



Current report no 17/2018

dated 22 October 2018

### **FITCH AFFIRMS KERNEL AT 'B+' WITH STABLE OUTLOOK**

In a press release by Fitch Ratings, the agency has affirmed Long-Term Issuer Default Rating (LT FC IDR) of Kernel Holding S.A. at 'B+' with Stable Outlook. The rating incorporates a leverage spike and weak operating results expected for financial year ended June 2018 due to a challenging operating environment. Fitch Ratings expects a rebound in profits and an improvement in leverage, due to Kernel's expansion plans and strong support from the group relationship banks. The agency noted that Kernel is at an advanced stage of obtaining a long-term funding from the European Investment Bank in amount of up to US\$ 250 million to cover its FY2019 capital expenditures, seeing limited execution risk in Kernel's expansion plans.

Fitch Ratings also affirmed Kernel's National Long-Term Rating at 'AAA (ukr)'.

For a full text of the press release related to the rating update, please refer to the following link: [Fitch Affirms Kernel at 'B+'; Outlook Stable](#). The definition of capitalized terms and applicable research criteria can be accessed at Fitch's Corporate Rating Methodology.

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 organized trading system, and public companies.

Signatures of individuals authorized to represent the Company:

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