



Current report no 11/2022
dated 01 March 2022

Operations update – impact of the Russian war against Ukraine

On 24 February 2022, Russia started a full-scale invasion of Ukraine, where key assets of the Kernel Holding S.A. group of companies (“**the Group**”) are located, escalating its aggression against Ukraine which was commenced in 2014. Reliable evidence confirms that Russian troops are making indiscriminate attacks including air raids, ballistic missile strikes and bombings, targeting residential housing, utilities, and critical infrastructure all over Ukraine. As of the date of this report, the most intensive military actions are localized in the northern Ukraine (including Sumy and Chernihiv regions where Group has substantial farming operations), the eastern Ukraine (including Kharkiv region where Group owns two oilseed processing plants and operates a farming cluster), and the southern Ukraine.

As a result of the military actions, the Group temporarily suspended grain export and oilseed processing operations in Ukraine, including the procurement of grain and oilseeds, infrastructure, and logistics activities. The Group created a special anti-crisis headquarter coordinating on the daily basis to resolve all arising issues. The management prioritizes the safety of the Group’s workforce, food supplies to various regions of Ukraine together with targeted financial donations to avoid humanitarian crisis in the region, and the safety of Group’s assets. Several hundreds of Group’s employees have been mobilized to the military forces of Ukraine, and the Group is focused on providing the necessary protective equipment and providing additional financial support to such employees. A part of employees was relocated to western Ukraine, where military actions are not as intense as in other parts of Ukraine.

To the best of management’s knowledge, there are two fatalities among our employees. We have not had any severe damages of our assets, albeit it shall be recognized that the situation remains complex and changeable. Besides, there is limited communication with those of Group’s assets located on the territories occupied by Russia, and there is uncertainty about the condition of such assets.

We are confident that all our investors and counterparties are standing by us and are seeking ways to help Ukraine. To facilitate this, we list under the link <https://www.kernel.ua/support-for-ukrainian-army/> specific actions that we encourage you to take if you wish to further help Ukraine.

Further updates will be made as and when appropriate.

Legal grounds: Art. 56.1.1 of the Act of 29 July 2005 on public offerings, conditions governing the introduction of financial instruments to the organised trading system, and public companies.

Signatures of individuals authorized to represent the Company:

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