of Directors and other members of key management personnel recognized in the Condensed Consolidated Interim Statement of Profit and Loss including salaries and other current employee benefits amounted to USD 14,499 thousand (for the six months ended 31 December 2024: USD 9,632 thousand).

19. Commitments and Contingencies

Capital Commitments

As of 31 December 2024, the Group had commitments under contracts with a group of suppliers for a total amount of USD 20,478 thousand, mostly for construction of the oil-crushing plant (30 June 2024 and 31 December 2023: USD 17,833 thousand and USD 26,322 thousand respectively, mostly for the construction of the oil-crushing plant).

Contractual Commitments on Sales

As of 31 December 2024, the Group entered into commercial contracts for the export of 966,000 tons of grain, 167,616 tons of sunflower oil, 98,841 tons of sunflower meal and other related products, corresponding to an amount of USD 226,463 thousand, USD 190,023 thousand and USD 26,709 thousand, respectively, in contract prices as of the reporting date.

As of 30 June 2024, the Group entered into commercial contracts for the export of 672,500 tons of grain, 186,243 tons of sunflower oil, and 40,440 tons of sunflower meals and other related products, corresponding to an amount of USD 166,595 thousand, USD 184,097 thousand and USD 10,924 thousand, respectively, in contract prices as of the reporting date.

As of 31 December 2023, the Group had entered commercial contracts for the export of 582,983 tons of grain, 300,775 tons of vegetable sunflower oil and 179,020 tons of sunflower meal and other related products, corresponding to an amount of USD 163,114 thousand, USD 283,261 thousand and USD 57,79 thousand, respectively, in contract prices as of the reporting date.

Taxation and Legal Issues

The international tax environment is becoming more complex in terms of tax administration, which could increase tax pressure on taxpayers. In particular, a key part of the OECD/G20 BEPS Project is addressing the tax challenges arising from the digitalization of the economy. The Global Anti-Base Erosion Rules (‘GloBE’) are a key component of this plan and ensure large multinational enterprises pay a minimum level of tax on the income arising in each of the jurisdictions where they operate. More specifically, the GloBE Rules provide for a coordinated system of taxation that imposes a top-up tax on profits arising in a jurisdiction whenever the effective tax rate, determined on a jurisdictional basis, is below the minimum rate. Kernel Holding S.A. belongs to the Kernel Group which is within the scope of the OECD Pillar Two Model Rules. Pillar Two legislation was enacted in Luxembourg, the jurisdiction in which Kernel Holding S.A. is incorporated, which has come into effect for fiscal years starting on or after 31 December 2023. However, it was determined in terms of Pillar 2 rules that Namsen Limited residing in Cyprus should be considered as the Ultimate Parent Entity of the Kernel Group and should therefore have the obligation to apply the Income Inclusion Rule and be charged with the top-up tax (TUT) due on any low-taxed profits of itself and its low-taxed subsidiaries. On 12 December 2024, the Cyprus House voted to transpose into law Council Directive (EU) 2022/2523 of 14 December 2022 to ensure a global minimum level of taxation of multinational enterprise groups and large domestic groups in the Union, also known as the Pillar Two Directive. The Law was published in the Official Government Gazette on December 18, 2024. The Law introduces an IIR for financial years starting from 31 December 2023 in line with the Pillar Two Directive. A Domestic Minimum Top-up Tax (DMTT) and an Undertaxed Profits Rule (UTPR) are also introduced for financial years starting from 31 December 2024.

Therefore, as previously expected, the IIR rule applies to Kernel Group from 1 July 2024.. Kernel Group is currently engaged with advisors to confirm the modalities of the application of the legislation. Based on current estimates no material effect is expected to the Group’s financial position or financial results.

Tax risk management is embedded in overall Group risk management. As of 31 December 2024, companies of the Group had ongoing litigations with the tax authorities concerning tax issues for USD 13,880 thousand (as of 30 June 2024 and 31 December 2023: USD 20,441 thousand and USD 73,653 thousand, respectively). Management believes that based on the 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.

Ukraine’s tax environment is characterized by complexity in tax administration and arbitrary interpretation by tax authorities of tax laws and regulations that could increase fiscal pressure on taxpayers. Inconsistent application, interpretation, and enforcement of tax laws can lead to lawsuits resulting in the imposition of additional taxes, penalties, and penalty interest.

As of 31 December 2024, the Company was a party to four legal cases in the District Court in Luxembourg, all initiated by eight shareholders who together held 1,210,430 shares as of February 2024, amounting to 0.4% of the Company's total issued shares:

- merits proceedings initiated on 13 October 2023 with the objective: 1) To establish that the Company's directors acted against the Company's interests, were conflicted, and lacked the necessary authority at the Board of Directors' meeting on 13 April 2023; 2) To invalidate all decisions made during the aforementioned Board meeting, including the resolution to delist the Company from the Warsaw Stock Exchange; 3) Alternatively, to appoint an expert to assess (i) the fairness of the public tender offer price announced by Namsen Limited on March 30, 2023, compared to the real value of the Company, and (ii) the economic impact of the Board of Directors' decisions, including the delisting, on the Company's corporate interests.
- summary proceedings initiated on 20 February 2024 related to the temporary suspension of decisions made by the Company's Board of Directors on 21 August 2023 (regarding the initiation of a share offering), and on 1 September 2023 (pertaining to the issuance of 216,000,000 new shares in the context of the increase in share capital following subscriptions received by certain shareholders in response to the share offering). Additionally, the claimants seek to suspend all actions taken by Namsen Limited, the Company's largest shareholder, following the capital increase, including the suspension of its voting rights related to the shares acquired thereafter.
- merits proceedings initiated on 20 February 2024 related mainly to the annulment of the Board of Directors' decisions made on 21 August

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and 1 September 2023, as mentioned above. Alternatively, the claimants seek compensation for damages from Namsen Limited.
- merits proceedings initiated on 26 April 2024 related mainly to the annulment of the decisions taken at the AGM held on 11 December 2023.

Additionally, on 3 April 2024, the same group of minority shareholders initiated summary proceedings related mainly to the suspension of the decisions taken at the AGM held on 11 December 2023. On 27 November 2024, the Vice-President of Luxembourg District Court issued a summary order under which all claims brought by the claimants in legal action against the Company and its majority shareholder, Namsen Limited, to seek the suspension of the resolutions adopted during the Company's Annual General Meeting on 11 December 2023, were declared inadmissible and, therefore, rejected. Additionally, the claimants were ordered to pay procedural indemnities to both the Company and Namsen Limited. The claimants stated that they have the intention to file an appeal against this decision, but no appeal has been filed yet.

The management of the Group believes there was no non-compliance with laws and regulations about the facts appealed by the claimants.

20. Financial Instruments

The following tables give information on the carrying and fair values of the financial instruments. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In the absence of market values, fair values have been estimated by discounting expected cash flows at prevailing market interest and exchange rates. These estimated fair values have been determined using market information and appropriate valuation methodologies but may not necessarily reflect the amounts that the company could realize in the normal course of business.

The following table below represents a comparison of carrying amounts and fair value of the financial instruments for which they differ:

	As of 31 December 2024		As of 30 June 2024		As of 31 December 2023	
Financial liabilities [1]	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Bonds issued (Note 14)	301,984	267,840	605,192	484,290	604,607	397,050

Due to the defined short-term nature of the borrowings, as of 31 December 2024, their carrying amount is considered to be approximately the same as their fair value. The fair value was calculated based on cash flows discounted using a current lending rate that is within level 2 of the fair value hierarchy.

The fair value of Bonds issued was estimated based on directly observable quotations within Level 2 of the fair value hierarchy.

Derivative instruments are carried at fair value for which the Group evaluates the quality and reliability of the assumptions and data used to measure fair value in the two hierarchy levels, Level 1 and 2, as prescribed by IFRS 13 Fair Value Measurement. Fair values are determined in the following ways: externally verified via comparison to quoted market prices in active markets (Level 1) or by observable quoted prices sourced from exchanges or brokers in active markets for identical assets or liabilities (Level 2).

Valuation of the Group's commodity physical forward contracts categorized within Level 2 is based on observable quoted prices sourced from exchanges or traded reference indices in active markets for identical assets or liabilities and broker markups derived from observable quotations representing differentials, as required, including geographic location and local supply and demand.

The following table below represents the fair values of the derivative financial instruments including trade-related financial and physical forward purchase as of 31 December 2024, 30 June 2024 and 31 December 2023:

	As of 31 December 2024			As of 30 June 2024			As of 31 December 2023		
	Level 1	**Level 2**	**Total**	**Level 1**	**Level 2**	**Total**	**Level 1**	**Level 2**	**Total**
Other financial assets (Note 10)									
Forwards	—	28,078	**28,078**	—	9,964	**9,964**	—	7,308	**7,308**
Futures/Options	66,674	—	**66,674**	15,324	—	**15,324**	12,898	—	**12,898**
Other financial liabilities									
Forwards	—	11,797	**11,797**	—	9,224	**9,224**	—	3,506	**3,506**
Futures/Options	6,206	—	**6,206**	1,222	—	**1,222**	1,497	—	**1,497**

The major part of the other financial liabilities has contractual maturity due within 6 months.

Cash and cash equivalents and short-term borrowings and government bonds are classified as level 2 fair values in the fair value hierarchy due to the inclusion of directly and indirectly observable inputs. Trade receivables, other current assets and trade accounts payable, and other current liabilities are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

For the six months ended 31 December 2024 and 31 December 2023, the fair value of other non-current assets recognized at amortized cost was estimated by discounting the expected future cash outflows by a market rate of interest for bank borrowings that is within level 3 in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.
There were no transfers between levels of the fair value hierarchy.

[1] Including accrued interests

There were no changes in the valuation technique since the previous period.

21. Subsequent Events

On 27 January 2025, Namsen Limited acquired 2,032,127 Company's shares at EUR 3.93 per share, thereby increasing its total shareholding to 278,947,016 shares of Kernel Holding S.A., representing 95.06% of total shares issued and voting rights.