

KERNEL



Kernel Holding S.A.

ANNUAL REPORT

For the year ended 30 June 2026

Kernel is a diversified, vertically integrated agricultural business, the largest exporter of agricultural products from Ukraine.

We are the world's leading producer and exporter of sunflower oil, the largest grain exporter from Ukraine, the operator of an extensive agricultural logistics network, and the leading producer of grain and oilseeds in Ukraine. In FY2026, we supplied 9 million tons of agricultural products from Ukraine worldwide.

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Key Highlights

USD million except ratios and EPS	FY2025	FY2026	y-o-y
Income statement highlights			
Revenue	4,115	4,404	7%
EBITDA ¹	466	558	20%
Net profit attributable to equity holders of Kernel Holding S.A.	238	322	35%
EBITDA margin	11.3%	12.7%	1.3pp
Net margin	5.8%	7.3%	1.5pp
EPS, USD	0.81	1.10	35%
Cash flow highlights			
Operating profit before working capital changes	434	610	40%
Change in working capital	(103)	(361)	3.5x
Finance costs paid	(46)	(53)	14%
Income tax paid	(44)	(54)	24%
Net cash provided by operating activities	242	142	(41%)
Net cash used in investing activities	(40)	(442)	11x
Liquidity and credit metrics			
Net interest-bearing debt	143	736	5.1x
Commodity inventories	299	260	(13%)
Adjusted net debt ²	(155)	476	n/a
Adjusted net debt ² (excl. lease liabilities)	(361)	117	n/a
Shareholders' equity	2,078	2,317	12%
Net debt / EBITDA	0.3x	1.3x	1.0x
Adjusted net debt ³ / EBITDA	(0.3x)	0.9x	1.2x
Adjusted net debt ³ (excl. lease liabilities) / EBITDA	(0.8x)	0.2x	1.0x
EBITDA / Interest	14.4x	10.2x	(4.3x)
Non-financial highlights			
Number of employees (full-time equivalent) at 30 June ⁴	10,760	14,484	35%
Rate of recordable work-related injuries, accidents per million worked hours	0.85	0.85	0%
Social spending, USD million	30.4	38.1	25%
Total GHG emission, thousand tons of CO2 equivalent	1,897	1,895	(0%)
Total energy consumption, thousand gigajoules	9,417	10,282	9%

Note: The financial year ends on 30 June.

1. Hereinafter, EBITDA is calculated as profit from operating activities, adding back depreciation and amortization.

2. 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 "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 readily marketable.

3. Adjusted 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.

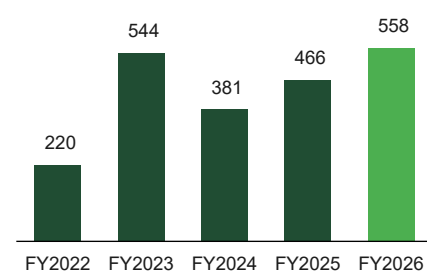
4. Excluding employees related to assets held for sale as of the reporting date.

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

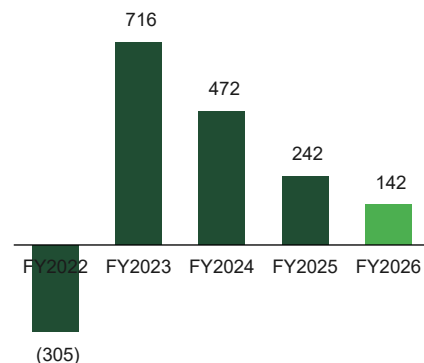
Hereinafter "Kernel" or "Group" refers to the Kernel Holding S.A. group of companies, while "the Company" refers to Kernel Holding S.A. as the Group's parent entity.

This Management Report, together with the "Sustainability Statement" and "Corporate Governance" sections shall be read and perceived as Directors' Report for the purposes of the Luxembourg legislation.

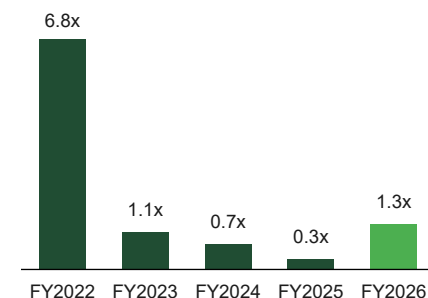
EBITDA
USD million



Net cash generated by operating activities
USD million



Net debt / EBITDA



Chairman's Statement



Andrii Verevskyi
Chairman of the Board of Directors,
Founder

Dear Stakeholders,

On behalf of the Board of Directors of Kernel Holding S.A., I am honored to present the Group's performance for the financial year ended 30 June 2026. FY2026 was a year of stronger financial performance and renewed development for Kernel, despite the continued challenges of operating during the full-scale war in Ukraine. The Group delivered **EBITDA** of USD 558 million, up 20% y-o-y, while **net profit attributable to shareholders** increased by 35% y-o-y to USD 322 million. We ended the year with Net debt / EBITDA of 1.3x, following a period of increased investment activity and expansion of the Group's operating platform.

FY2026 highlights

FY2026 marked an important shift in the environment in which we operated. The full-scale war continued to add uncertainty and complexity, requiring constant adaptation across the business. Nevertheless, the relative stability of Black Sea export operations during most of the year allowed us to make fuller use of our integrated business model. Market conditions remained challenging in several areas, particularly oilseed processing, but overall the Group was able to translate greater operating stability into stronger financial performance.

Oilseed Processing remained one of the most challenging areas of our business in FY2026. Ukraine's sunflower seed harvest fell to approximately 10.4 million tons, the lowest level in the past decade, intensifying competition for feedstock. At the same time, Russian attacks increasingly targeted oilseed processing and export infrastructure, adding a new layer of operational and logistics risk. In this environment, the flexibility of our multi-seed platform proved particularly valuable. Although total processing volumes declined by 8% y-o-y to 3.2 million tons, we maintained capacity utilization at 83% and increased edible oil sales by 3% to 1.45 million tons, supported by the release of inventories accumulated in prior periods. The segment delivered **EBITDA** of USD 156 million, up 6% y-o-y, as market pricing increasingly incorporated the additional risks faced by processors able to maintain operations and secure export logistics.

Our **Infrastructure and Trading** segment remained an important contributor to the Group's performance. Export terminal throughput reached a record 9.6 million tons, while grain exports increased by 15% y-o-y to 6.3 million tons. Despite this improvement, export volumes remained well below pre-war levels, reflecting both the smaller overall grain supply in Ukraine and the continued constraints of the wartime operating environment. Kernel's share of Ukraine's grain exports

nevertheless increased to 15%, reinforcing our position as the country's largest grain exporter. Silo services delivered a particularly strong result, supported by record intake volumes and higher demand for drying as the corn harvest came in with elevated moisture levels. Avere also delivered another strong contribution of USD 86 million of **EBITDA**, although below the exceptional result recorded a year earlier. Overall, the segment generated EBITDA of USD 217 million, broadly in line with FY2025, as stronger performance across the Ukrainian infrastructure and logistics businesses largely offset the lower contribution from Avere.

The **Farming** segment delivered a material improvement in performance, driven primarily by a shift in the crop mix toward higher-margin corn and away from soybeans. Together with an 11% y-o-y improvement in corn yields, this supported a 43% increase in crop production to 2.3 million tons. As a result, the segment generated **EBITDA** of USD 241 million, up 31% y-o-y. The benefits of the more favorable crop mix and higher production volumes were partially offset by a 28% increase in average production costs per hectare and a 23% rise in land lease costs, while stronger oilseed prices provided additional support.

The stronger operating environment during most of FY2026 also allowed us to resume a more active approach to the Group's long-term development. The most significant step was the acquisition of Enselco Holding Limited, which added approximately 190 thousand hectares of leasehold farmland, together with related storage infrastructure and agricultural machinery. Beyond expanding the scale of our Farming business, the transaction also strengthened the Group's internally produced feedstock base at a time of intense competition for grains and oilseeds in Ukraine. At the same time, we continued to optimize the geographical footprint of our Farming business through selected asset disposals, entering FY2027 with a substantially enlarged and more concentrated operating platform. Alongside the expansion of our agricultural platform, we also moved from planning to implementation in renewable energy. During the year, Kernel secured dedicated financing from international financial institutions for the development of large-scale solar and wind projects in Ukraine. These investments are intended to strengthen the resilience of our energy supply, increase the share of renewable generation in our portfolio, and support the broader decentralization of Ukraine's energy system.

This renewed investment activity, together with the acquisition of the farmland bank and working capital absorption, materially

Chairman's Statement **continued**

changed our balance-sheet position. Net debt increased to USD 736 million as of 30 June 2026 from USD 143 million a year earlier, while the Group's cash position declined to USD 357 million. Nevertheless, leverage remained at a manageable level, with Net debt / EBITDA of 1.3x and Adjusted net debt / EBITDA of 0.9x at year-end. Preserving financial flexibility remains an important priority as we continue to invest while operating in an environment of elevated uncertainty.

The final months of FY2026 and the beginning of FY2027 served as a reminder of how quickly the operating environment can change. Renewed Russian attacks damaged our port infrastructure and intensified risks to commercial shipping in the Black Sea, creating significant uncertainty around export logistics and the utilization of our assets. We therefore enter FY2027 as a larger and financially stronger business than a year ago, but in an environment that has again become substantially more uncertain.

In view of the disruption to Black Sea exports, the ongoing restoration of damaged assets, and additional investment that may be required to develop alternative logistics channels, the Board of Directors has recommended a **nil dividend for the financial year ended 30 June 2026**. This approach is intended to preserve liquidity and maintain sufficient financial capacity to navigate the elevated uncertainty of FY2027 while continuing to support the Group's strategic priorities.

FY2027 outlook

The beginning of FY2027 brought a material deterioration in the operating environment, as several war-related risks that we had been managing since the onset of the full-scale invasion materialized almost simultaneously. The most critical has been the disruption to export logistics. Combined Russian missile and drone attacks on Ukrainian port infrastructure damaged our recently restored Trans-BulkTerminal again, forcing operations at the facility to stop, while another attack affected the oil transshipment terminal in Chornomorsk, acquired by the Group in 2023. Restoration works are ongoing, while we continue to assess the full operational and financial impact and the investment required to restore the affected facilities.

The timing of these attacks is particularly challenging. Ukraine entered the new marketing year with elevated carry-in stocks of corn, wheat, and barley of almost 8 million tons, while a new harvest is now entering the market. This coincided with a sharp deterioration in the security environment surrounding Ukraine's principal export routes.

Since mid-July 2026, Russia has increasingly extended its missile and drone attacks beyond Ukrainian port infrastructure to commercial vessels calling at Ukrainian ports. These attacks have materially increased the security risks associated with Black Sea navigation and have resulted in a dramatic reduction in the number of commercial vessel calls at Ukrainian ports, with vessel traffic reportedly declining by approximately tenfold against previously observed levels.

The escalation has not been limited to individual vessels or isolated incidents. It has taken place against a broader intensification of missile and drone strikes targeting Ukrainian port infrastructure and logistics assets, further constraining the ability of Ukrainian ports to operate at normal commercial capacity. The resulting deterioration in the security environment has materially impaired the reliability and predictability of maritime export logistics.

The disruption also affects alternative export corridors. In particular, the Danube route and other alternative channels are exposed to increased pressure as cargo flows are diverted away from the deep-water Black Sea ports. Russia also regularly targets river and land-based export infrastructure, making these alternative routes vulnerable to disruption and further reducing the reliability of their operations. While these routes remain operational and provide an important mitigation mechanism, their substantially lower capacity and higher logistics costs prevent them from replacing Black Sea exports at scale.

As a result, agricultural exports have declined materially at the beginning of the 2026/27 marketing season. The continuing deterioration of export logistics is expected to remain one of the principal constraints on the Ukrainian agricultural sector throughout FY2027, affecting export volumes, commodity flows, inventory turnover, storage requirements, working capital, and overall sector economics.

The duration of the disruption will therefore be one of the key factors shaping Kernel's performance in FY2027. It will determine export volumes, utilization of our port infrastructure, logistics costs, inventory turnover, and working capital requirements. Our immediate priorities are to adapt our logistics model, preserve flexibility in commodity flows, restore damaged assets, and secure as much alternative export capacity as possible, even where this requires additional investment.

Human capital pressures also remain elevated as the war continues, with mobilization, displacement, and prolonged uncertainty affecting the availability of critical skills and

operational continuity across the business.

We therefore enter FY2027 with a high degree of uncertainty. Much will depend on the security situation in the Black Sea and the availability and economics of alternative export routes. Kernel has repeatedly demonstrated its ability to adapt its operating model and restore affected activities under extraordinary circumstances. That resilience will remain essential in the year ahead, but we are also clear about the limits of adaptation: **alternative logistics can mitigate the impact of constrained Black Sea access, but they cannot fully replace it.**

Update on corporate matters

The Company remains in the process of delisting its shares from the Warsaw Stock Exchange, initiated in spring 2023. Completion remains subject to approval by the Polish Financial Supervision Authority and continues to be affected by legal proceedings initiated in Luxembourg by a group of eight minority shareholders collectively holding approximately 0.4% of Kernel's shares.

During FY2026, the Company secured favorable outcomes in two of these proceedings. In March 2026, the Luxembourg Court of Appeal upheld in full the dismissal of claims seeking suspension of resolutions adopted at the Annual General Meeting on 11 December 2023 and of Board resolutions related to the August–September 2023 share capital increase. In both cases, the appeals were declared unfounded, and the claimants were ordered to bear procedural costs.

The Board of Directors welcomes these judgments as further confirmation of the legal basis underlying the challenged corporate decisions. The Company remains confident that the relevant resolutions and actions were adopted in accordance with applicable law and its corporate governance framework and will continue to defend its position in the remaining proceedings.

Despite these favorable outcomes, legal challenges initiated by the same group remain ongoing and continue to delay completion of the broader delisting process. They also create additional legal costs, management burden, and uncertainty around the timing of the Company's strategic initiatives. Kernel will continue to defend its position before the competent courts while pursuing its strategic objectives and acting in the interests of the Company and its stakeholders.

Sustainability progress

FY2026 demonstrated that sustainability remains firmly embedded in Kernel's strategy

Chairman's Statement **continued**

despite the extraordinary conditions in which we operate. During the year, we published our second Sustainability Statement in accordance with CSRD and ESRS requirements, maintained our CDP climate rating at level B, and made further progress against our renewable energy and sustainable agriculture targets. We also launched Seeds of Recovery, Kernel's proprietary carbon removals project developed under Verra's VM0042 methodology, and completed the first commercial shipment of low-carbon sunflower oil sold at a premium reflecting verified emission reductions. These achievements demonstrate that we continue to advance our long-term sustainability priorities even while managing the immediate challenges created by the war.

Yet our understanding of sustainability extends far beyond environmental targets. The human consequences of the war remain deeply present across our organization. As of the date of this report, 995 Kernel employees are serving in the Armed Forces of Ukraine. We continue to support our mobilized colleagues and their families and to contribute to initiatives aimed at strengthening Ukraine's defense and resilience.

The human cost of the war has been devastating. We mourn 86 colleagues who have lost their lives, while 56 employees remain missing. Another 174 colleagues have been injured, either while serving in the Armed Forces or as civilians. These are not simply statistics for Kernel. They represent colleagues, friends, and members of our communities whose courage and sacrifice will remain part of the Company's history. We continue to honor the memory of those we have lost on a dedicated [webpage](#) and support their families.

Supporting colleagues returning from military service has become an increasingly important part of our responsibility as an employer. In FY2026, we further developed our veteran reintegration program by creating opportunities for veterans themselves to take an active role in supporting others and contributing their military experience to the organization. Veterans now participate as tactical medicine instructors, mentors for colleagues returning from service or joining Kernel, and contributors to professional development initiatives that recognize military experience as valuable human capital. This approach helps build internal veteran leadership, strengthens mutual support, and contributes to a more resilient and inclusive organization.

Beyond our own workforce, Kernel continued to support Ukraine and the communities affected by the war. Social spending amounted to USD 38 million in FY2026 and included

assistance to Ukraine's defense forces, humanitarian support for affected communities, and programs for employees, veterans, and their families. We regard this support as an essential part of Kernel's responsibility both as a major employer and as a Ukrainian business operating at a time of exceptional national challenge.

I would like to conclude by thanking our employees for their resilience, professionalism, and dedication throughout another exceptionally demanding year. I am equally grateful to our partners and stakeholders for their continued trust and support, and to the international community for standing with Ukraine. Above all, we express our profound gratitude to the Ukrainian defenders whose courage makes it possible for our country, our people, and our businesses to continue moving forward.



Andrii Verevskyi
Chairman of the Board of
Directors, Founder

Our Business Model

SBM-1, 42



Farming segment

- Leading producer in Ukraine operating 530 thousand hectares of leasehold farmland;
- Modern large-scale machinery, sustainable agronomic practices, cluster management system and export-oriented crop mix;
- Nearly 100% of sales volumes flows through our Infrastructure and Trading and Oilseed Processing segments, earning incremental profits



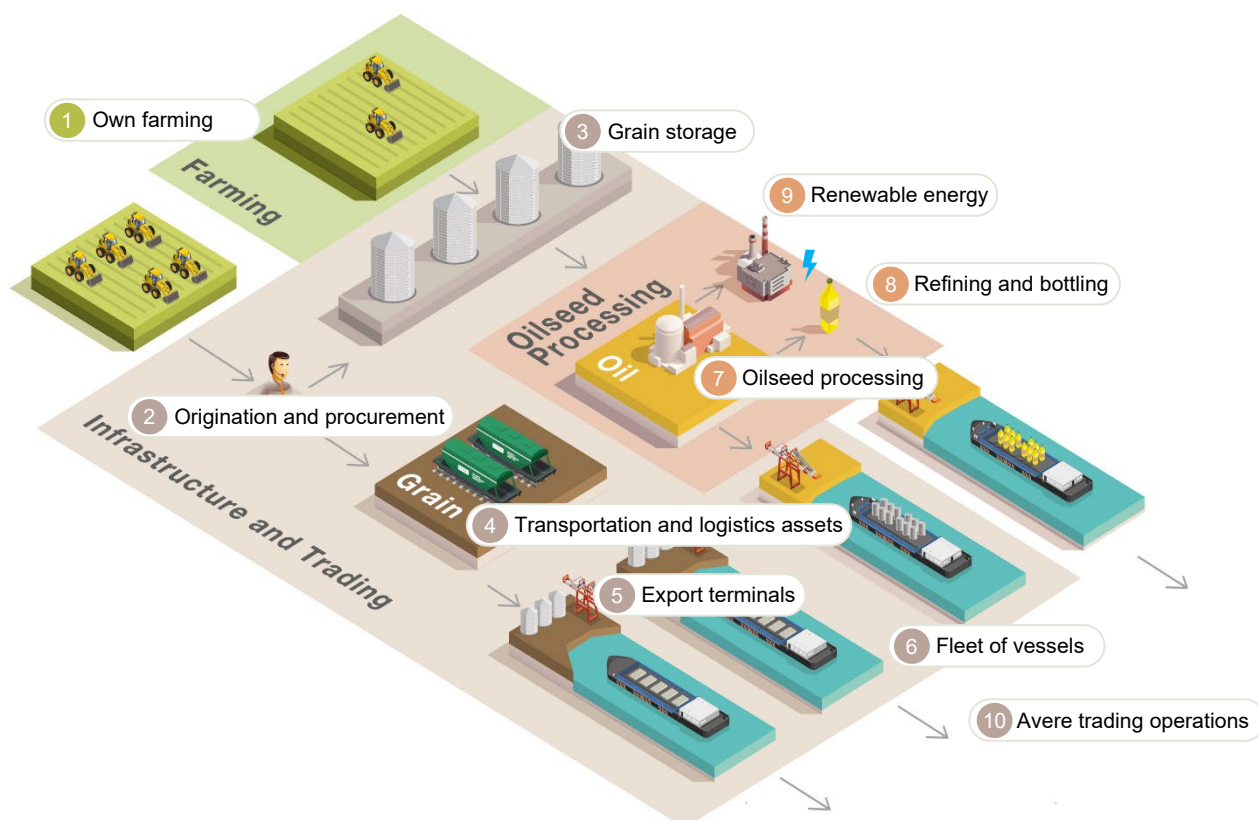
Infrastructure and Trading segment

- Leading grain exporter from Ukraine with 15% of the country's total grain exports in FY2026;
- Leading grain export terminal operator with total annual capacity to transship 13 million tons of soft commodities;
- #1 private inland grain silo network in Ukraine with 2.1 million tons of one-time grain storage capacity;
- #1 private grain railcar fleet in Ukraine (3.3 thousand of accessible own railcars);
- Avere proprietary trading activities



Oilseed Processing segment

- Leading sunflower oil producer (~6% of global production) and exporter (~10% of global exports);
- Leading bottled sunflower oil producer and marketer in Ukraine;
- 4.0 million tons annual sunflower seed processing capacity;
- Producer of renewable energy from biomass



Segment results summary

	Revenue, USD m			EBITDA, USD m			Volume, thousand tons ¹			EBITDA margin, USD/t ²		
	FY2025	FY2026	y-o-y	FY2025	FY2026	y-o-y	FY2025	FY2026	y-o-y	FY2025	FY2026	y-o-y
Oilseed Processing	2,107	2,384	13%	148	156	6%	1,407	1,445	3%	105	108	3%
Infrastructure and Trading	2,169	2,100	(3%)	218	217	(1%)	5,427	6,265	15%	40	35	(14%)
Farming	468	545	16%	184	241	31%	1,658	2,330	41%	515	673	31%
Unallocated corporate expenses				(84)	(55)	(34%)						
Reconciliation	(629)	(625)	(1%)									
Total	4,115	4,404	7%	466	558	20%						

Note 1: Physical edible oils volumes exported from Ukraine (ex. Avere) for Oilseed Processing; physical grain volumes exported from Ukraine (ex. Avere) for Infrastructure and Trading; harvest of grain and oilseeds in the Farming segment.

Note 2: USD per ton of vegetable oil sold for Oilseed Processing; USD per ton of grain exported (ex. Avere volumes) for Infrastructure and Trading; USD per hectare for Farming.



FINANCIAL PERFORMANCE

FY2026 marked a shift toward stronger financial performance and renewed investment for Kernel. Despite persistent war-related challenges, the relative stability of Black Sea export operations during the year allowed the Group to benefit more fully from its integrated business model and pursue a more active development agenda. Nevertheless, conditions remained challenging across several core markets, particularly in oilseed processing, where constrained sunflower seed availability continued to put pressure on the industry.

Kernel delivered **EBITDA** of USD 558 million, up 20% y-o-y, while **net profit attributable to the shareholders** of Kernel Holding S.A. increased by 35% y-o-y to USD 322 million. Infrastructure and Trading benefited from record terminal throughput, higher grain exports, stronger silo and railcar performance, and another substantial contribution from Avere. Farming increased crop production by 43% y-o-y to 2.3 million tons, while Oilseed Processing maintained capacity utilization above the market average despite limited sunflower seed availability, supported by increased processing of soybeans and rapeseed.

The improved operating environment also enabled us to take a more active approach to the Group's long-term development. During FY2026, Kernel acquired Enselco Holding Limited, adding 190 thousand hectares of leasehold farmland and related infrastructure, while simultaneously optimizing the geographical footprint of the Farming segment.

This expansion, together with higher investment activity and working capital absorption, resulted in a material increase in leverage. Net debt reached USD 736 million as of 30 June 2026, compared with USD 143 million a year earlier, while the Group's cash position declined to USD 357 million. Nevertheless, leverage remained at a manageable level, with Net debt

Revenue

USD 4,404 million
+7% y-o-y

EBITDA

USD 558 million
+20% y-o-y

/ EBITDA of 1.3x and Adjusted net debt / EBITDA of 0.9x at year-end.

The beginning of FY2027, however, brought a sharp deterioration in the operating environment. Renewed Russian attacks damaged several of the Group's port assets, while attacks on civilian commercial vessels disrupted navigation through Ukraine's deep-water Black Sea ports. As a result, the Group enters FY2027 with an enlarged operating platform, but also with higher leverage and renewed uncertainty around export logistics and infrastructure availability.

Looking ahead to FY2027, our outlook remains cautious. A key priority will be to develop and strengthen alternative export channels to mitigate constrained access to deep-water Black Sea ports. This will require additional investment in logistics routes and infrastructure, together with greater flexibility in managing volumes that cannot be exported through traditional channels.

Financial Performance in FY2026 continued

Income statement highlights

The Group's **revenue** increased by 7% y-o-y to USD 4.4 billion in FY2026. The growth was primarily driven by higher physical sales volumes of grains and edible oils, while commodity prices remained supportive throughout the reporting period. Revenue from freight and other services declined slightly to USD 259 million, reflecting a higher share of sales executed under FOB Incoterms, where the Group does not arrange sea transportation to the destination port. Export sales continued to dominate the Group's revenue structure, accounting for 94% of total revenue.

In FY2026, the Group recognized a USD 44 million **gain from the net change in fair value of biological assets and agricultural produce**, compared with a USD 7 million gain recorded a year earlier. The result primarily reflected gains recognized from revaluing crops in the fields to fair value less costs to sell as of 30 June 2026, and expensing of similar gains recorded in the previous year. The higher gain recognized in FY2026 resulted from a larger area under crops and higher expected yields compared with the previous year.

Cost of sales in FY2026 climbed by 5% y-o-y to USD 3.9 billion¹, largely attributable to a 7% y-o-y rise in the cost of goods available for sale and raw materials used, reflecting continued competition for grain and oilseed feedstock in the domestic market. Despite a larger grain harvest in Ukraine, procurement and movement of agricultural commodities were complicated by persistent logistics disruptions caused by Russian attacks on Ukraine's infrastructure, while the pronounced imbalance

between sunflower seed supply and domestic crushing capacity kept competition for oilseeds elevated. Payroll and payroll-related expenses included in cost of sales increased by 13% y-o-y to USD 103 million.

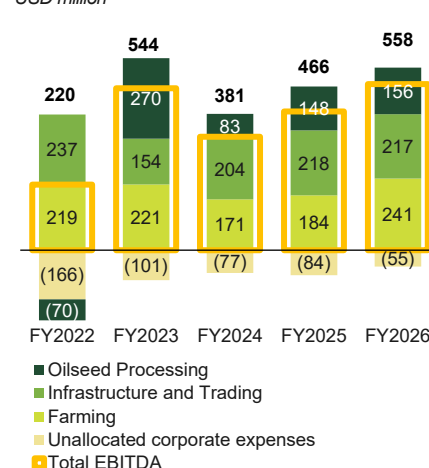
As revenue increased at a faster pace than cost of sales, while the result also benefited from the substantially higher IAS 41 gain, **gross profit** rose by 37% y-o-y to USD 504 million in FY2026, compared with USD 369 million in FY2025.

Other operating income amounted to USD 196 million in FY2026, down 26% y-o-y. The result primarily comprised a USD 162 million net gain on commodity futures, options, and unrealized forward contracts, which, following a change in presentation, is recognized within other operating income rather than cost of sales. Other operating income also included USD 14 million of gains on securities held as part of the Group's liquidity management activities, compared with USD 26 million recorded a year earlier, as well as USD 10 million of income from stock-takes and other minor items.

Other operating expenses dropped by 38% y-o-y to USD 29 million. The decrease was largely attributable to lower losses on swap transactions, which amounted to USD 2 million in FY2026, down from USD 21 million in the previous year. Losses on derivative instruments remained broadly unchanged at approximately USD 25 million.

General, administrative and selling expenses decreased by 6% y-o-y to USD 222

Kernel's EBITDA split by segments



million, primarily reflecting lower payroll and payroll-related expenses, which more than offset increases in other administrative cost categories.

In FY2026, the Group recognized a USD 9 million **impairment loss**, compared with a USD 9 million impairment reversal recorded a year earlier. The current-year charge included a USD 3.2 million write-off of 188 grain railcars that had remained stranded in Russian-occupied territories since the onset of the full-scale war in Ukraine. Given the absence of realistic prospects for recovering these assets, the Group fully wrote off their remaining carrying value during the reporting period. The balance of the impairment charge related to the reassessment of the recoverable value of other Group assets.

Consequently, **operating profit** increased by 22% y-o-y to USD 441 million in FY2026, compared with USD 361 million in the previous year.

Finance costs increased by 12% y-o-y to USD 87 million, reflecting higher interest expense on lease liabilities following the expansion of the Group's farmland lease portfolio. This was partly offset by lower interest expenses on bank loans and corporate bonds. At the same time, **finance income** declined by 30% y-o-y to USD 32 million, primarily comprising interest earned on financial assets held for liquidity management purposes. The lower result reflected a reduction in the amount of excess liquidity allocated to interest-bearing instruments during the year. As a result, **net finance costs** increased by 70% y-o-y to USD 55 million, compared with USD 32 million in FY2025.

Income statement highlights

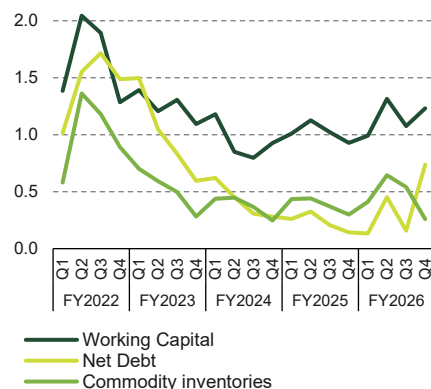
USD million	FY2025	FY2026	y-o-y
Revenue	4,115	4,404	7%
Net IAS 41 gain	7	44	6.7x
Cost of sales	(3,752)	(3,944)	5%
Gross profit	369	504	37%
Other operating income	267	196	(26%)
Other operating expenses	(46)	(29)	(38%)
Net impairment losses on financial assets	(2)	0	n/a
Loss on impairment of assets	9	(9)	n/a
General and administrative expenses	(235)	(222)	(6%)
Operating profit	361	441	22%
Finance costs, net	(32)	(55)	70%
Foreign exchange gain(loss), net	(5)	3	n/a
Other income/(expenses), net	(36)	(8)	(79%)
Profit / (loss) before income tax	287	382	33%
Income tax expenses	(50)	(60)	21%
Profit for the period	238	322	35%
Attributable to equity holders of Kernel Holding S.A.	238	322	35%
Non-controlling interest	(0.6)	(0.1)	(75%)
EBITDA	466	558	20%

¹ As of 30 June 2026, the Group revised the presentation of results from commodity futures, options, and unrealized forward contracts, reclassifying them from cost of sales to other operating income. Comparative figures were reclassified accordingly. Please refer to the Material Accounting Policy Information note for further details.

Financial Performance in FY2026 continued

Working capital and debt position

USD billion



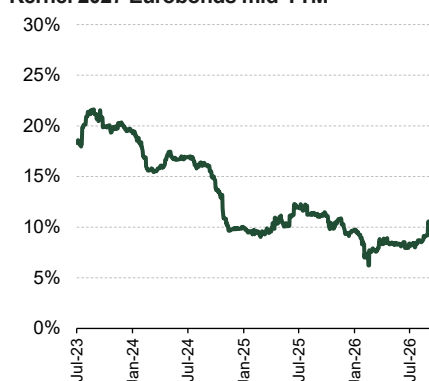
"Working Capital", "Net Debt" and "Commodity inventories" definitions as described in the section [Alternative Performance Measures](#).

The Group recognized a **net foreign exchange gain** of USD 3 million for the year ended 30 June 2026, compared with a USD 5 million loss recorded a year earlier. The result primarily reflected the revaluation of monetary balances denominated in Ukrainian hryvnia (UAH) during the reporting period.

Other expenses, net, plunged by 79% y-o-y to USD 8 million. The result primarily comprised USD 38 million of social spending and other minor expenses, including fines and penalties, partly offset by gains on asset disposals. These included a USD 23 million gain on the disposal of subsidiaries, mainly related to the partial divestment of farming assets in the Kharkiv region, and a USD 7 million gain on the disposal of property, plant and equipment, largely from the sale of the Group's vessel and selected inland grain silos.

With **profit before income tax** of USD 382 million, up 33% y-o-y, the Group recognized corporate **income tax expenses** of USD 60

Kernel 2027 Eurobonds mid-YTM



Source: Refinitiv

million in FY2026, compared with USD 50 million in the previous year. As a result, **net profit attributable to the shareholders** of Kernel Holding S.A. amounted to USD 322 million, representing a 35% y-o-y increase.

After accounting for a USD 81 million loss from exchange differences arising on the translation of foreign operations and other items recognized in other comprehensive income, total **comprehensive income attributable to equity holders** of the Company amounted to USD 239 million in FY2026, up approximately 9% y-o-y.

Considering the significant uncertainties and risks related to the Group's future performance in war conditions and blockade of the Black Sea, the Board of Directors recommended that the general meeting of shareholders declare a dividend of nil for the year ended 30 June 2026.

Cash flow highlights

The Group generated USD 610 million of **operating profit before working capital changes** in FY2026, up 40% y-o-y. The

increase outpaced the movement in EBITDA, reflecting the impact of several non-cash adjustments in the operating cash flow reconciliation. The most significant items included a USD 120 million trading loss, arising primarily from changes in the fair value of derivative instruments, and a USD 44 million gain from the revaluation of biological assets.

Changes in working capital resulted in a cash outflow of USD 361 million in FY2026, compared with an outflow of USD 103 million in the previous year. The significantly higher cash absorption was primarily driven by a USD 188 million increase in other financial assets, mainly reflecting higher balances maintained in margin accounts with brokers, and a USD 187 million decrease in contract, other current and financial liabilities, reflecting the reduction of customer prepayments and settlement of other liabilities accumulated. These outflows were partially offset by favorable movements in trade receivables.

Interest paid in FY2026 remained broadly stable, increasing by 4% y-o-y to USD 81 million, while **interest received** declined by 11% y-o-y to USD 29 million, reflecting a lower contribution from interest-bearing financial assets during the reporting period. After accounting for USD 54 million of **income tax paid**, the Group generated USD 142 million in **net cash from operating activities**, down 41% y-o-y.

Net cash used in investing activities amounted to USD 442 million in FY2026, reflecting the Group's active M&A and investment program during the reporting period. The acquisition of Enselco Holding Limited accounted for USD 338 million of cash outflows, partially offset by USD 25 million of proceeds from the partial divestment of farming assets in the Kharkiv region. A further USD 139 million was invested in property, plant and equipment, primarily related to prepayments for equipment for the Group's wind and solar energy projects, reconstruction of the transshipment terminal in Chornomorsk, agricultural machinery, and grain railcars.

Within **financing activities**, the Group received USD 111 million in proceeds from credit lines, primarily provided by Ukrainian banks and European financial institutions, as well as USD 146 million from short- and long-term borrowings. At the same time, the Group repaid USD 169 million of borrowings and used a further USD 38 million to settle farmland lease liabilities.

Overall, the Group recorded a **total cash outflow** of USD 261 million during FY2026, compared with an outflow of USD 192 million in the previous year. Consequently, the Group's

Liquidity positions and credit metrics

USD million, except ratios	30-Jun-25	30-Jun-26	y-o-y
Short-term interest-bearing debt	175	397	2.3x
Long-term interest-bearing debt	82	39	(53%)
Lease liabilities	205	359	75%
Eurobonds	298	298	(0%)
Debt liabilities	761	1,093	44%
Cash and cash equivalents	618	357	(42%)
Net debt	143	736	5.1x
Commodity inventories	299	260	(13%)
of which edible oil and meal	208	120	(42%)
Sunflower seeds	46	35	(24%)
Grains and other RMIs	44	105	2.4x
Adjusted net debt	(155)	476	n/a
Shareholders' equity	2,078	2,317	12%
Net debt / EBITDA	0.3x	1.3x	+1.0x
Adjusted net debt / EBITDA	(0.3x)	0.9x	+1.2x
EBITDA / Interest	14.4x	10.2x	-4.3x

Financial Performance in FY2026 **continued**

cash position decreased by 42% y-o-y to USD 357 million as of 30 June 2026.

Debt overview

In order to support the M&A program, as well as its ongoing working capital requirements, Kernel remained active in securing additional financing during FY2026. The Group continued to diversify its funding sources, raising financing from both Ukrainian banks and international financial institutions. Therefore, as of 30 June 2026, the Group's **total debt outstanding** amounted to USD 1,093 million, comprising:

- USD 298 million carrying value of **Euro-bonds** maturing in October 2027, with an outstanding principal amount of USD 300 million;
- USD 359 million of **lease liabilities**, primarily arising from farmland lease agreements. The balance increased from USD 205 million as of 30 June 2025, largely reflecting the consolidation of lease liabilities associated with the acquisition of Enselco Holding Limited, which operates 190 thousand hectares of leasehold farmland;
- USD 397 million of **short-term debt**, including USD 288 million due to Ukrainian and international banks, USD 70 million due to the European Investment Bank, USD 33 million representing the current portion of long-term borrowings from Ukrainian banks, and USD 6 million of accrued interest on bonds and bank loans;
- USD 39 million of **long-term debt** due to Ukrainian banks.

The Group's **cash position** amounted to USD 357 million at the year-end, down 42% y-o-y. Accordingly, the Group's **net debt** soared 5.1x y-o-y during the reporting period, standing at USD 736 million as of 30 June 2026.

As of 30 June 2026, **commodity inventories** amounted to USD 260 million, down 13% y-o-y. Inventories related to the Oilseed Processing segment, including sunflower seeds, edible oils, and vegetable meals, decreased by 39% y-o-y to USD 155 million. By contrast, grain inventories increased 2.4x y-o-y to USD 105 million, reflecting substantially higher physical volumes:

- In volume terms, Kernel held 87 thousand tons of edible oil, 32 thousand tons of sunflower meal, 54 thousand tons of sunflower seeds, and 556 thousand tons of grains, primarily corn and wheat, as of 30 June 2026;

The overall decline in inventory value primarily reflected lower stocks of oilseed processing products. The average carrying value of grain inventories decreased by 10% y-o-y, partially offsetting the impact of higher physical grain volumes. At the same time, the average cost of sunflower seeds increased by 20% y-o-y,

reflecting constrained feedstock availability and stronger vegetable oil prices.

Consequently, at the end of FY2026, **net debt adjusted for commodity inventories** amounted to USD 476 million, compared with negative adjusted net debt of USD 155 million as of 30 June 2025.

As of 30 June 2026, the Group's key leverage metrics stood at 1.3x Net debt / EBITDA, 0.9x Adjusted net debt / EBITDA, and 10.2x EBITDA / Interest, reflecting a solid leverage profile despite the increase in net debt during the reporting period.

In May 2026, Fitch affirmed Kernel's credit rating at CCC-. S&P's credit rating of the Group stands at CCC.

Undrawn facilities as of 30 June 2026 totaled USD 497 million, primarily comprising USD 45 million under a financing facility provided by the EBRD to support the Group's renewable energy investment program, short-term credit lines in Ukraine, and Avere's financing.

OILSEED PROCESSING



3.2 million tons of
oilseeds processed

FY2026 was shaped by a complex operating environment for Ukraine's oilseed processing industry. The shortage of sunflower seed remained the principal constraint, as the gap between available sunflower seed supply and processing capacity widened to a record 11.9 million tons, sustaining intense competition among crushers. This was compounded by the challenging operating environment from December 2025, when Russia **intensified attacks on oilseed processing** facilities and vegetable oil export terminals in Ukraine. The attacks affected both domestic and international players, disrupted established logistics flows, and increased the risks associated with the storage and export of vegetable oils.

In response, Kernel continued to leverage the flexibility of its multi-seed processing platform. The Group processed 3.2 million tons of oilseeds, down 8% y-o-y, while maintaining a **capacity utilization rate** of 83%. Processing of soybeans and rapeseed partially compensated for constrained sunflower seed availability and helped sustain utilization across the Group's crushing facilities. Despite lower processing volumes, edible oil sales increased by 3% y-o-y to 1,445 thousand tons.

As a result, the Oilseed Processing segment delivered **EBITDA** of USD 156 million, up 6% y-o-y, while EBITDA per ton of oil sold increased by 3% y-o-y to USD 108. Stronger vegetable oil and meal prices helped offset elevated feedstock costs, while heightened security and logistics risks were reflected in market pricing. This provided additional support to crushing margins as Kernel maintained production and adapted to the changing environment.

FY2027 outlook

The principal uncertainty for Ukraine's oilseed processing industry in 2026/27 will be export logistics rather than processing capacity itself. If deep-water Black Sea exports remain materially constrained, the

Revenue

USD 2,384 million
+13% y-o-y

EBITDA

(before unallocated head office expenses)

USD 156 million
+6% y-o-y

ability to move vegetable oil and meal through alternative channels will become a key differentiating factor among market participants. Higher logistics costs and operational risks may weigh on volumes, while processors that are able to secure export capacity and maintain operations could capture additional margins as these risks are increasingly reflected in market pricing.

On the feedstock side, conditions are expected to improve compared with FY2026. Ukraine's sunflower seed harvest is currently estimated at 12.2 million tons, up 17% y-o-y, while availability of soybeans and rapeseed may provide further support to domestic processing. Taken together, this should improve the overall supply-demand balance for processors, although the extent of the improvement will depend on final harvest volumes and export conditions. For Kernel, the key priorities will be to preserve processing flexibility, secure reliable export logistics, and carefully manage inventory exposure as market and security conditions evolve.

Oilseed Processing **continued**

Market overview

While remaining mindful of the ongoing war and associated risks that may impact operations, we identify two key factors materially affecting Kernel's oilseed processing business: 1) **the oilseeds supply-demand balance** in Ukraine, with sunflower remaining the principal crop and the main driver of processing volumes, determining the profit distribution between farmers and crushers; and 2) **the global vegetable oil prices**, which influence the combined earnings of domestic oilseed farming and processing.

Oilseed supply

Ukraine's sunflower seed processing industry is predominantly domestic, with most sunflower seed harvested by local farmers and processed within the country. Imports and exports of sunflower seed are typically limited, resulting in negligible carry-over stocks between seasons. In FY2026, despite an increase in harvested area, a severe summer drought across key producing regions reduced the average yield to 2.0 tons per hectare and adversely affected seed oil content. As a result, **Ukraine's sunflower seed harvest** declined to 10.4 million tons, compared with 11.2 million tons in the previous year. Including rapeseed and soybean production, Ukraine's total oilseed harvest amounted to 18.9 million tons in FY2026, down 14% y-o-y.

Demand for oilseeds

Meanwhile, **Ukraine's sunflower seed processing capacity** increased by 10% y-o-y to 22.3¹ million tons, driven by the commissioning of three new small local plants and the modernization of three existing facilities. This widened the gap between crushing capacity and sunflower seed supply to a record high of 11.9 million tons, creating a tight supply-demand environment that pressured crushing margins and limited plant utilization throughout the season. Taking into account all available oilseed processing facilities, including those capable of processing soybeans and rapeseed, Ukraine's total oilseed processing capacity exceeded 25 million tons in FY2026.

Global sunflower oil export and prices

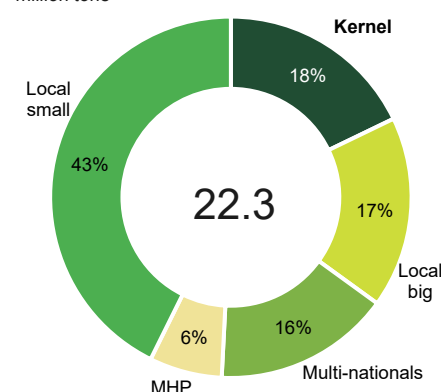
Sunflower oil remained the **world's fourth-most-consumed vegetable oil** in the 2025/26 season, accounting for approximately 8.5% of global vegetable oil consumption. The largest import markets were India, the European Union, Turkey, Iran, China, Egypt, and Iraq, which together represented 78% of global sunflower oil imports. **Ukraine ranked**

as the world's second-largest exporter after Russia, with a share of approximately 30% of global exports², having lost its leading position due to the lower domestic sunflower seed harvest, which reduced sunflower oil export availability. During the 2025/26 season, Ukraine's sunflower oil exports declined by 11% to 4.2 million tons. Kernel accounted for approximately **31% of the country's sunflower oil exports**³.

The 2025/26 vegetable oil market was characterized by a divergence between abundant global oilseed supplies and a comparatively tighter balance in vegetable oils. World oilseed production increased by more than 2% y-o-y, while global vegetable oil consumption expanded by approximately 7 million tons, supported particularly by stronger demand from the biofuel sector. As a result, ample oilseed availability was partly offset by policy-driven demand, developments in energy markets, and supply constraints affecting individual vegetable oils.

- Sunflower oil was among the strongest-performing vegetable oils relative to competing products during most of the season, with nearby prices in Northern Europe reaching four-year highs of more than USD 1,500 per ton in May and June 2026. The main support came from lower production in the Black Sea region and slow farmer selling, particularly in Ukraine, which kept the physical market tight. Higher production and exports from Argentina partly compensated for the Black Sea shortfall but were insufficient to eliminate the unusually wide sunflower oil premium. In Ukraine, constrained sunflower seed availability also kept feedstock prices elevated and periodically pressured crushing margins toward the end of the season.
- The palm oil market shifted from relatively ample supply in October 2025–March 2026 to a tighter balance later in the season as production growth moderated and domestic consumption increased in Indonesia, Malaysia, and Thailand. Indonesia's B50 biodiesel mandate, implemented from 1 July 2026, is expected to increase domestic consumption further and constrain export availability. Concerns over a potentially strong El Niño event added further uncertainty to the Southeast Asian production outlook.
- Strong U.S. biofuel demand provided additional support to the vegetable oil complex. Despite abundant global soybean supplies, particularly from South America, higher U.S. blending requirements and

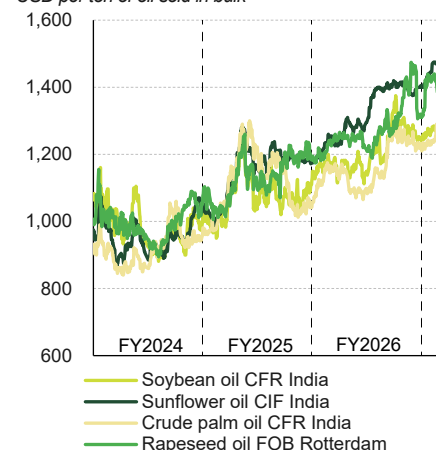
Sunflower processing capacities in FY2026
million tons



Source: Kernel's estimates

Major vegoils prices

USD per ton of oil sold in bulk



Source: Fastmarkets, Kernel

strong domestic demand kept soybean oil prices at historically elevated levels, increasingly disconnecting them from the comfortable global soybean balance.

- Developments in energy markets were another source of volatility. Disruptions to crude oil and petroleum product flows through the Strait of Hormuz affected vegetable oil prices through biofuel economics, freight, energy, and production costs. Prices strengthened following the escalation of hostilities in March 2026 and remained volatile as expectations regarding global energy supply constraints continued to change.

¹ Source: Kernel's estimate, not including the plants on the occupied territories or those with suspended operations for the whole or part of the season due to the proximity of the frontline.

² Source: USDA.

³ Source: Kernel's estimate.

Oilseed Processing **continued**

SBM-1

Our business model

Market leader in oilseed processing

Kernel is the leading global producer and exporter of sunflower oil. In FY2026, we accounted for **~6% of global sunflower oil production** and **~10% of global sunflower oil export**¹.

Asset base

Kernel owns seven oilseed processing plants across various regions in Ukraine, with the combined **sunflower seed processing capacity of 4 million tons** in FY2026 (18% of Ukraine's total²). Four of the Group's **crushing facilities are multi-seed**, enabling the processing of soybeans or rapeseed as needed. These assets operate year-round, with maintenance typically scheduled for one month during the summer.

At our plants, we have constructed six **cogeneration heat and power facilities (CHPs)** that utilize sunflower husk (biomass) to generate electricity for sale to the national grid or for our own production needs, with a combined capacity of 84.4 MW. These CHPs also enable us to power our crushing operations and achieve energy self-sufficiency during power outages in Ukraine.

The oilseed processing plant in Poltava is equipped with **refinery, bottling, and packaging lines**, featuring a maximum annual refining capacity of 131.4 thousand tons of oil. The majority of refined oil is bottled and sold through retail channels, while the remainder is distributed in bulk on the domestic market and

exported by rail.

The Group's crushing facilities are state-of-the-art and regularly upgraded, ensuring a competitive processing cost advantage over many industry participants. Energy self-sufficiency further enhances operational resilience, particularly within the current Ukrainian market landscape. The scale of Kernel's operations allows for optimal utilization of the nationwide origination network and facilitates more efficient allocation of overhead costs across higher volumes.

All assets are strategically located within Ukraine's sunflower seed production belt, in close proximity to farmers. This supports crush capacity utilization rates and profitability, as the low density of sunflower seed negatively impacts the economics of long-distance seed transportation.

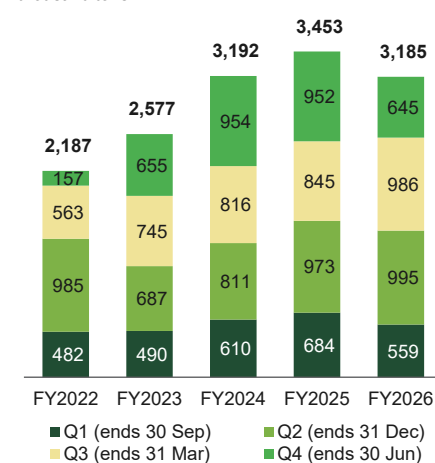
Origination and production

The Group heavily relies on procuring sunflower seeds from external farmers, as the Group's Farming segment secured only 6% of oilseeds processed during FY2026.

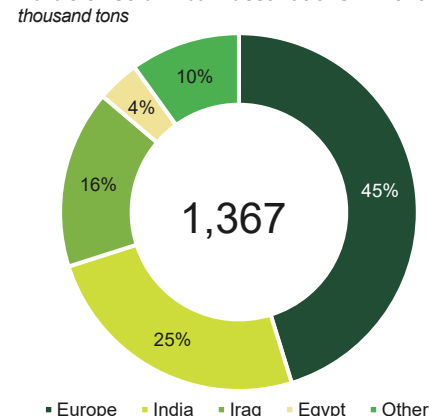
The processing of sunflower seeds primarily results in two key products: sunflower oil and meal. A detailed visualization of the crushing process is provided below. These products are predominantly exported to international markets via maritime shipping through the Group's transshipment terminals.

Additionally, the sunflower seed husk, a biomass by-product of the crushing process, is

Kernel oilseed processing volumes
thousand tons

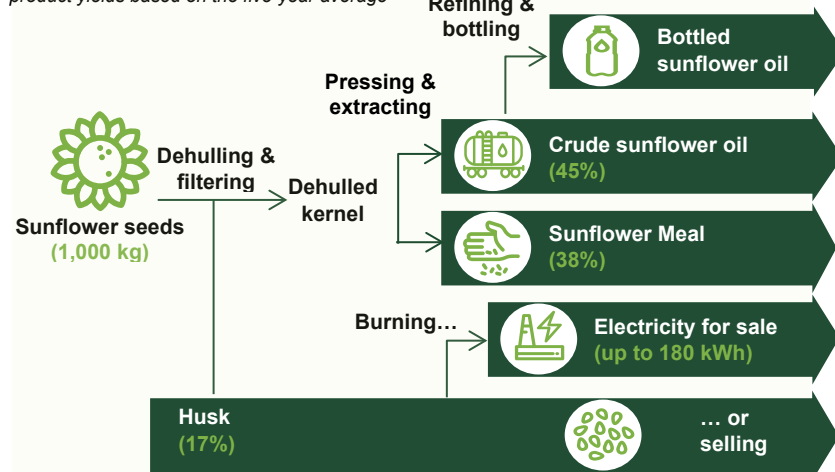


Edible oil sold in bulk destinations FY2026
thousand tons



Sunflower seed crushing process

product yields based on the five-year average



An edible oil rich with Omega-3 and Omega-6 acids. A traditional vegetable oil of choice for many regions of the world, sunflower oil is used only for culinary purpose, primarily for salad dressing and frying.

A protein-rich livestock feed, used for compound feed production for hog, cattle, and poultry industries across the world. It is the third most important meal globally after soybean and rapeseed.

Electricity is sold to the national grid as renewable energy.

A biomass is used to produce steam and energy on our plants but can also be pelletized and sold to third parties.

¹ Source: USDA, Kernel analysis.

² Source: Kernel's estimates.

Oilseed Processing **continued**

mainly utilized on-site as fuel to generate steam for production needs and electricity for both internal consumption and sale to the national grid.

For other oilseeds, product yields vary: soybean processing results in approximately 20% oil and 73% meal, while rapeseed processing yields about 44% oil and 54% meal.

Sales

Vegetable oil in bulk

Oilseed processing is primarily export-oriented, with over 90% of the produced sunflower oil exported in bulk to key markets such as Europe, India, Iraq, Egypt, and the UAE. In FY2026, 75% of bulk oil sales were on CIF/CFR terms, while FOB sales accounted for 15% of the Group's export volume.

Almost 64% of the bulk vegetable oil sales were exported through our vegetable oil deep-water transshipment terminal in Chornomorsk, acquired in July 2023. Another 21% were handled via the Group's own terminal in the port of Pivdennyi. The remaining volumes were primarily transported by inland rail.

While the Group primarily relies on chartered vessels, during the reporting period our own tanker "Mavka" transported almost 100 thousand tons of vegetable oil to destinations including the Netherlands and Italy.

Kernel's primary customers include soft commodity processors involved in refining and bottling sunflower oil, international trading companies, as well as buyers who use our oil as feedstock for biofuel production. The largest customer in FY2026 contributed 14% of total bulk oil sales.

The Group continued to procure edible oils in Ukraine on CPT terms and subsequently export them under CIF/CFR contracts to capture incremental trading margins. In FY2026, purchases of sunflower oil increased by 4% y-o-y to 60 thousand tons, while purchases of rapeseed and soybean oils totaled 14 thousand tons. These volumes were included in the Group's total edible oil sales.

Vegetable meals

Like vegetable oils, vegetable meals are fully export-oriented product, with the majority of volumes shipped through the Group's terminal in Chornomorsk, supplemented by exports via inland logistics routes.

Bottled sunflower oil

In FY2026, 126 thousand tons of crude sunflower oil were further refined, with 63% (79 thousand tons) of this refined volume bottled at our Poltava plant, generating additional

margin from this higher value-added product. The remaining refined oil was sold in bulk.

In FY2026, 61% of bottled sunflower oil production was exported to Europe, the Middle East, Asia, and Africa under Kernel brands and private labels. Kernel held a 17% share of Ukraine's total refined bottled sunflower oil exports, supplying international retailers like Walmart and Maxima.

The remaining 39% of bottled oil was sold domestically through 20 nationwide retailers, 30 regional distributors, and 35 other customers, including charitable foundations, government institutions, and local customers. Domestic sales were split 75% to retailers and 25% to distributors under brands like "Schedryi Dar", "Stozhar", and "Chumak".

Renewable energy

Electricity generated by Kernel's CHPs is either consumed internally by the Group or sold on the open electricity market, depending on operational needs and prevailing market conditions.

Contractual commitments

As of 30 June 2026, the Group had **contractual commitments to sell** 89 thousand tons of edible oil for USD 125 million (USD 1,407 per ton) and 190 thousand tons of sunflower meal for USD 58 million (USD 303 per ton).

Key developments

Non-core oilseeds processing

The 2025/26 season was characterized by a record gap of almost 12 million tons between sunflower seed processing capacity and the sunflower seed harvest in Ukraine. Under such conditions, processors with multi-seed crushing capabilities were better positioned to sustain plant utilization by switching part of their processing volumes to alternative oilseeds. At the same time, processing several types of oilseeds requires greater operational flexibility and introduces additional complexity in procurement, production planning, logistics, and product sales.

The introduction of a 10% export duty on soybeans and rapeseed in September 2025 further altered domestic oilseed trade flows and supported greater availability of alternative feedstock for Ukrainian crushers. While agricultural producers remained eligible to export their own-grown crops duty-free, the levy reduced the attractiveness of exports by traders and encouraged a larger share of these crops to remain available for domestic processing. This partly mitigated the shortage of sunflower seed and enabled multi-seed crushers to increase the use of soybeans and rapeseed, supporting capacity utilization in an otherwise

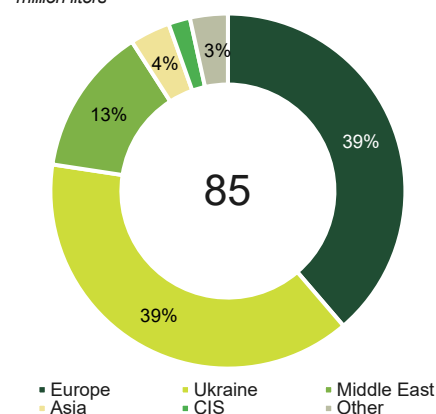
Kernel bottled oil core brands



Kernel bottled oil selected customers



Bottled sunflower oil destinations FY2026 million liters



constrained feedstock environment.

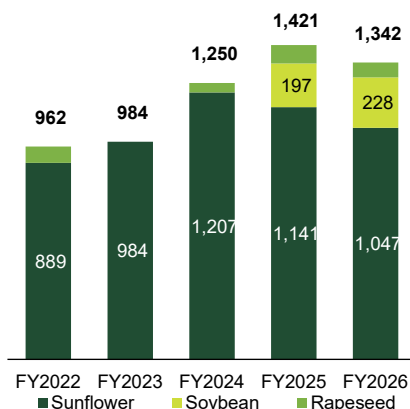
In FY2026, the Group continued to expand its experience in processing non-core oilseeds, primarily soybeans and rapeseed. Kernel's plants processed 308 thousand tons of soybeans and 165 thousand tons of rapeseed during the reporting period, including volumes processed under tolling arrangements. In total, processing of non-core oilseeds reached 473 thousand tons, up 4% y-o-y, helping the Group partially compensate for limited sunflower seed availability and maintain higher utilization of its crushing assets.

War in Ukraine

Since December 2025, the operating

Oilseed Processing continued

Meal sales by type of oilseeds
thousand tons



environment for Ukraine's oilseed processing industry has deteriorated as Russia intensified targeted attacks on oilseed processing facilities and vegetable oil transshipment terminals. These attacks affected assets of both domestic and international market participants, disrupting logistics flows to ports and materially increasing the security risks associated with the storage and transshipment of edible oils. Kernel's assets were also among those affected:

- December 2025: A Russian drone attack on the Group's port infrastructure in Chornomorsk damaged a vegetable oil storage tank and part of the production facilities, causing a fire and oil leakage. The attack resulted in the write-off of 499 tons of sunflower oil;
- May 2026: A further Russian drone attack damaged vegetable oil storage tanks, production facilities, an administrative building, and the central control room at the Group's assets in Chornomorsk. As a result of the attack, 256 tons of vegetable oil were written off.

At the same time, the heightened operational, logistics, and security risks were increasingly reflected in market pricing. The resulting risk premium partly compensated processors for operating under such conditions. Those market participants that continued operations throughout the disruptions and were able to adapt logistics, production planning, and risk management to the new environment generally preserved more normalized crushing margins despite persistent pressure from limited sunflower seed availability.

Headcount

In FY2026, the headcount in the Oilseed Processing segment increased by 18% y-o-y to 2,587 employees.

Oilseed Processing segment performance

		FY2025	FY2026	y-o-y
Oilseeds processed	thousand tons	3,453	3,185	(8%)
Edible oil sales	thousand tons	1,407	1,445	3%
Revenue	USD million	2,107	2,384	13%
EBITDA	USD million	148	156	6%
EBITDA per ton of oil sold	USD / ton	105	108	3%
EBITDA margin	% of revenue	7.0%	6.6%	(7%)

Performance overview

Over FY2026, **Kernel processed 3.2 million tons of oilseeds**¹, down 8% y-o-y, reflecting the pronounced imbalance between domestic processing capacity and available oilseed supply. Nevertheless, the Group maintained an overall plant utilization rate of 83%. Had the processing mix been limited to sunflower seeds, utilization would have amounted to 68%.

Kernel processed 2.7 million tons of sunflower seeds during the year, representing an estimated 29% **share of Ukraine's sunflower seed processing market**. This marked the highest level in the Group's history and an increase of 3pp y-o-y. The increase reflected Kernel's ability to secure feedstock and maintain processing activity despite heightened security and logistics risks. The Group's integrated business model, established relationships with farmers, and the procurement team's ability to secure feedstock provided greater flexibility than that available to less diversified market players.

Despite the decline in total processing volumes, **edible oil sales** increased by 3% y-o-y to 1,445 thousand tons in FY2026. The higher sales volume was supported by a substantial release of bulk edible oil inventories accumulated in prior periods, with year-end stocks declining to 81 thousand tons as of 30 June 2026 from 168 thousand tons a year earlier. Total sales also included 78 thousand tons of bottled sunflower oil, down 4% y-o-y, and 74 thousand tons of edible oils purchased in Ukraine on a CPT basis for trading purposes and subsequently exported.

The Group also sold 1,343 thousand tons of **vegetable meals** in FY2026. Sunflower meal accounted for 78% of the total, while soybean and rapeseed meals comprised the balance. Although vegetable meals have a lower value per ton than edible oils, their timely sale is important for optimizing overall crushing margins, preventing inventory accumulation, and maintaining uninterrupted plant operations. Efficient meal sales channels therefore remain an important contributor to the segment's operational continuity and profitability.

The Oilseed Processing segment **EBITDA** in FY2026 amounted to USD 156 million, up 6% y-o-y compared to USD 148 million recorded a year ago. **EBITDA per ton of oil sold** increased by 3% y-o-y to USD 108 in FY2026. Profitability was supported by higher global vegetable oil prices, which helped offset pressure from exceptionally tight sunflower seed availability. In addition, the increasingly challenging operating environment was reflected in market pricing, supporting crushing economics for processors that continued operations and adapted effectively to heightened logistics and security risks.

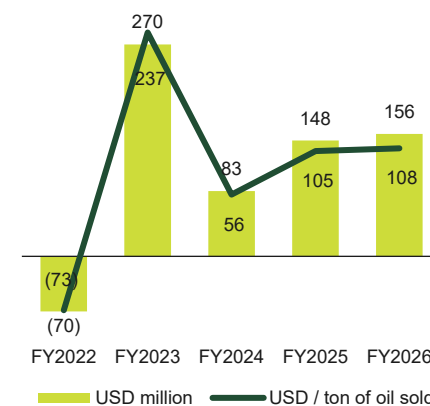
FY2027 outlook

The 2026/27 season is expected to be shaped by three key factors: the operating and logistics environment, the supply-demand balance for oilseeds, and vegetable oil prices. Of these, the operating environment is expected to be the most significant, given continued disruption to Black Sea logistics and the resulting need to adapt export routes for vegetable oil and meal.

Operating and logistics outlook

The operating environment surrounding Ukraine's Black Sea export infrastructure deteriorated further in July 2026, as intensified Russian missile and drone attacks on port and logistics facilities in the Odesa region continued to disrupt industry operations. One local processor announced the suspension of its

Oilseed Processing segment EBITDA



¹ Includes 166 thousand tons of oilseeds processed by Kernel plants in FY2026 via tolling agreements.

Oilseed Processing **continued**

operations due to heightened risks to employees and production assets following earlier damage to its vegetable oil transshipment terminal. This development further underscored the vulnerability of Ukraine's oilseed processing and export infrastructure.

Repeated attacks on port facilities, disruptions to Black Sea shipping, and the need to redirect vegetable oil and meal through alternative export routes are increasing both the cost and complexity of bringing them to market. Longer and less efficient transportation routes may also increase the risk of quality deterioration, particularly for meal.

These conditions may result in an additional risk premium being reflected in processing margins for players that are able to maintain production and secure reliable export logistics. Not all market participants have the same capacity to adapt quickly to such disruptions. Scale, access to alternative logistics channels, and the ability to reorganize export flows may therefore become increasingly important competitive advantages in FY2027.

Supply-demand balance

For the third consecutive year, Ukraine's oilseed processing industry will continue to face a structural imbalance, with installed crushing capacity materially exceeding the available supply of oilseeds. Ukraine's total oilseed harvest in the 2026/27 season is currently projected at approximately 20.4 million tons, up 8% y-o-y. The area planted with sunflower and rapeseed remained broadly unchanged compared with the previous year, while soybean acreage decreased by 24% y-o-y. The increase in total production is expected to be driven by improved yields.

Ukraine's sunflower seed harvest is currently projected at 12.2 million tons, up 17% y-o-y. This should narrow the gap between sunflower seed production and domestic sunflower seed processing capacity compared with FY2026, although the imbalance is expected to remain substantial at approximately 10 million tons. Competition for sunflower seed feedstock is therefore expected to remain intense, keeping procurement costs elevated and continuing to pressure crushing margins. In this environment, the ability to process alternative oilseeds, particularly soybeans and rapeseed, will remain an important source of flexibility for multi-seed crushers seeking to sustain plant utilization.

Vegetable oil prices

The 2025/26 season highlighted a growing divergence between oilseed and vegetable oil fundamentals. Large oilseed crops and ample inventories did not prevent periods of significant strength in vegetable oil prices, as biofuel policies, energy-market disruptions, and supply constraints in specific origins increasingly influenced the market. Entering 2026/27, prospective oilseed supplies remain abundant, while the balance in oils and fats, particularly palm oil, is comparatively tighter, leaving prices sensitive to developments in biofuel policy, weather, energy markets, and geopolitics.

Looking ahead, growth in global vegetable oil production is expected to slow to its weakest pace in several years, keeping the market balance relatively tight. At the same time, the outlook for sunflower oil is more nuanced. A material recovery in Black Sea sunflower production is expected from October onwards, which could limit the upside for sunflower oil

prices relative to competing oils. However, the improved supply outlook is counterbalanced by heightened uncertainty around exports, as intensified Russian attacks on Ukrainian ports, export infrastructure, and commercial shipping continue to threaten the reliability and cost of Black Sea sunflower oil flows.

Damage at the TGT-Oil following a Russian drone attack in May 2026





INFRASTRUCTURE AND TRADING



Exported 6.3 million
tons of grains from
Ukraine

The Infrastructure and Trading segment delivered strong operating performance in FY2026, supported by high utilization of the Group's logistics platform and increased grain export volumes. Export terminal throughput reached a record 9.6 million tons, while grain exports from Ukraine increased to 6.3 million tons. Kernel's **share of Ukraine's grain exports** rose to 15%, further strengthening its position as the country's largest grain exporter.

The Infrastructure and Trading segment generated **EBITDA** of USD 217 million in FY2026, almost flat y-o-y. Avere delivered just another strong year with USD 86 million EBITDA, albeit down 14% y-o-y. The Group's grain and edible oil export value chain in Ukraine contributed USD 131 million to EBITDA, with performance varying across individual business lines. Grain origination and trading remained under pressure from intense competition for grain in the domestic market, limiting earnings growth despite a 15% y-o-y increase in grain export volumes. By contrast, silo services benefited from record intake volumes and stronger demand for drying services, while the railcar business improved on sustained demand and higher market lease rates.

This performance was achieved despite a deteriorated operating environment over the course of the year. Intensified Russian attacks on Ukraine's Black Sea ports and railway infrastructure caused repeated operational disruptions and reduced the efficiency and predictability of logistics operations.

FY2027 outlook

FY2027 is expected to remain shaped primarily by the availability and reliability of the Black Sea as Ukraine's principal export route. Ukraine is entering the new season with elevated carry-over grain inventories and expectations of a larger harvest. Should maritime exports remain constrained, this combination may extend inventory holding periods, increase

Revenue

USD 2,100 million

-3% y-o-y

EBITDA

(before unallocated head office expenses)

USD 217 million

-1% y-o-y

pressure on domestic storage capacity, and intensify reliance on alternative logistics channels. The Group entered the new financial year with part of its port capacity constrained following the summer 2026 attacks, while the timing and cost of restoring the affected facilities remain uncertain.

For the Infrastructure and Trading segment, these conditions are likely to result in divergent dynamics across business lines. Lower maritime export volumes would weigh on terminal utilization and profitability, while increased demand for inland storage and rail transportation could support silo and railcar services. However, these benefits would not compensate for the broader impact of materially reduced Black Sea exports. The Group is therefore focused on expanding alternative export channels, while also assessing a potential expansion of its owned vessel fleet. Nevertheless, none of these alternatives can fully replicate the scale and economics of deep-water Black Sea exports.

Infrastructure and Trading **continued**

Market overview

The key market factors impacting the performance of the Infrastructure and Trading segment include the size of the grain harvest in Ukraine, the availability of Ukrainian Black Sea ports for export operations, and global grain price dynamics. Additional factors include farmer selling, competition among grain traders and grain infrastructure assets, to name a few.

Grain supply and export in Ukraine

In FY2026, Ukrainian farmers **harvested 59 million tons¹** of grain, up 9% y-o-y, supported by a 6% increase in the area planted with major grains to 10.9 million hectares. Adverse weather reduced wheat and barley yields, while the average corn yield recovered to 7.0 tons per hectare. Despite the larger harvest, grain exports declined by 7% y-o-y to 36.7 million tons, constrained by slow farmer selling, electricity supply disruptions, and higher transportation costs, which affected grain availability and the pace of deliveries to ports.

Deep-water Black Sea ports remained the principal export route throughout the year, while Danube ports were used selectively by market participants whose asset locations made these routes economically viable. In FY2026, maritime routes accounted for 94% of Ukraine's grain exports. Nevertheless, overall export terminal utilization remained below installed capacity. Ukraine's exportable grain surplus has declined since the onset of the full-scale war and has yet to recover to pre-war levels, while the cultivated area remains constrained by the ongoing hostilities.

In the 2025/26 season, Ukraine ranked as the world's seventh-largest grain exporter, behind the United States, Argentina, Russia, Brazil, the European Union, and Australia, and accounted for approximately 7% of global grain trade.²

Global grain prices

The 2025/26 season was characterized by a notable divergence between underlying grain fundamentals and price dynamics. Global wheat and corn production reached record levels, resulting in ample inventories and a substantial supply surplus. Nevertheless, prices proved more resilient than the scale of global supply would normally suggest, as macroeconomic, energy, and geopolitical factors increasingly influenced the market alongside agricultural fundamentals.

Harvest pressure in July and August 2025 was relatively short-lived, with prices recovering

through much of autumn and winter. Weather concerns, periodic optimism over U.S.–China trade relations, a weaker U.S. dollar, and favorable investor sentiment toward commodities all provided support. Prices strengthened further in early 2026 amid concerns over U.S. winter wheat conditions, higher energy prices, and geopolitical tensions involving Iran, while stronger crude oil prices improved the economics of corn-based ethanol production.

Record global production nevertheless continued to limit the upside. Toward the end of the season, attention shifted back to ample inventories, strong South American crops, and the Northern Hemisphere harvest, putting renewed pressure on prices. Uncertainty around Black Sea shipping and weather conditions in the United States and Europe provided some offset.

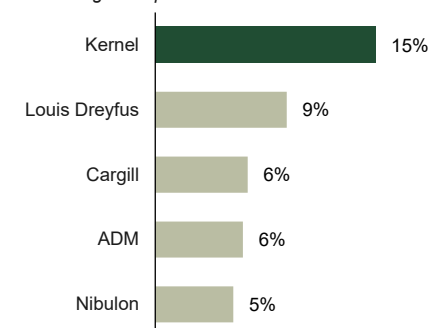
In Ukraine, FOB corn prices opened the 2025/26 season with a sharp rally, driven by restrained farmer selling and tight near-term availability ahead of the new harvest. As harvesting progressed and abundant global supply weighed on the market, prices corrected and subsequently remained broadly stable through winter and early spring. Momentum returned in the final quarter, when tighter old-crop availability and renewed export demand drove a steady recovery. Feed wheat prices followed a similar, though less pronounced, pattern, declining after the start of the harvest before trading within a relatively narrow range through winter. Prices gradually recovered in the final quarter, closing the reporting period on firmer footing.

Competition among grain traders

Historically, Kernel has competed with established multinational trading houses, including COFCO, Cargill, ADM, Bunge, and Louis Dreyfus, as well as numerous regional players. Following the onset of the full-scale war in 2022, several multinational traders reduced or suspended their operations in Ukraine, while smaller, more agile market participants expanded by capitalizing on alternative export routes amid heightened volatility. In this environment, Kernel continued to leverage its integrated infrastructure, extensive origination network, and logistics capabilities to maintain its competitive position.

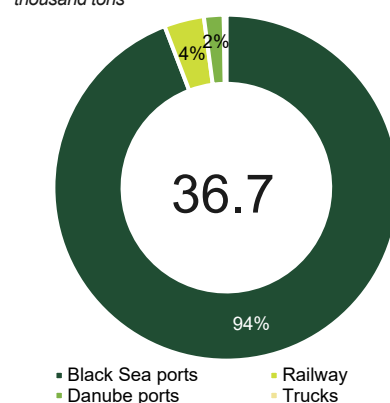
For the second consecutive year, changes in farmer selling patterns added further complexity to the market. The traditional concentration of crop sales in the immediate post-harvest period has largely diminished, as sufficient on-farm and commercial storage capacity,

Top 5 grain exporters from Ukraine in FY2026
% of total grain export



Source: Ministry of Agrarian Policy and Food of Ukraine, Kernel

Grain exports from Ukraine by transport in FY2026
thousand tons



Source: Ministry of Agrarian Policy and Food of Ukraine, Kernel

Corn and feed wheat prices, FOB Ukraine
USD per ton



Source: Fastmarkets, Kernel

together with stronger farmer liquidity, has enabled producers to retain crops and wait for more favorable pricing. Consequently, grain availability was distributed more evenly throughout the season, while the pace of selling remained slower than the historical pattern, resulting in large carry-over stocks.

¹ Three key grains: corn, wheat, and barley. Source: Kernel's estimates as of September 2026.

² Source: USDA.

Infrastructure and Trading **continued**

SBM-1

Our business model

The Infrastructure and Trading segment consists of two separate business arms:

- **Grain and sunflower oil export value chain in Ukraine.** This arm comprises interconnected business units that form a supply chain linking Ukrainian farmers to global markets: silo services, transportation and logistics assets, export terminals, vessels, grain origination, and export operations in Ukraine.
- **Avere's global physical and proprietary trading operations.**

Grain export business in Ukraine

Kernel is the **leading grain exporter from the Black Sea region** and the largest from Ukraine. The Group sources grain from local growers, including its own Farming segment, and exports it from Ukraine, effectively navigating this low-margin business by leveraging the following:

- **Experienced procurement team** with nationwide presence and deep understanding of local trends and regional peculiarities;
- **First-hand access to the unique in Ukraine own infrastructure** – the largest private silo network, the largest private fleet of grain railcars, as well as the largest deep-water grain transshipment capacity in ports and own vessels;
- **Prudent risk management:** locking up the margins by selling grain through forward contracts in a similar time frame as purchasing it from farmers on the spot market¹;
- **Client-focused approach:** Kernel differentiates itself through strong farmer relationships managed via the IBuyMore CRM system and supported by numerous value-added initiatives:
 - In FY2026, Kernel continued its pre-crop prepayment initiative, allocating USD 70 million to farmers. These advances provided critical liquidity support for the farmers ahead of the season while securing access to raw materials and reinforcing the Company's origination base;
 - Through the Open Agri platform, which combines the **Open Agri Club** and **Open Agribusiness** projects, Kernel brings together farmers, agribusinesses, industry processing enterprises, and scientific institutions to work together to improve technologies and find innovative and effective solutions for the sustainable development of the agricultural sector.
 - Kernel also provides advanced IT solutions, such as an electronic document

flow system to streamline paperwork and **Transithub**, a virtual truck navigation solution for logistics providers.

- Since 2015, Kernel has been developing **Digital AgriBusiness** ("DAB") – a proprietary digital platform for farm management that integrates innovation with traditional agronomic practices. DAB leverages precision farming technologies and AI-driven analytics, combined with advanced planning, modeling, and performance tracking, to provide an unparalleled level of detail and decision-making support throughout the production cycle.

Kernel's export portfolio predominantly features corn, which constitutes more than 60% of total grain exports. Wheat emerges as the second-largest export commodity, accounting for between 20% and 30% of annual exports. The remaining exports are composed of barley, soybeans, and rapeseed. Most of the exported grain is used for **feed**, but we also export **food-quality grain** (1.1 million tons of wheat in FY2026) and grain for **bioethanol production** (1.55 million tons of ISCC-compliant² corn exported in FY2026, granting a price premium over conventional corn).

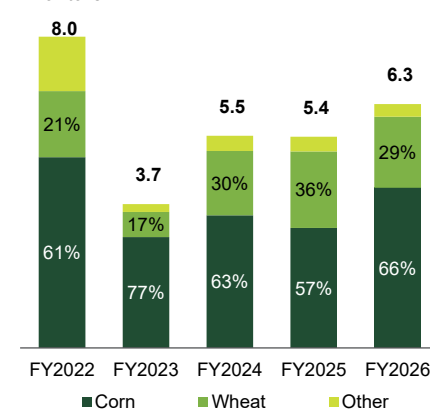
In FY2026, the share of Kernel's grain exports from Ukraine executed under CIF and CFR terms decreased to 56%, compared with 75% in the previous year. Under these contracts, the Group arranges sea transportation to the destination port. At the same time, FOB sales increased to approximately 43% of total grain export volumes, reflecting a shift in the contractual sales mix.

Silo services

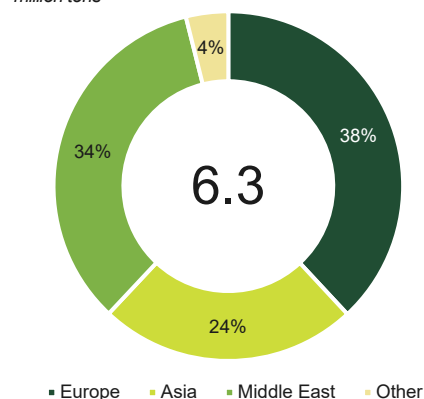
Kernel operates one of the **largest private inland silo networks in Ukraine**, consisting of 30 silos with a total one-time grain storage capacity of 2.1 million tons³. Our network comprises both highly productive silos capable of loading shuttle trains (54 railcars) in a day and smaller, less efficient, floor-type storage facilities.

Strategically located across Ukraine's key grain-producing regions, Kernel's silo network provides a full range of services, including grain intake, drying, cleaning, storage, and off-loading, serving both the Group's Farming segment and third-party farmers. The intake season starts with wheat in July and concludes with corn in November–December, enabling annual throughput to exceed 1.0x of installed storage capacity.

Kernel grain export from Ukraine
million tons



Kernel grain export from Ukraine destinations
million tons



Beyond standard storage and handling services, **Kernel's silo network serves as an important grain origination platform**. It enables procurement teams to source grain and sunflower seeds within an approximately 100-kilometer catchment area around each facility, strengthening Kernel's position as a reliable partner for farmers. The network also supports long-term relationships with agricultural producers and provides valuable market intelligence on crop availability and supply dynamics across Ukraine.

Transportation and logistics assets

Kernel operates a fleet of transportation and logistics assets to move grain, sunflower oil, and meal to Ukrainian ports and support inland exports. The Group is one of Ukraine's largest rail freight shippers and the country's leading shipper of agricultural products. As of 30 June 2026, Kernel owned:

- **Grain railcars:** Kernel is the largest private

¹ Deviations from such an approach may appear during the business disruptions caused by the war in Ukraine.

² ISCC certification confirms that corn was produced in an environmentally and socially sustainable way, making it suitable for use in bioethanol production.

³ Three silos with an aggregate one-time storage capacity of 234 thousand tons were temporarily taken out of operation due to their proximity to areas of active hostilities. These facilities are excluded from the reported number and storage capacity of the Group's operating silos.

Infrastructure and Trading **continued**

operator of grain railcars in Ukraine, with a fleet of 3,318 railcars and an estimated market share of 10%¹. The railcars transport grain from Kernel-owned and third-party silos to export terminals. Fleet ownership reduces the Group's reliance on leased rolling stock and supports continuity of export operations, although railway traction and infrastructure charges remain payable;

- **Specialized containers:** Kernel owns 100 specialized railway containers for transporting grain and sunflower meal, along with 400 tank containers for sunflower oil;
- **Rail flatcars:** the Group operates 99 flatcars to transport containers by rail;
- **Railway tanks:** Kernel has 77 railway tanks for sunflower oil transportation (5 of those have been stuck in Russian-occupied territories);
- **Vehicles:** the Group also owns 26 tanker trucks for sunflower oil, 66 trucks with trailers for grain transport, and 19 jumbo trucks for Packaged Goods transportation.
- **Vessel:** Kernel owns and operates the tanker *Mavka*, with a sunflower oil cargo capacity of 12.5 thousand tons, further supporting the Group's integrated export logistics for edible oil.

Export terminals

Kernel is **one of the largest port operators in Ukraine**, with infrastructure that includes:

- **TransBulkTerminal** in the deep-water port of Chornomorsk, **the largest grain transshipment facility in Ukraine**, with a capacity to handle 10.0 million tons of grain per annum. It is capable of servicing over-Panamax vessels with deadweights of up to 100,000 tons and maximum berth loading of up to 80,000 tons. As a core asset for Kernel, it is critical for handling the Group's exports, with no viable alternative for this capacity.
- **TGT-Oil** terminal in Chornomorsk port, acquired in July 2023, with a sunflower oil transshipment capacity of 1.4 million tons per year and storage capacity of 97 thousand tons. It is the Group's core asset for sunflower oil loading to vessels.
- **OilExportTerminal** in the deep-water port of Pivdennyi, with an annual capacity to transship 0.5 million tons of sunflower oil.
- **Reni-Oil** terminal in the port of Reni on the Danube River, acquired in FY2024, with a capacity of 0.7 million tons of sunflower oil annually.
- **Danube Prom Agro** terminal in the river port of Reni, allowing export of 0.4 million tons of grain/sunflower meal per annum.

Kernel's terminals primarily handle grain (75% of total throughput in FY2026), along with vegetable meals and edible oils. The Group also

has transshipment agreements with port facilities in the Netherlands to support export operations.

By controlling the entire value chain – from silos to railcars, port terminals, and vessels – Kernel enhances efficiency and reduces export logistics costs.

Avere operations

Founded in FY2018, Avere is a subsidiary of Kernel headquartered in Switzerland, with representative offices in the USA, Singapore, the Cayman Islands, Australia, Brazil, the UK, and China. Avere's team of 39 professionals specializes in research, trading, and execution. It focuses on merchandising and proprietary trading of grains, oilseeds, and related commodities in key global markets and operates independently of Kernel's Ukrainian operations.

Due to the nature of Avere's trading activities, its financial results can be volatile. To manage market risk, Avere operates a structured risk control framework that uses a range of risk metrics, including:

- **Drawdown:** Monitoring the difference between the most recent peak and trough in market value.
- **Value-at-Risk:** Managing the maximum potential loss over one day with 95% confidence.

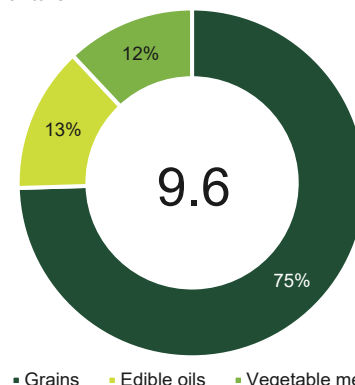
Key developments

War impact

During FY2026, several Russian attacks caused damage to the Group's infrastructure and disrupted operations:

- **December 2025:** Two Russian drone attacks targeted the Group's port infrastructure in the Odesa region, damaging vegetable oil storage tanks and certain production facilities. The attacks caused a fire and resulted in the write-off of 499 tons of sunflower oil.
- **May 2026:** A further Russian drone attack damaged vegetable oil storage tanks, production facilities, an administrative building, and the central control room at the Group's largest vegetable oil export terminal. As a result of the attack, 256 tons of vegetable oil were written off.
- **4–5 June 2026:** A Russian drone attack damaged grain storage and handling infrastructure at the Group's terminal in Chornomorsk, causing grain spillage and disrupting terminal operations. Auxiliary warehouse premises were also affected, while the resulting damage reduced the terminal's grain handling capacity.
- **5–7 June 2026:** Consecutive Russian drone

Kernel export terminals throughput
million tons



■ Grains ■ Edible oils ■ Vegetable meals

attacks caused further damage to the Group's port assets. A direct strike on a vegetable meal warehouse triggered a fire and resulted in the partial loss of stored inventory, while another strike damaged the terminal's berth and required additional repairs.

In addition to direct damage, repeated attacks on Ukraine's port infrastructure and prolonged air-raid alerts disrupted the Group's terminal operations throughout FY2026. Terminal activities are suspended during air-raid alerts, with employees required to leave operational areas and proceed to designated shelters. As a result, cumulative operational downtime at the Group's terminals amounted to almost 44 days during the reporting period, adversely affecting effective capacity utilization and the regular flow of export operations.

Asset reconstruction

In December 2025, the Group completed the reconstruction of TransBulkTerminal, which had been damaged by a targeted Russian missile attack in July 2023. Following the completion of the works, the terminal's annual transshipment capacity was fully restored to its pre-damage level of 10 million tons of soft commodities, together with one-time storage capacity of 425 thousand tons. Total capital expenditure on the reconstruction amounted to USD 19.5 million.

Optimization of the Group's asset portfolio

In Q4 FY2026, the Group disposed of the Rotterdam Pearl V bulk carrier following a reassessment of the strategic rationale for maintaining an owned vessel fleet. The fleet had previously served as a strategic tool to safeguard export logistics continuity and retain greater control over the supply chain during periods of elevated freight rates and

¹ Since the onset of the full-scale war in Ukraine, 8% of the Group's railcar fleet has remained stranded in Russian-occupied territories. Given the absence of realistic prospects for their recovery, the Group recognized a one-off loss of USD 3.2 million during the reporting period in connection with the write-off of 188 grain railcars.

Infrastructure and Trading **continued**

constrained vessel availability. However, as Black Sea export operations stabilized, war-risk insurance conditions improved, and freight markets normalized, third-party shipping capacity and logistics services became more readily available. Therefore, the Group decided to exit this non-core business. Cash proceeds from the disposal totaled USD 12 million.

During the reporting period, the Group disposed of three inland grain silos with an aggregate storage capacity of 131 thousand tons following a review of the efficiency and strategic relevance of its storage network. The assets were located in the Cherkasy, Poltava, and Kharkiv regions and were considered non-core due to their proximity to other Group facilities and overlapping grain origination areas.

Implementation of a cluster management model for silo operations

During FY2026, the Group implemented a new cluster-based management model across its inland silo network, aimed at improving operational efficiency and strengthening local accountability. The silos were organized into 10 clusters, each generally comprising three to four facilities located within a radius of approximately 60–70 kilometers.

The new structure enabled the Group to allocate grain flows more efficiently, decentralize operational decision-making, and strengthen cooperation between teams within each cluster. The model also supported an increase in third-party grain volumes handled through the Group's silos and subsequently transported for export.

Headcount

As of 30 June 2026, the **headcount of the Infrastructure and Trading segment** increased by 12% y-o-y to 3,410 employees, primarily reflecting the integration of employees associated with the Enselco acquisition and additional recruitment at the Group's export infrastructure facilities.

Performance overview

Operational performance

Grain export from Ukraine

The continued availability of Black Sea export routes remained a key driver of the Infrastructure and Trading segment's performance in FY2026. Despite periodic war-related disruptions to port operations, more than 98% of the Group's grain export volumes were transshipped through its grain terminal in Chornomorsk, with the remainder handled through third-party terminals. In total, the Group

Infrastructure and Trading segment performance

		FY2025	FY2026	y-o-y
Grain export volumes	thousand tons	5,427	6,265	15%
Export terminal's throughput (Ukraine)	thousand tons	9,136	9,587	5%
Grain and oilseeds received in inland silos	thousand tons	2,719	4,341	60%
Revenue	USD million	2,169	2,100	(3%)
EBITDA	USD million	218	217	(1%)
EBITDA margin per ton of grain exported	USD	40	35	(14%)

exported 6.3 million tons of grain, up 15% y-o-y. Corn accounted for 66% of total exports, wheat for 29%, and barley and other minor crops for the remaining 5%

Kernel's **share of Ukraine's grain exports** increased by 3pp y-o-y to 15%, reinforcing the Group's position as the country's largest grain exporter. The increase reflected the strength of Kernel's integrated export infrastructure, operational execution, and established relationships with farmers. The Group accounted for 20% of Ukraine's corn exports, up 5pp y-o-y; 13% of wheat exports, unchanged y-o-y; and 18% of barley exports, up 6pp y-o-y. Despite this improvement, Kernel's overall market share remained below the pre-war peak of 18% recorded in FY2021.

Of the total grain exported in FY2026, 31% originated from the Group's own Farming segment, while the majority was sourced from third-party farmers. In addition, the Infrastructure and Trading segment sold 215 thousand tons of grain acquired as part of Enselco Holding's working capital at the transaction date.

Grain procured from third-party farmers totaled 4.2 million tons, up 9% y-o-y, reflecting the Group's continued focus on securing sufficient volumes to support its export operations. As of 30 June 2026, Kernel held 556 thousand tons of grain inventories, primarily corn and wheat, providing a supply base for exports in the new financial year.

Export terminals throughput

In FY2026, **Kernel transshipped a record 9.6 million tons of agricultural goods** through its export terminals, up 5% y-o-y. Grain accounted for 75% of total throughput, or 7.1 million tons, edible oils for 13%, or 1.2 million tons, and vegetable meals for the remaining 12%, or 1.1 million tons. Compared with FY2025, the cargo mix shifted further toward grain, whose share increased from 70%, while the shares of edible oils and vegetable meals declined from 16% and 14%, respectively.

A strong acceleration in the second half of the financial year supported the record annual volume. This recovery more than offset weaker

activity earlier in the year, when prolonged air-raid alerts and unfavorable weather reduced effective terminal operating time and disrupted the regular flow of export operations.

During the reporting period, Kernel provided transshipment services for 1.1 million tons of third-party-owned agricultural goods, down from 1.5 million tons in FY2025¹.

Grain and oilseeds received in inland silos

The total volume of grain and oilseeds received at the Group's inland silos increased by 60% y-o-y to 4.3 million tons in FY2026, marking the highest annual intake in the Group's history. Of this volume, 2.3 million tons originated from the Group's own Farming segment, up by 0.8 million tons y-o-y. The increase was primarily driven by the higher share of corn in the Group's crop mix. Corn accounted for 48% of total acreage under cultivation for the 2025 harvest, compared with 24% in the previous season, resulting in a material increase in physical volumes delivered to the silo network. Another important driver was the increase in grain procured by the Group and volumes delivered by third-party farmers, which together amounted to 1.0 million tons.

Corn accounted for the largest share of total intake, at 3.1 million tons, followed by wheat at 860 thousand tons. The balance comprised sunflower seeds, soybeans, rapeseed, and other minor crops.

Another important profitability driver was stronger demand for corn drying services. Unfavorable weather conditions during the harvesting period, together with the prolonged campaign that extended into winter, resulted in corn being delivered with average moisture levels of 23–24%, compared with the exceptionally low 15–17% recorded a year earlier. The higher moisture content materially increased drying requirements, supporting utilization of the Group's inland silo network and the business line's EBITDA.

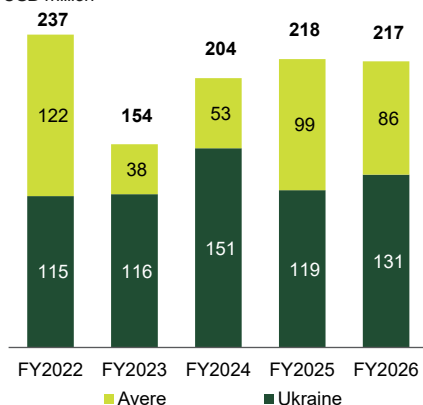
Financial results

The Infrastructure and Trading segment delivered **EBITDA** of USD 217 million in FY2026, down 1% y-o-y. The result reflected two distinct earnings streams: the Group's integrated

¹ This volume is included in the export terminal's throughput total figure.

Infrastructure and Trading **continued**

Infrastructure and Trading segment EBITDA
USD million



grain and edible oil export value chain in Ukraine and Avere's international trading operations.

The grain and edible oil export value chain in Ukraine was a major profit driver for the Infrastructure and Trading segment in FY2026, contributing USD 131 million to EBITDA, up 10% y-o-y. Performance across the individual business lines varied considerably:

- **Export terminals** recorded EBITDA of USD 45 million in FY2026, down 33% y-o-y. Higher grain throughput supported the result, although lower transshipment rates partially offset this benefit amid continued underutilization of port infrastructure in Ukraine. Profitability was also affected by operational disruptions caused by intensified Russian attacks on port infrastructure during the year;
- **Grain origination and trading operations** delivered EBITDA of USD 42 million, up only 8% y-o-y despite a 15% increase in grain export volumes. Higher physical volumes were largely offset by continued pressure on trading margins amid intense competition for grain in the domestic market;
- The **railcar business** recorded EBITDA of USD 17 million, up 2.2x y-o-y. Market conditions changed materially from October 2025 following intensified attacks on Ukraine's railway and energy infrastructure. Repeated disruptions reduced railway network throughput and lengthened railcar turnaround times, increasing the number of railcars required to transport the same volume of cargo. As a result, demand for grain railcars strengthened, and lease rates increased compared with the previous year, supporting the business line's profitability;
- EBITDA from **silo services** increased 5.8x y-o-y to USD 22 million. The improvement was supported by record grain and oilseed intake, as well as significantly stronger demand for drying services, which remained the principal earnings driver for the business line;
- The Group's owned **vessel fleet**

contributed USD 5 million to EBITDA during the reporting period.

For the second consecutive year, **Avere's trading operations** delivered an exceptionally strong result, contributing USD 86 million to EBITDA in FY2026. Although this was 14% below the result recorded a year earlier, Avere still accounted for more than 35% of the segment's total EBITDA. The performance reflected favorable trading opportunities across global commodity markets, together with Avere's market expertise and disciplined risk management framework. Nevertheless, proprietary trading earnings remain inherently sensitive to market volatility, and the Group does not consider results of this magnitude to be recurring.

FY2027 outlook

The new financial year for the Infrastructure and Trading segment will be determined by two key factors: stability of the export operations in the Black Sea region and the harvest in Ukraine.

Export operations in the Black Sea region

The Group entered FY2027 with damaged port infrastructure following a series of Russian missile and drone attacks in July 2026:

- 10–12 July: Combined Russian missile and drone attacks caused damage to the Group's port infrastructure in Chornomorsk, affecting grain, sunflower oil, and vegetable meal storage and transshipment facilities. Operations at the affected facilities were fully suspended.

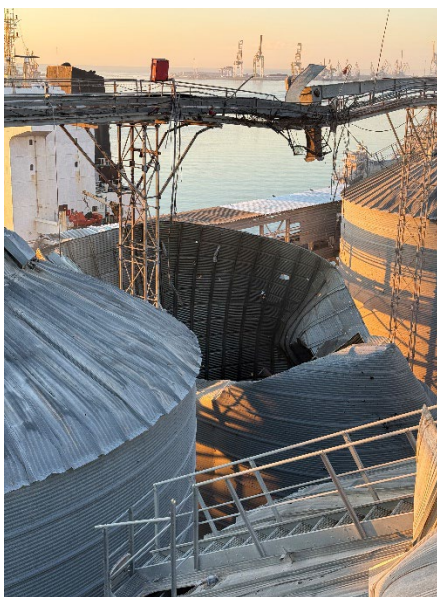
- 13–14 July: A further Russian drone attack damaged the Group's vegetable oil terminal in the Odesa region. The resulting fire severely affected sunflower oil storage and transshipment infrastructure, causing losses of vegetable oil, including third-party inventories.

Restoration works have been complicated by frequent and prolonged air-raid alerts, which restrict access to the affected sites, interrupt repair activities, and constrain contractor availability. As of the date of publication of this report, the full operational and financial impact, including inventory losses, asset damage, business interruption, and required capital expenditure, remained under assessment.

More broadly, the escalation of Russian attacks on Black Sea port infrastructure and commercial shipping materially disrupted Ukraine's maritime exports and heightened risks to navigation and maritime personnel. Following the initial strikes on port facilities, export flows continued, albeit at a reduced pace. However, subsequent attacks on commercial vessels, which resulted in casualties among crew members, contributed to the suspension of navigation through Ukraine's deep-sea ports from 22 July 2026, despite the Greater Odesa ports and the maritime corridor remaining formally operational.

Against this backdrop, exporters redirected part of their cargo flows through Danube ports and Ukraine's western land borders. While these routes cannot match the scale or cost efficiency of deep-water Black Sea ports, they

Damage at the TransBulkTerminal following Russian missile and drone attacks in July 2026



Infrastructure and Trading **continued**

provide alternative channels for maintaining grain and vegetable oil exports. The capacity of the Danube route was additionally constrained by drought conditions in Europe and unusually low water levels, limiting its ability to fully compensate for disruptions in Black Sea logistics.

Grain Supply in Ukraine for FY2027

Ukraine entered the 2026/27 marketing year with carry-in stocks of approximately 8 million tons of corn, wheat and barley (or 14% of the total harvest of 2026)¹. This represents a historically elevated level compared with the pre-full-scale war average of approximately 5–7% of annual production and creates a sizeable supply overhang at the start of the new season.

At the same time, the area planted under the three principal grain crops remained broadly stable at approximately 11 million hectares. Favorable weather conditions during much of the growing season initially supported expectations for stronger yields, although the extreme heatwave recorded in early August created downside risks to corn yields. The extent of the impact remains uncertain and is expected to become clearer as the crop reaches maturity and the harvesting campaign progresses. Accordingly, Ukraine's total grain harvest is currently projected at approximately 64 million tons, up 9% y-o-y.

The combination of a potentially larger grain harvest, elevated carry-in stocks, and constrained maritime export capacity could increase pressure on Ukraine's domestic logistics and storage infrastructure during the early months of the 2026/27 season. Should disruptions to deep-sea port operations persist, the pace of grain exports may remain below the level required to absorb available supply, potentially weighing on domestic prices and extending inventory holding periods.

A comparable disruption occurred at the beginning of FY2024, when Ukraine's Black Sea export routes were effectively unavailable. Alternative channels, including the Danube and western land borders, could absorb only a limited share of export volumes and involved materially higher logistics costs. A meaningful recovery in exports became possible only after the Ukrainian Navy established a new maritime corridor in October 2023. This enabled Ukraine to export both the substantial carry-over stocks accumulated from the previous season and the incoming harvest, bringing grain inventories back to more normal levels by the start of the following marketing year. The experience demonstrated that deep-water

Black Sea ports remain essential for Ukraine's agricultural exports in terms of both scale and economics.

A normalization of Black Sea navigation would therefore be critical to restoring export flows and easing pressure on inland logistics and storage. With limited visibility over a near-term recovery, market participants are increasingly preparing to hold grain for longer periods, including through the use of grain flexi bags and other temporary storage solutions. While these options provide additional capacity, prolonged storage under such conditions may increase the risk of quality deterioration and physical losses. If export constraints persist throughout the 2026/27 season, weaker grain marketing opportunities could also influence planting decisions for the following harvest, potentially resulting in a reduction in planted area and, consequently, lower future production.

For Kernel, a prolonged disruption of deep-sea exports would result in slower inventory turnover, higher logistics and storage costs, and lower utilization of the Group's port infrastructure. Increased demand for inland storage and rail transportation may provide some support to these business lines, but would not compensate for the broader impact of materially lower maritime export volumes. The Group is therefore evaluating alternative routes for both grain and vegetable oil exports and considering additional investment in logistics infrastructure. As part of this response, we intend to redirect part of our export flows through the Group's existing assets on the Danube River, acquired in FY2023-2024. However, the capacity and economics of these alternatives remain significantly inferior to deep-water Black Sea exports.

Given the reduced willingness of shipowners to call at Ukrainian ports under the current security conditions, the Group is also assessing the potential expansion of its owned vessel fleet to secure additional dedicated shipping capacity. The feasibility and economics of such an approach will depend on the security environment, the availability and cost of war-risk insurance, and the risk of further attacks on commercial vessels and Ukrainian port infrastructure.

¹ Source: Kernel's estimates.

FARMING



Produced 2.3 million
tons of grains and
oilseeds

In FY2026, the Farming segment benefited from a **larger crop size**, supported by the expansion of corn acreage to 172 thousand hectares, or 48% of total acreage, and an 11% y-o-y increase in net corn yield to 9.3 tons per hectare. Despite adverse weather conditions that delayed crop development and reduced wheat and sunflower yields, total crop production increased by 43% y-o-y to 2.3 million tons. The segment sold 2.1 million tons of grains and oilseeds during the reporting period and entered FY2027 with 160 thousand tons of corn in carry-over stocks.

Farming **EBITDA** amounted to USD 241 million, up 31% y-o-y, supported by higher production volumes and stronger realized prices for oilseeds. These benefits were partially offset by a 28% y-o-y increase in average production costs per hectare. Wetter harvesting conditions increased transportation costs from fields to silos and resulted in greater demand for drying and other post-harvest services.

During FY2026, the Group **expanded and optimized its farming footprint**. On 1 April 2026, Kernel entered into a share purchase agreement to acquire a 100% stake in Enselco Holding Limited, an agricultural business operating 190 thousand hectares of leasehold farmland in Northern and Western Ukraine. In May 2026, the Group divested part of its landbank in the Kharkiv region. Following these transactions, Kernel entered FY2027 with a total operated landbank of 530 thousand hectares.

FY2027 outlook

The Farming segment entered FY2027 with an enlarged farmland base following the Enselco acquisition. However, the ability to convert this increased production scale into earnings has become significantly more uncertain. The key challenge is the deterioration in Black Sea logistics. Intensified Russian attacks on port infrastructure and commercial shipping have disrupted maritime flows and reduced

Revenue

USD 545 million

+16% y-o-y

EBITDA

(before unallocated head office expenses)

USD 241 million

+31% y-o-y

visibility over the Group's ability to export its own crop volumes through traditional deep-sea routes.

If these constraints continue, a larger share of production may need to be redirected through alternative logistics channels, which offer lower capacity and involve materially higher costs. This could bring the economics of certain crops close to break-even, making the profitability dependent on the balance between global commodity prices and the cost of export logistics.

As a result, the outlook for the Farming segment remains cautious, with significant uncertainty around crop realization, logistics costs, and profitability. A prolonged disruption could also require Kernel to reassess the scale and structure of its farming operations for the following season, including planted acreage and crop allocation, to better align production with available export capacity and logistics.

Farming continued

SBM-1

Our business model

Large-scale farming

Kernel is one of the largest crop producers in Ukraine. As of 30 June 2026, the total area of leasehold farmlands under Kernel's operations amounted to **530 thousand hectares**¹, including 501 thousand hectares under 2026 crops to be sold, 8 thousand hectares of land under seeds and crops grown for in-house use, and 20 thousand hectares of fallow land². In FY2026, we harvested 2.3 million tons of corn, wheat, sunflower seeds, rapeseeds, and soybeans.

We operate in the western, central, and northern regions of Ukraine, characterized by highly fertile "chornozem" black soils and sufficient precipitation. Our land bank is divided into eight production clusters, each with a decentralized operational decision-making structure that enables rapid responses to external factors. The central office is responsible for shaping our overall business strategy, procuring key inputs, and overseeing operations. A spirit of healthy competition among these clusters promotes ongoing efficiency enhancements.

Except for 3,404 hectares of irrigated land used for in-house seed production, all our farmland is rain-fed, with all the associated weather risks.

We adhere to a simple **crop mix dominated**

by corn, sunflower, and wheat, covering a total of 80% of our farmland bank, and the remaining percentage stands for rapeseed, soybeans, and other minor crops.

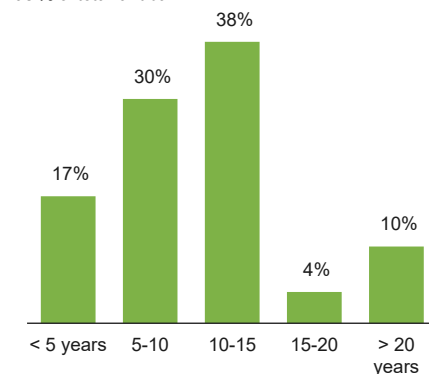
The Farming business is characterized by a **long working capital cycle** (~18 months), as illustrated in the "FY2026 crop production cycle" graph below.

Leasehold land operations

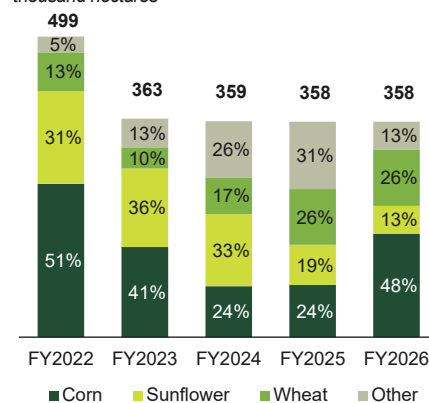
Approximately one-quarter of Ukraine's agricultural land is held by the state, municipalities, and state-owned companies. The remaining 75% consists of small land parcels, ranging from 1 to 10 hectares, depending on the region, owned by private individuals who acquired these rights during the land distribution process in the 1990s following the collapse of the Soviet Union.

For the past two decades, all farmland in Ukraine has been subject to a moratorium, preventing its sale. Initially implemented in 2001, this moratorium has been repeatedly extended by the parliament, impeding the growth of the farming sector in Ukraine. Consequently, agricultural producers lease land from current owners, with new lease agreements since 2015 having a minimum term of seven years to ensure the stability of farmers' business operations. The **farmland market finally opened** on 1 July 2021, albeit with several restrictions. The most significant of these restrictions include:

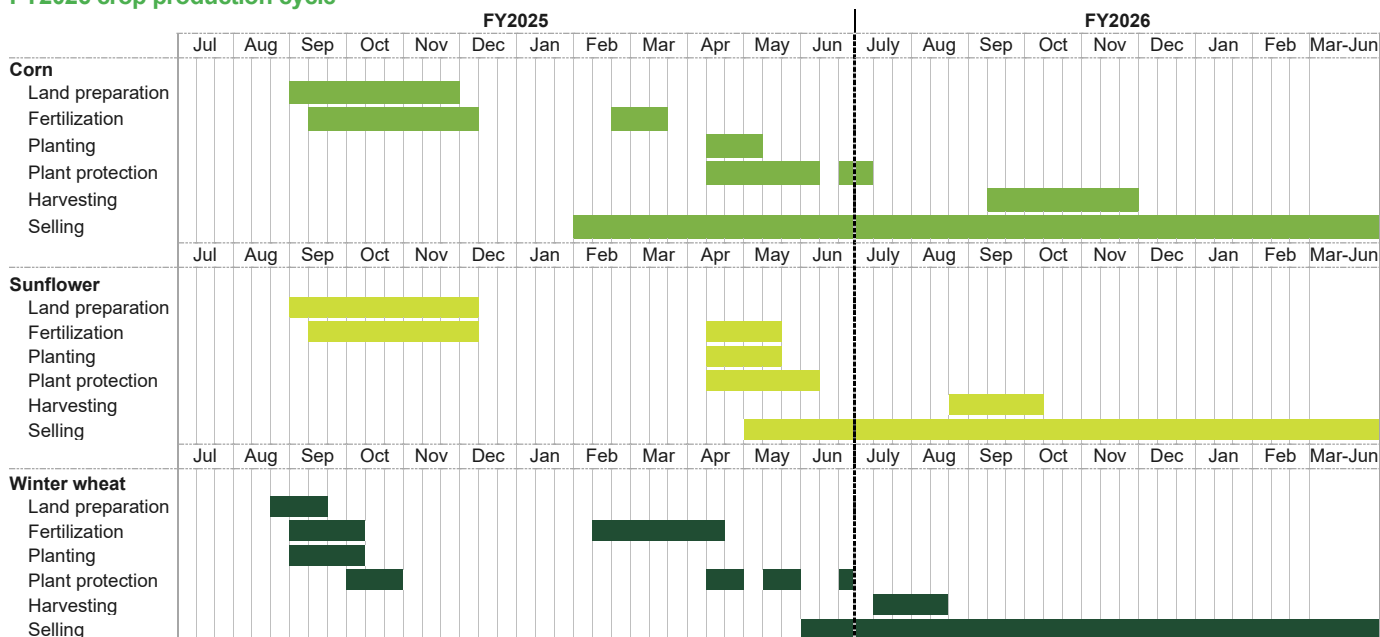
Kernel's farmland lease rights maturity
as % of total landbank



Kernel's acreage harvested by crops
thousand hectares



FY2026 crop production cycle



¹ As of 30 June 2026, the Group's total leased land area amounted to 542 thousand hectares.

² Of the fallow land, approximately 15.5 thousand hectares were not cultivated due to their proximity to active hostilities and the Russian border.

Farming continued

- Ukrainian citizens initially were permitted to acquire agricultural land, but individual ownership was limited to a maximum of 100 hectares.
- Starting from 1 January 2024, Ukrainian-incorporated legal entities with Ukrainian citizens as their ultimate beneficial owners are also allowed to purchase agricultural land, and the ownership cap increased from 100 hectares to 10,000 hectares for both private individuals and legal entities.
- Foreign individuals and corporations, as well as legal entities with foreign shareholders under the Law of Ukraine, are prohibited from purchasing land unless a nationwide referendum decides otherwise.

Kernel **leases all the land under operation**, with lease contracts having a weighted **average maturity of 13 years**. All lease contracts include the right of first refusal to prolong leases or to buy the land in case of being allowed to do so. We've secured the use of 10 thousand hectares of land through long-term land lease agreements, extending beyond 20 years. These agreements, known as "emphyteusis" leases, involve making a single lump-sum payment of all rent to the lessor at the agreement's signing. This approach enables us to ensure the continuity of our operations for an extended duration, well beyond the scope of typical farmland lease contracts.

Private individuals own 90% of the landbank that we lease, and the state owns 10%.

Despite all the Group's efforts to maintain the integrity of its landbank, some landowners prefer not to extend the lease agreements, and as a result, the Group naturally loses part of its farmland bank, in the range of 1-2% each year.

Starting from FY2020, land lease expenses are not accounted for among operating expenses, thus impacting segments' EBITDA, but are reflected as amortization of right-of-

FY2026 harvest results

	Acreage thousand ha			Net crop yields tons / ha ¹			Harvest size thousand tons ²		
	FY2025	FY2026	Y-o-Y	FY2025	FY2026	Y-o-Y	FY2025	FY2026	Y-o-Y
Corn	87	172	98%	8.4	9.3	11%	725	1,594	2.2x
Sunflower	67	46	(31%)	2.8	2.7	(4%)	186	124	(33%)
Wheat	93	94	1%	6.0	5.9	(3%)	560	551	(2%)
Soybean	72	24	(67%)	2.2	2.3	7%	155	54	(65%)
Other ³	39	22	(44%)						
	358	358	(0%)				1,626	2,322	43%

Note 1: One ton per hectare equals 15.9 bushels per acre for corn and 14.9 bushels per acre for wheat and soybean.

Note 2: For the four main crops: corn, sunflower, wheat, and soybean.

Note 3: Includes pea, rapeseed, barley, and other minor crops, as well as land left fallow for crop rotation purposes

use assets and finance expenses attached to lease liabilities.

Key developments

Expansion and optimization of the farming footprint

During FY2026, Kernel took important steps to expand and further optimize its farming operations in Ukraine.

- In April 2026, the Company acquired a 100% stake in Enselco Holding Limited for a total consideration of USD 348 million. The transaction added an integrated agricultural business comprising approximately 190 thousand hectares of leasehold farmland, a proprietary network of grain silos, agricultural machinery and equipment, a fleet of grain railcars, and other supporting assets.
- In parallel, in May 2026, the Group divested approximately 14 thousand hectares of leased landbank in the Kharkiv region, together with associated agricultural machinery and a grain silo. This transaction forms part of Kernel's long-term strategy to concentrate its landbank in core operating regions, improve operational density, and further optimize the farming footprint.

Following completion of both transactions, the total area of leasehold farmland under Kernel's operation reached 530 thousand hectares, representing a 48% y-o-y increase.

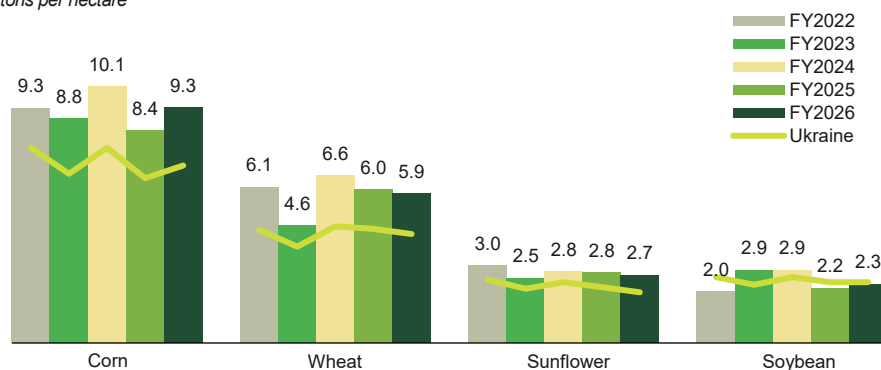
Performance overview

For the FY2026 harvest, the Group further adjusted its crop structure, restoring crop rotation practices that had been disrupted during the first two years of the full-scale war, when logistics constraints and limited storage capacity required short-term changes to the crop mix. As operating conditions partially stabilized, the structure was realigned as follows:

- corn** accounted for the largest share, covering 172 thousand hectares, or 48% of total acreage, marking a return to the Group's pre-war agronomic strategy focused on sustainable and efficient crop rotation;
- winter wheat** occupied 94 thousand hectares, or 26% of total acreage, maintaining its position as the second-largest crop in the structure;
- acreage under **sunflower seeds** decreased by 31% y-o-y to 46 thousand hectares, or 13% of total acreage. The reduction reflected a normalization of the crop structure after the temporarily elevated sunflower share in 2022–2023, when the Group increased exposure to the crop in response to uncertainty around grain export logistics. While sunflower remains an attractive crop economically, excessive concentration can increase agronomic risks, including pressure on soil moisture, higher pest and disease intensity, and adverse effects on subsequent crops. The Group targets a gradual return to a sustainable share of around 25% in the medium term;

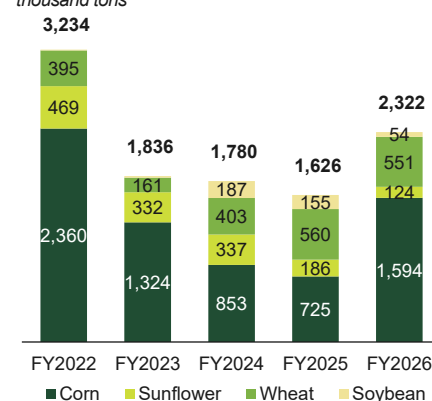
Kernel's crop net yields

tons per hectare



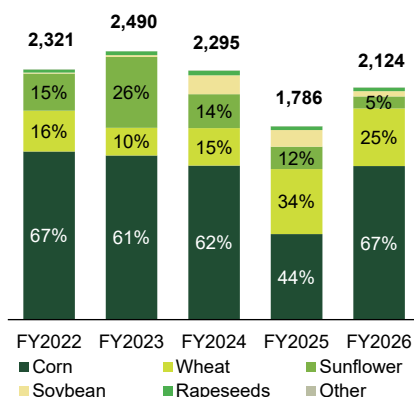
Kernel's production of key crops

thousand tons



Farming continued

Realized crops produced by Farming
thousand tons



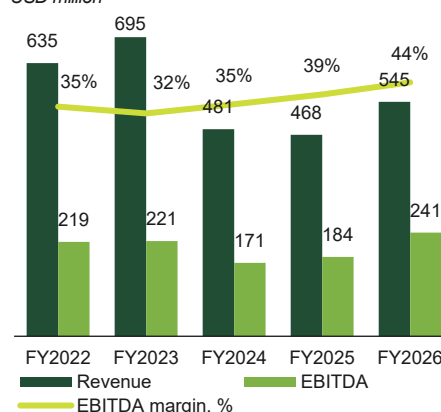
- **soybeans** were planted on 24 thousand hectares, compared with 72 thousand hectares in the prior season. The crop had been reintroduced into the rotation two years earlier as part of the Group's strategy to diversify the crop mix and reduce exposure to corn's higher energy and logistics requirements.

Adverse weather patterns created atypical conditions for the FY2026 season (crop 2025), affecting the development cycle of grain and oilseed crops. Two waves of late spring frosts damaged critical growth stages of winter crops and the early development of spring crops. A prolonged cool spring and summer, combined with sharp day-night temperature fluctuations, further slowed vegetation in northern regions, including Chernihiv and Sumy. At the same time, central regions, including Poltava, Cherkasy, and Kirovohrad, faced insufficient soil moisture and limited rainfall, delaying crop development and resulting in premature wilting and early ripening.

Despite these challenging weather conditions and the resulting delay in the harvesting campaign, the Group completed harvesting across the entire corn acreage by 31 December 2025. Corn net yields increased by 11% y-o-y to 9.3 tons per hectare, reflecting a recovery from the lower prior-year base and a return toward normalized production levels. By contrast, net yields for wheat and sunflower declined by 3% and 4% y-o-y to 5.9 tons per hectare and 2.7 tons per hectare, respectively, as adverse weather earlier in the season affected key growth stages and limited grain filling in certain regions.

Combined with the expansion of corn acreage to 172 thousand hectares, compared with 87 thousand hectares in 2024, the stronger corn yield drove a 43% y-o-y increase in total crop production to 2.3 million tons.

Profitability dynamics
USD million



In FY2026, the Farming segment sold 2.1 million tons of grains and oilseeds, including an immaterial volume of carry-in stocks from the 2024 harvest. Most of the oilseeds produced by the segment were subsequently processed at the Group's own oilseed processing plants. Accordingly, the incremental margin generated from the sale of the resulting oil and by-products was recognized within the Oilseed Processing segment.

The Farming segment entered FY2027 with carry-over stocks of 160 thousand tons of corn.

In FY2026 the Farming segment generated **EBITDA** of USD **241 million**, up 31% y-o-y, with performance shaped by several factors:

- The Group materially increased the share of corn in its crop portfolio while reducing acreage allocated to lower-margin soybeans. Corn acreage almost doubled to 172 thousand hectares, while soybean acreage declined to 24 thousand hectares from 72 thousand hectares a year earlier. Combined with an 11% y-o-y improvement in corn yields, this shift supported a 43% y-o-y increase in total crop production to 2.3 million tons of grains and oilseeds.
- This benefit was partially offset by higher production costs. Average production costs per hectare increased by 28% y-o-y, with corn being the principal driver. Wetter harvesting conditions increased transportation costs from fields to silos and substantially raised demand for drying and other post-harvest services. Higher seed prices and increased crop-growing expenses also added to the cost base across the crop portfolio, while average farmland rental payments rose by 23% y-o-y.
- Average realized prices for corn and wheat remained broadly stable, recording only marginal increases compared with the previous year. In contrast, oilseed prices strengthened progressively throughout the financial year, providing additional support

to the segment's profitability.

- The result also included a USD 44 million non-cash net gain arising from changes in the fair value of biological assets and agricultural produce.

Excluding this non-cash adjustment, the Farming segment's underlying EBITDA amounted to USD 197 million in FY2026.

The segment's earnings translated into USD 673 **EBITDA per hectare**, with 358 thousand hectares under operations in FY2026.

Headcount

The **headcount of the Farming segment** increased by 63% y-o-y to 7,249 employees. The increase primarily reflected the integration of employees associated with the acquisition of Enselco Holding Limited, which added 190 thousand hectares of leasehold farmland to the Group's operations.

FY2027 outlook

Market environment

The escalation of attacks on Black Sea port infrastructure and commercial shipping at the beginning of the 2026/27 season disrupted maritime grain exports during the peak wheat harvesting period. Reduced export activity and constrained logistics capacity weakened domestic purchasing demand and delayed the seasonal marketing of wheat.

For the Farming segment, these conditions may result in longer holding periods for part of the harvested crop, pending the normalization of export flows and more favorable market conditions. This may increase temporary storage requirements, including the use of grain flexi bags, and result in additional handling, storage, and financing costs.

A slower pace of crop sales may also lead to higher working capital requirements and delay the recognition of earnings and operating cash flows. At the same time, retaining part of the harvest may allow the Group to benefit from improved pricing should export logistics normalize later in the season. However, such an outcome remains uncertain at this stage.

In this environment, global commodity prices and the cost of export logistics will be the key determinants of the segment's profitability. The Danube remains the most viable substitute for deep-water Black Sea exports, but transporting grain through this route involves materially higher handling and transportation costs. As a result, a larger portion of the value of exported grain is absorbed by logistics, reducing the margin retained at the farming level. Stronger international grain prices could partly offset this pressure, while a combination of weaker global prices and prolonged

Farming continued

reliance on the Danube could materially compress margins and, for certain crops, bring farming economics close to break-even.

Harvest 2026 size

For the 2026 harvest (to be sold in FY2027), the Group completed the sowing campaign across its enlarged leasehold farmland base, including acreage acquired as part of the Enselco transaction in April 2026. Unfavorable weather conditions in late winter and early spring required part of the winter crop area to be replanted. Following these adjustments, the crop structure was realigned as follows:

- corn remained the principal crop, accounting for 48% of total sown area, or 254 thousand hectares, broadly unchanged from the 2025 harvest structure;
- wheat occupied 105 thousand hectares, or 20% of total sown area. Although acreage increased in absolute terms, its share of the crop mix declined, reflecting the expansion of the Group's farmland base;
- sunflower acreage increased to 88 thousand hectares, raising the crop's share to 17% of total sown area, compared with 13% in the previous harvest;
- rapeseed accounted for 8% of total sown area, or 43 thousand hectares, up from 1% in the previous harvest, marking a significant expansion of the crop within the Group's rotation;
- soybeans represented 2% of total sown area, or 9 thousand hectares, reflecting a rebalancing of the crop portfolio toward crops offering stronger expected economics and a better operational fit for the upcoming season.

As of the date of publication of this report, the Group had completed the harvesting of winter crops across 148 thousand hectares. The harvesting of corn, sunflower, and soybeans was ongoing. Based on results achieved to date, preliminary net yields stood at 6.4 tons per hectare for wheat, up 9% y-o-y, and 3.5 tons per hectare for rapeseed, up 48% y-o-y. For crops still being harvested, preliminary yields were 8.3 tons per hectare for corn, down 11% y-o-y, and 2.8 tons per hectare for sunflower, up 4% y-o-y, based on 6% and 61% of the acreage harvested, respectively. The final harvest size will remain dependent on weather conditions during the remainder of the harvesting campaign.

Production costs

For the upcoming financial year, we anticipate a further increase in production costs by approximately 9% y-o-y:

- The average payments related to farmland leases are expected to rise by a further 27% y-o-y, reflecting continued upward pressure on rental rates in the agricultural land market;

- Spending on plant protection products and mineral fertilizers is also expected to increase, primarily due to higher application rates for the 2026 harvest and higher input prices.

As a result, the margin available from the 2026 harvest will be increasingly dependent on whether realized crop prices are sufficient to absorb both higher production costs and elevated export logistics expenses.

Risk management

GOV-5

Risk management system

The Group's management defines risk as an event, action, or lack of action, which can lead to failure to achieve the Company's objectives.

Kernel has an evolving system of risk management aimed at **preserving the stability and solvency of the Company under extreme conditions to secure long-term sustainable value for shareholders.**

Based on the **Risk Management Policy** and underlying policies and procedures, Kernel monitors and assesses its risk exposures regularly and takes steps to minimize their impact.

Key roles

The Company's risk management is realized by the Board of Directors, Executive Management Team, and other management and staff, starting from strategy development and impacting all activities and processes of the Company. These activities set out to identify and manage risks, to provide reasonable assurance of the Company's goals accomplishment. Please see the details in the "Key roles and duties in the risk management process" chart.

Risk management cycle

The risk management cycle includes five stages:

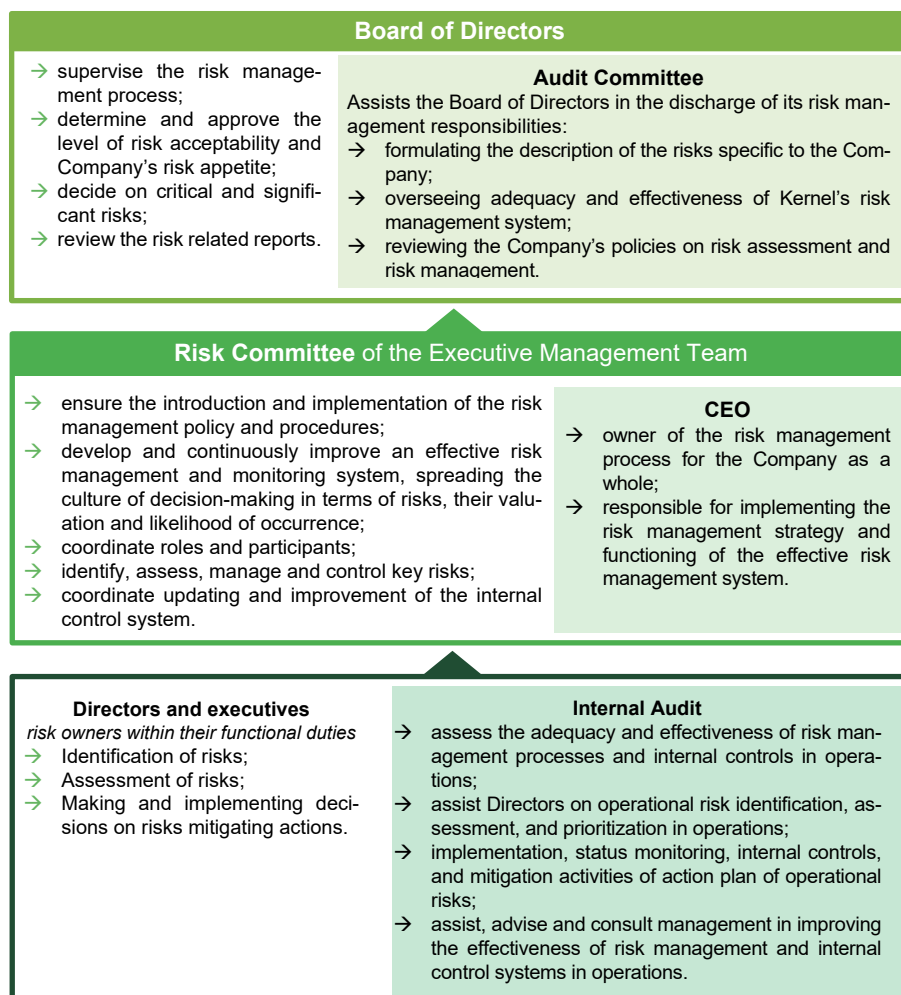
- risk identification;
- risk assessment and prioritization;
- development and execution of mitigation plan;
- monitoring of mitigation plan execution;
- risk management process enhancement.

Risk categories

The management classifies all risks into five categories:

- Strategic (Business)
- Operational
- Financial
- Regulatory
- Sustainability

Key roles and duties in the risk management process



Kernel's risk identification and mitigation system



Risk management continued

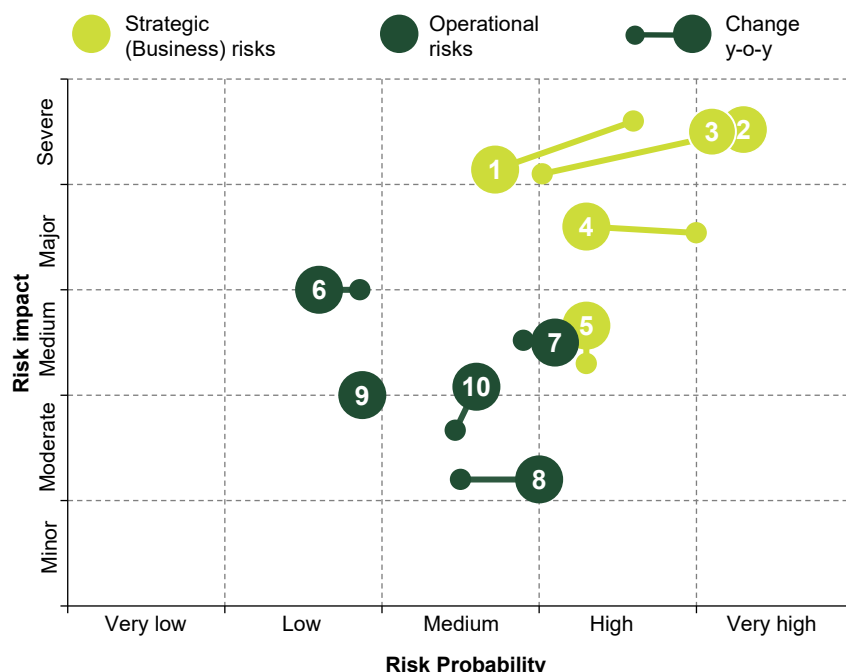
Top 10 risks

This section includes a summary of the main risks that Kernel may face during the normal course of its business. However:

- this section does not purport to contain an exhaustive list of the risks faced by Kernel, and Kernel may be significantly affected by risks that it has not identified or considered not to be material;
- some risks faced by Kernel, whether they are mentioned in this section or not, may arise from external factors beyond Kernel's control;
- whereas mitigations are mentioned in this section, there is no guarantee that such measures will be effective (in whole or in part) to remove or reduce the effect of the risk;
- investors may face other risks when dealing with Kernel securities (shares and bonds).

As a result of the latest review cycle, the Board approved the Group's Top 10 risks for FY2027, as shown in the risk matrix. The table below presents the risks, along with disclosures of changes in assumptions on impact and probability.

Risks matrix



#	Risk Name	Change in estimates FY2027 vs FY2026		Rationale for changes in estimates
		Impact	Probability	
1	Weak harvest in Ukraine	Decrease	Decrease	• Decreased impact and probability reflecting the improved harvest outlook compared to the previous season.
2	Logistics disruptions	Increase	Increase	• Increased impact and probability , due to the continued escalation of attacks on Black Sea and Danube port infrastructure and resulting disruptions to maritime operations.
3	Loss of critical infrastructure	No change	No change	• Impact and probability remain unchanged as the threat of targeted attacks on infrastructure persists.
4	Low global soft commodity prices	Increase	Decrease	• Increased impact and decreased probability , reflecting uncertainty over the duration of Black Sea export blockage, with prolonged disruption increasing reliance on more expensive alternative logistics and weighing on agricultural profitability.
5	Loss of Inventories	Increase	No change	• Increased impact as the threat of targeted attacks on Group's assets persists.
6	Trade position risk due to unforeseen market volatility	No change	Decrease	• Decreased probability with no change in impact , reflecting the effectiveness of the existing control framework, which mitigates the increased risk of delays in contract performance.
7	Credit and counterparty risks	No change	Increase	• Increased probability , reflecting the deteriorating economic and security environment, which may weaken counterparties' creditworthiness and ability to perform their obligations.
8	Information security and IT risks	No change	Increase	• Increased probability and no changes in impact , reflecting the heightened risk of attacks disrupting critical equipment or data center operations, while existing mitigation measures continue to limit the potential impact.
9	Climate and adverse weather risk	New	New	• New risk introduced, reflecting the increasing exposure of the Group's agricultural operations to adverse weather conditions and growing climate variability.
10	Human capital risks	Increase	Increase	• Increased impact and probability due to the further deterioration in the security environment, evolving mobilization and employee reservation requirements.

Risk management continued

Kernel FY2027 Top 10 risks and mitigating factors		
Risk	Possible impact	Mitigating factors
1. Weak harvest in Ukraine	• A reduction in Ukraine's grain and oilseed harvests, depletion of carry-over stocks, or changes in crop structure may limit volumes available for procurement and export across the Group's core business segments. • Farmers' ability and willingness to delay sales may tighten near-term supply, increase procurement prices, disrupt normal seasonal purchasing patterns, and intensify competition for available grain and oilseed volumes. • Structural overcapacity in oilseed processing, grain handling, port infrastructure, and rail logistics may intensify competition for low harvest volume, compress processing, origination, handling, storage, and lease margins, and adversely affect the Group's EBITDA and cash generation.	→ Multi-seed processing: flexibility to adjust the oilseed processing mix helps mitigate shortages of individual oilseeds. → "Open Agribusiness" and "Open Agri Club": the platforms support third-party farmers in improving productivity through access to agronomic expertise, modern technologies and financing opportunities, while strengthening farmer relationships and supporting Kernel's origination capabilities. → Enlarged farmland base: the Group expanded its leasehold farmland by approximately 190 thousand hectares in FY2026, increasing own-crop production and reducing reliance on third-party procurement. The expansion also supports higher utilization of the Group's processing and logistics infrastructure, partially mitigating the risk of structural underutilization.
2. Logistics disruption: closed Ukrainian seaports due to the war;	• Reduced export volumes of grain, sunflower oil and meal in the event of prolonged restrictions on exports through Ukraine's Black Sea ports, which remain the principal and most efficient route for agricultural exports. • Higher logistics costs due to increased reliance on more expensive inland and river routes, including rail, road and barge transportation. • Longer shipment times may increase working capital requirements and create additional risks of product quality deterioration during prolonged multimodal transportation.	→ In the event of restricted access to Black Sea ports, the Group may redirect volumes through Ukrainian Danube ports and railway routes to the Port of Constanța in Romania, although these alternatives involve higher costs and lower throughput capacity. → Capacity expansion: the Group continues to undertake selective capacity expansion initiatives across facilities under its control. → Diversified port access: the Group has secured transshipment capacity across several ports, including Pivdennyi, Chornomorsk and Reni, as well as access to transshipment services in Rotterdam. → Own fleet: supports flexibility in deep-water and river logistics operations.
3. Loss of critical infrastructure	• Loss of or damage to critical infrastructure, including export terminals, oilseed processing plants and key grain silos, as a result of Russian missile or drone attacks may reduce the Group's earnings-generating capacity, disrupt operations and require additional capital expenditure for repairs or reconstruction.	→ Diversified asset base: the Group's production and logistics assets are geographically dispersed across Ukraine, reducing concentration risk associated with individual locations. → Third-party transshipment capacity: grain and oil transshipment arrangements with third-party export terminals provide alternative handling capacity if the Group's own facilities become unavailable. → Diversified port access: access to multiple load points reduces dependence on any single port or terminal.
4. Low global soft commodity prices: grain and oilseeds, sunflower oil	• Lower profitability of the Farming segment, which is naturally exposed to declines in global grain and oilseed prices. • Lower profitability of the Infrastructure and Trading segment, as weaker commodity prices may compress export margins amid elevated logistics costs and encourage farmers to postpone sales. • Compressed margins in the Oilseed Processing segment, as lower sunflower oil prices reduce the combined margin available to farmers and processors.	→ Hedging of grain prices: the Group uses a range of hedging instruments, including futures and options, forward contracts for Black Sea origin premiums, and physical forward contracts, where available. → Extended crop selling period: under normal market conditions, the Group may begin forward sales of the next season's crop once there is sufficient visibility on expected production costs and value-chain margins. → Flexibility in the timing of own-crop sales allows the Group to limit exposure to periods of exceptionally low market prices. → Continuous analysis of global soft commodity fundamentals: Avere's research and trading teams monitor market developments to support the timing and pricing of hedging decisions. → Early-season procurement of sunflower seeds helps secure feedstock during periods of higher post-harvest supply and partially mitigate exposure to subsequent market volatility. → Active sales management throughout the season helps mitigate exposure to seasonal price declines.

Risk management **continued**

Kernel FY2027 Top 10 risks and mitigating factors

Risk	Possible impact	Mitigating factors
5. Loss of inventories	• Physical loss of the Group's inventories stored at port, production or storage facilities as a result of Russian missile or drone attacks.	→ Expansion of export capacity through alternative routes, reducing concentration of inventories at individual locations. → Investments in additional storage capacity, including flexible temporary storage solutions. → Diversified storage and loading locations across the Group's logistics network. → Minimizing on-site storage at ports in favor of direct loading and transshipment where operationally feasible.
6. Trade position risk due to unforeseen market volatility	• Losses from adverse commodity price movements affecting the Group's open trading positions, including positions in sunflower oil. • Losses from Avere's proprietary trading activities as a result of significant or unexpected market volatility	→ Trade position control system: – daily monitoring of maximum long/short limits, with separate limits for different goods (e.g., sunflower oil from own seeds, purchased seeds, or third-party purchases). Specific limits are set for sunflower seed procurement not covered by sunflower oil sold. Special approvals are required to exceed the limits. – certain positions are controlled by restricting Value at Risk and drawdown limits with daily monitoring. – constant monitoring of market price movements on existing trade positions, with continuous improvements to the monitoring system. → "Balanced book" policy: mitigates commodity price fluctuations through price and volume hedging. Such a policy presupposes the arrangement of forward contracts for sunflower oil sales, alongside the procurement of sunflower seeds from farmers. In such a manner, the Company reduces risk exposure by ensuring the sales volumes, as well as locking the selling price. Deviations from this approach may occur within certain trade limits approved by the management or beyond such limits in specific cases (separate management decision is required); → Centralized contract execution and scheduling of shipments.
7. Credit and counterparty risks	• Defaults by third-party farmers receiving financing from the Group, including under the Open Agribusiness program. • Losses arising from counterparties' failure to perform contractual obligations, including non-delivery of contracted commodities or non-payment. • Regulatory, financial and reputational consequences resulting from transactions with sanctioned or otherwise restricted counterparties.	→ Clearly defined eligibility criteria and contractual safeguards for farmers participating in the Group's financing programs. → Continuous monitoring of counterparties' solvency, creditworthiness and business performance. → Active engagement with farmers in default, including repayment extensions, restructuring or alternative settlement arrangements where appropriate. → Active restructuring and recovery measures in relation to counterparties in default. → Comprehensive counterparty due diligence across the Group's businesses, including sanctions screening and verification before contracts are signed or payments are made.
8. Information security and IT risks	• The loss or disclosure of key information may threaten business operations and development of the business; • Interruption of business processes and decisions which are dependent on the continuity of IT applications and infrastructure. • Leakage of the information stored at assets currently occupied by Russia; • Cyber-attacks on the Group's IT infrastructure; • Damage to the Group's cloud IT infrastructure occurred due to the military actions in Ukraine; and lack of access to cloud services provided outside of Ukraine.	→ Geographically diversified backup infrastructure: the Group maintains backup data center capacity in western Ukraine to support business continuity. → IT business continuity and disaster recovery framework, supported by regularly tested recovery procedures. → Multi-factor authentication and privileged access management to reduce the risk of unauthorized access to critical systems. → Access control framework, including password policies, restricted user privileges, and periodic review of access rights. → Regular vulnerability assessments and penetration testing of internal and external IT infrastructure. → Patch management procedures ensuring timely installation of critical security updates across servers and workstations. → Advanced threat protection solutions designed to detect and mitigate sophisticated and emerging cyber threats. → Incident and change management procedures across the Group's IT environment. → Regular cybersecurity training and testing of employees to strengthen awareness and compliance with information security requirements.

Risk management **continued**

Kernel FY2027 Top 10 risks and mitigating factors

Risk	Possible impact	Mitigating factors
9. Climate and adverse weather risk	• Prolonged droughts, heatwaves, late spring frosts, irregular precipitation, excessive rainfall and sharp temperature fluctuations may adversely affect crop development, yields and quality, resulting in lower harvest volumes and reduced profitability of the Farming segment. • Excessive rainfall or elevated crop moisture may delay harvesting, increase drying, handling and storage costs, and result in crop losses or quality deterioration. Conversely, exceptionally dry harvesting conditions may reduce third-party demand for drying and other silo services.	→ Diversification of crop rotation and crop mix to reduce dependence on individual crops and adapt production to changing agroclimatic conditions. → Geographic diversification of the farmland base helps reduce exposure to localized adverse weather conditions. → Precision farming and data-driven agronomy, including field-level analytics and AI-supported planning through the Group's Digital AgriBusiness platform, to improve agronomic decisions and resource allocation. → Regenerative farming practices, including reduced tillage, cover crops and crop-residue management, aimed at improving soil health, moisture retention and resilience to drought and erosion.
10. Human capital risk	• Disruptions to business and support processes due to shortages of qualified personnel and difficulties in replacing key employees, exacerbated by continued emigration and internal displacement. • Employee mobilization for military service may result in shortages of critical personnel and loss of operational expertise. • Prolonged security pressures and power outages may adversely affect employee availability, wellbeing and productivity. • Increased psychological strain associated with the prolonged war may affect employee wellbeing, engagement and retention.	→ Competitive compensation: remuneration levels are regularly benchmarked against the Ukrainian and neighboring labor markets to support employee attraction and retention. → Comprehensive social benefits, including medical insurance, financial assistance and support programs for employees and their families. → Talent development and succession planning: training, professional development and career planning programs support retention and internal replacement of critical roles. → Employee wellbeing and mental health support aimed at addressing the prolonged psychological impact of the war. → Safe and flexible working arrangements, supported by continuous improvements in workplace safety and infrastructure. → Effective recruitment and onboarding, including cooperation with universities, professional communities, and dedicated employment programs. → Support for mobilized employees and veterans, including reintegration measures for employees returning from military service. → Employee engagement initiatives, including performance management, feedback mechanisms and recognition programs.

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

- Disruption or limitation of electricity supply;
- 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.

Alternative Performance Measures

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 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 depreciation and amortization.

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 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 the Group's core operations.

Reconciliation of profit from operating activities to **EBITDA** and **EBITDA margin**:

<i>in thousand USD except the margin</i>	FY2025	FY2026
Profit from operating activities	361,046	441,339
<i>add back:</i>		
Amortization and depreciation	105,283	116,994
EBITDA	466,329	558,333
Revenue	4,115,042	4,404,335
EBITDA margin	11%	13%

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**

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.

Investing Cash Flows net of 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 it 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.

Net Fixed Assets Investments

The Group uses **Net Fixed Assets Investments** as a measure of its expenditures on fixed assets maintenance, and it is defined as net cash used in investing activities less **Investing Cash Flows net of 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.

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 it is defined as net cash generated by operating activities less changes in working capital, including:

- change in trade receivables and other financial assets;
- change in prepayments and other current assets;
- change in restricted cash balance;
- 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.

Calculation of Segment EBITDA and Segment EBITDA margin:

<i>in thousand USD except the margin</i>	FY2025	FY2026
Oilseed Processing		
Profit from operating activities	112,926	117,900
<i>plus Amortization and depreciation</i>	34,821	38,379
Segment EBITDA	147,747	156,279
Segment revenue	2,106,649	2,384,161
Segment EBITDA margin	7%	7%
Infrastructure and Trading		
Profit from operating activities	189,098	186,694
<i>plus Amortization and depreciation</i>	29,034	29,848
Segment EBITDA	218,132	216,542
Segment revenue	2,168,808	2,100,476
Segment EBITDA margin	10%	10%
Farming		
Profit from operating activities	146,811	195,557
<i>plus Amortization and depreciation</i>	37,581	45,263
Segment EBITDA	184,392	240,820
Segment revenue	468,205	544,957
Segment EBITDA margin	39%	44%
Other		
Loss from operating activities	(87,789)	(58,812)
<i>plus Amortization and depreciation</i>	3,847	3,504
Segment EBITDA	(83,942)	(55,308)

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

<i>in thousand USD</i>	FY2025	FY2026
Net cash used in investing activities	(40,343)	(441,533)
<i>Adding back:</i>		
Purchase of property, plant and equipment	(72,956)	(139,464)
Proceeds from disposal of property, plant and equipment	4,841	17,774
Investing Cash Flows net of Fixed Assets Investments	27,772	(319,843)

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

<i>in thousand USD</i>	FY2025	FY2026
Purchase of property, plant and equipment	(72,956)	(139,464)
Proceeds from disposal of property, plant and equipment	4,841	17,774
Net Fixed Assets Investments	(68,115)	(121,690)

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

<i>in thousand USD</i>	FY2025	FY2026
Net cash generated by operating activities	241,664	142,376
<i>Less:</i>		
Changes in working capital, including:	(102,581)	(360,951)
Change in trade receivable and other financial assets	3,579	(142,347)
Change in prepayments and other current assets	36,872	2,964
Change in taxes recoverable and prepaid	(10,455)	6,896
Change in biological assets	17,010	(38,023)
Change in inventories	(143,493)	16,532
Change in trade accounts payable	(7,203)	(19,843)
Change in advances from customers and other current liabilities	1,109	(187,130)
Operating Cash Flows before Working Capital Changes	344,245	503,327

Alternative Performance Measures **continued**

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 it is defined as the sum of net cash generated by the operating activities and the net cash used in investing activities.

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.

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;
- 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 defines **Net Debt** as **Debt Liabilities** less cash and cash equivalents and cash deposits pledged under credit facilities. **Adjusted Net Debt** is calculated as Net Debt less commodity inventories, while **Adjusted Net Debt (excl. lease liabilities)** further excludes lease liabilities, including the current portion thereof.

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 (excluding the short-term borrowings, the current portion of long-term borrowings, current portion of lease liabilities, the current bond issued, the interest on bonds issued, and liabilities associated with assets classified as held for sale).

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

<i>in thousand USD</i>	FY2025	FY2026
Net cash generated by operating activities	241,664	142,376
Net cash used in investing activities	(40,343)	(441,533)
Free Cash Flows to the Firm	201,321	(299,157)

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 in the periods indicated:

<i>in thousand USD</i>	As of 30 June 2025	As of 30 June 2026
Sunflower oil & meal	208,226	120,020
Sunflower seed	46,171	34,975
Grains	43,937	104,885
Other	65,134	111,651
Total	363,467	371,531
<i>of which: Commodity Inventories</i>	298,549	260,261

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

<i>in thousand USD</i>	As of 30 June 2025	As of 30 June 2026
Bonds issued	298,487	-
Current bonds issued	-	298,233
Interest on bonds issued	3,616	3,555
Long-term borrowings	82,307	38,727
Current portion of long-term borrowings	22,239	33,273
Short-term borrowings	148,887	360,617
Lease liabilities	171,234	319,513
Current portion of lease liability	34,021	39,257
Debt Liabilities	760,791	1,093,175
less: cash and cash equivalents	617,511	356,732
Net Debt	143,280	736,443
less: commodity inventories	298,549	260,261
Adjusted Net Debt	(155,269)	476,182
Adjusted Net Debt (excl. lease liabilities)	(360,524)	117,412

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

<i>in thousand USD</i>	As of 30 June 2025	As of 30 June 2026
Total current assets	2,004,295	2,029,557
less:		
Cash and cash equivalents	617,511	356,732
Total current liabilities	666,854	1,194,387
add back:		
Short-term borrowings	148,887	360,617
Current portion of long-term borrowings	22,239	33,273
Current portion of lease liabilities	34,021	39,257
Current bonds issued	-	298,233
Interest on bonds issued	3,616	3,555
Adjusted Working Capital	928,693	1,213,373

Alternative Performance Measures **continued**

The Management believes 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 leverage.
EBITDA margin	EBITDA divided by revenue during the reported period.	EBITDA margin is a metric widely used to measure the profitability of the 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 the 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 the 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 restricted cash balance; • 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 the 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 Net Debt (excl. lease liabilities)	Adjusted Net Debt less lease liabilities, including the current portion thereof.	The Group uses this APM as a supplemental measure of leverage, providing a view of the Group's financial indebtedness excluding lease liabilities.
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.



SUSTAINABILITY STATEMENT

In FY2026, Kernel published its second Sustainability Statement, prepared in alignment with the Corporate Sustainability Reporting Directive (CSRD) and European Sustainability Reporting Standards (ESRS). The second reporting cycle deepens the embedding of environmental, social, and governance (ESG) considerations into the Group's core business model, value chain, and decision-making processes. We reviewed the list of IRO, and the result of the Double Materiality Assessment (DMA) was conducted to ensure their relevance and alignment with the company's current operating conditions.

In FY2026, we demonstrated our first strong results of the ESG Strategy across all aspects, particularly regarding renewable energy and sustainable agriculture targets. We also publicly announced 'Seeds of Recovery', a proprietary carbon removals project developed under **Verra's VM0042 Improved Agricultural Land Management** methodology in partnership with Sentinel Earth.

Despite the ongoing challenges posed by the war in Ukraine, Kernel remained committed to supporting the decarbonization goals of its customers by extending climate action beyond its own operations and into the reduction of Scope 3 emissions across the value chain. In FY2026, Kernel conducted a **life cycle assessment of refined deodorized sunflower oil** in line with ISO 14067, establishing a cradle-to-gate carbon footprint of 0.44 kg CO₂e per liter.

Alongside these efforts, Kernel promotes sustainability awareness among consumers through transparent product information and education. New **sustainability labelling** was introduced on the Group's flagship bottled sunflower oil brands following independent certification of renewable-energy-powered production, and the Greeny ("Grinchyk") educational initiative under the Shchedryi Dar brand continues to raise awareness of renewable energy and responsible consumption among consumers.

Furthermore, in FY2026, Kernel completed its first commercial delivery of **low-carbon sunflower oil**, with a customer paying a premium for verified emission reductions. The shipment was enabled by Kernel's field-level carbon footprint accounting system, which traces emissions from field to finished product and supports the development of low-carbon supply chains. The Group maintained its **Carbon Disclosure Project (CDP)** climate rating at level B and moved forward with the validation of its **Science-Based Target (SBTi)** for the Poltavskiy oil extraction plant.

Socially, Kernel reinforced its role as a responsible employer and community partner. In FY2026, the Company invested a total of USD 38 million in social programs, including **support of the Ukrainian Army**. Community initiatives expanded their geographical reach and introduced three new programs, while the Open Agri platform for supporting third-party agriculture producers gained 524 partners cultivating 207 thousand hectares of agricultural land.

Governance, particularly within **supply chain management**, was strengthened through the introduction of a risk-based supplier management framework. New policy and procedures were introduced, focusing on enhancing due diligence, compliance oversight, and transparency across the supply chain.

Taken together, these results reflect Kernel's continued commitment to embedding sustainability across its operations and value chain, even as the war in Ukraine continues to shape the operating environment. By advancing decarbonization, strengthening supply chain governance, and deepening its social investment, Kernel is building a more resilient and transparent business while contributing to Ukraine's broader recovery and its long-term integration with European sustainability standards.

Key highlights in FY2026

Climate action	• 286 thousand tCO₂e – total Scope 1 GHG emissions, excluding 647 thousand tCO₂e of biogenic emissions • 34 thousand tCO₂e – total Scope 2 GHG emissions (location-based) • 44 thousand tCO₂e – total Scope 2 GHG emissions (market-based) • 1,574.8 thousand tCO₂e – total Scope 3 GHG emissions • Maintained CDP rating (Carbon Disclosure Project) at the level B, making Kernel the only Group in Ukraine with such a rating
Energy management	• 10,282 TJ – total electricity consumption • 2,237 MJ/t – energy intensity of sunflower seed processing • 63 MJ/t-% – energy intensity of drying grain • 695 MJ/t – energy intensity of harvested grain
Waste management	• 414 tons – total volume of hazardous waste generated • 12,063 tons – total volume of non-hazardous waste generated
Biodiversity management	• 341,675 ha – total area of application of biological products accounted • Less than 1% of the landbank is in close proximity to nature-protected areas
Employment	• 14,484 – total number of employees • 7,207 – total number of new hires • 14.8% – percentage of employee turnover HR Brilliance Awards 2026 (Brilliance and Silver) International CSR Excellence Awards 2025–2026 (Silver) Business Culture Awards 2025, Best Diversity, Equity & Inclusion Initiative category Green Apple Awards Green World Award 2026 (Global Gold Winner 2026)
Training and career advancement	• 192,883 – total number of training hours • 1,837 – total number of employees, receiving regular performance and career reviews
Occupational health and safety	• 16 – total number of recordable work-related injuries • 0.85 – lost time injury frequency rate
Economic performance	• USD 4,645 million – Direct economic value generated • USD 4,322 million – Total economic value distributed • Disclosure in line with the EU Taxonomy
Support of local communities and society as a whole	• USD 38 million – total amount of social spending, which includes support of the Ukrainian Army, humanitarian aid, and other charity expenses

Sustainability at Kernel

Sustainability at Kernel is driven by an overarching goal - to feed the growing population while enhancing natural and social capital, particularly in Ukraine. Our management approach towards sustainability is organized around three pillars, namely (1) environmental stewardship, with a material focus on climate actions both in direct operations and throughout the value chain; (2) social responsibility, which gained new levels of prioritization amid the Russian invasion of Ukraine; and (3) governance integrity, commonly referred to as ESG. These principles and approaches are integrated across all of Kernel's business segments.

Our values and purpose that help us manage ESG risks and opportunities in the agriculture sector in Ukraine are as follows:

I. Environmental stewardship



Low-carbon development: scaling up decarbonization practices across the value chain, from carbon farming and precision agriculture on the field to low-carbon oilseed processing.



Biodiversity: promoting soil health and biodiversity through integrated pest management, expansion of cover crop practices, and control over seed quality with own laboratories.

II. Social responsibility



National security and wellbeing: contributing towards Ukraine's victory against the Russian invasion through on-going support of the Armed Forces of Ukraine and humanitarian aid.



Human capital: proactive expansion of agriculture expertise by attracting and educating students through Open Agro University and other educational and training programs.



Diversity, equality and inclusion: integration of veterans back into civilian life, providing them with opportunities for self-realization.

III. Governance integrity



Sustainable finance: groundwork for systematic attraction of sustainable finance through an evidence-based approach of enhancing natural capital.



Ethics and compliance: ensuring transparent business practices through systematic integration of relevant sustainability standards.



Market leadership: sharing own experience with other key agriculture companies as well as small- and medium-size farmers to improve market maturity and institutional capacity in sustainable and low-carbon development.

Our ESG Strategy

				Progress as of FY2026	SDGs contribution
Environmental stewardship	Climate change	GHG emission reduction	Validate a science-based target (SBTi) for Scope 2 emissions at the Poltava Oil Extraction Plant.	Target calculated and validation process launched.	   
		Regenerative agriculture	Reduce the share of land under plowing from 25% in 2020 to 10% by 2030.	19% of land under plowing.	
			Introduce cover crops and siderats in crop rotation on 30% of the land previously under winter wheat by 2030.	30% of the land previously under winter wheat.	
		Sustainable agriculture through innovation	Implement a technology management system based on the approaches and results of precision farming polygons on 100% of the land bank by 2030.	69% of the landbank has been mapped into precision farming polygons.	
	Energy	Renewable energy	Achieve a level of electricity production from own generation using renewable energy sources of at least 50% of the Group's total electricity consumption by its oilseed processing plants by 2030.	50% of the total electricity consumption of the Group's OEPs was supplied from own renewable energy generation.	
	Biodiversity	Pollinators protection	Achieve 100% use of pollinator-safe insecticides during the flowering of crops by 2030.	100% of area under flowering crop treated with pollinator-safe crop protection products.	
Soil health		Apply biological destructors on at least 50% of the cultivated landbank by 2030.	42% of cultivated landbank where biological destructors were applied.		
Waste and resource use	Packaging	Reach 20% of bottled oil packaged in bottles made with recycled plastic and tethered caps by 2030.	Testing and pilot production of PET bottles containing 30% and 50% recycled plastic.		
Social responsibility	Own workforce	Diversity and inclusion	- Increase women's representation in traditionally male-dominated positions to 17% by 2030². - Continuous development of career opportunities and an inclusive working environment for women, youth, veterans, and people with disabilities.	15% of traditionally male-dominated positions are represented by women Veterans Program was expanded to emphasize the role of veterans in organizational development.	 
		Talent development	Fill at least 10% of open Group vacancies with graduates of Internship and First job programs by 2030.	6.9% of positions were occupied by alumni of Kernel's Internship and First job programs.	
	Communities	Resilience and development of local communities	Increase beneficiary participation in the Group's social programs by 10% across all operational regions by 2030. FY2026 is the baseline year.	723,839 – total number of beneficiaries.	   
	Consumers & end users	Engagement with consumers	Launch a new product category — sunflower oil with a reduced carbon footprint across the entire value chain.	First commercial delivery of premium low-carbon sunflower oil. Ongoing work on scale-up and automatization.	 
			Ensure compliance with the EU Deforestation Regulation (EUDR).	Preparations ongoing.	

Note 1: Unless stated otherwise in the ESG Strategy, the baseline for targets is FY2025

Note 2: The target was reviewed in FY2026

General information

Guide to the Sustainability Statement

In FY2026, Kernel continued to integrate its Sustainability Statement into the Management Report, maintaining an approach aligned with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).

The Sustainability Statement forms part of the Management Report and is structured across four key areas:

- [General information](#) (ESRS 2)
- [Environmental information](#) (ESRS E1, E2, E4 and E5)
- [Social information](#) (ESRS S1, S3 and S4)
- [Governance information](#) (ESRS G1)

The sustainability matters covered within these sections are identified from Kernel's Double Materiality Assessment (DMA), including the FY2026 annual review, as described in detail in the IRO-1, IRO-2 (pages 47-49) and SBM-3 (pages 49-50) sections.

In preparing the Sustainability Statement, Kernel followed the ESRS reporting structure, presenting relevant policies, actions, targets, and metrics in relation to the identified material impacts, risks, and opportunities (IROs). Changes to previously identified IROs resulting from the FY2026 annual DMA review are indicated, where relevant, in the respective topical disclosures through explanatory notes.

Where required, we have applied the incorporation by reference option: disclosures are

presented either within the Sustainability Statement itself or in related sections of the Management Report, as summarized in the table "List of DRs compiled and list of DRs incorporated by reference". Each such case is clearly indicated with a footnote and in-text tag, pointing to the corresponding ESRS Disclosure Requirement (DR). This approach ensures improved clarity and readability while minimizing unnecessary repetition of information relating to Kernel's business model, strategy, value chain, and governance framework.

Water and marine resources (ESRS E3) and Employees in the value chain (ESRS S2) remained immaterial and are therefore not disclosed in the Sustainability Statement 2026.

IRO-2

List of DRs compiled and list of DRs incorporated by reference

IR ¹	DR	Disclosure requirement (DR) description	Page
General disclosures			
	BP-1	General basis for preparation of the sustainability statement	45
	BP-2	Disclosures in relation to specific circumstances	45
•	GOV-1	The role of the administrative, management and supervisory bodies	51-52; 96
•	GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	51-52; 103-104
	GOV-3	Integration of sustainability-related performance in incentive schemes	52
	GOV-4	Statement on due diligence	45; 89
•	GOV-5	Risk management and internal controls over sustainability reporting	45-46; 30-34
•	SBM-1	Strategy, business model and value chain	7; 14-15; 20-23; 26-28
	SBM-2	Interests and views of stakeholders	46-46
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	49-50
	IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	47-49
	IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	47
E1 Climate change			
	GOV-3	Integration of sustainability-related performance in incentive schemes	51
	E1-1	Transition plan for climate change mitigation	52
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	52-54
	IRO-1	Description of the processes to identify and assess material climate-related IRO	51
	E1-2	Policies related to climate change mitigation and adaptation	51; 91-93
	E1-3	Actions and resources related to climate change mitigation and adaptation	54-55
	E1-4	Targets related to climate change mitigation and adaptation	55
	E1-5	Energy consumption and mix	56
	E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	57
	E1-8	Internal carbon pricing	58
E2 Pollution			
	IRO-1	Description of the processes to identify and assess material pollution-related IRO	60
	E2-1	Policies related to pollution	60; 91-93
	E2-2	Actions and resources related to pollution	60-62
	E2-3	Targets related to pollution	62
	E2-4	Pollution of air, water and soil	63
	E2-5	Substances of concern and substances of very high concern	63
E4 Biodiversity and ecosystems			
	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	65
	IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related IRO	65-66
	E4-2	Policies related to biodiversity and ecosystems	66; 91-93
	E4-3	Actions and resources related to biodiversity and ecosystems	66-67
	E4-4	Targets related to biodiversity and ecosystems	67

Note 1: IR – incorporated by reference. The disclosure requirement marked with a dot [•] is incorporated in the Sustainability Statement, either entirely or partially, by reference to a different section of the Management Report.

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E5 Resource use and circular economy

IRO-1	Description of the processes to identify and assess material circular economy-related IRO	68
E5-1	Policies related to resource use and circular economy	68; 91-93
E5-2	Actions and resources related to resource use and circular economy	68-69
E5-3	Targets related to resource use and circular economy	70
E5-5	Waste	70

S1 Own Workforce

SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	71
S1-1	Policies related to its own workforce	71-72; 91-93
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	72
S1-3	Grievance mechanism	85
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	72-74
S1-5	Targets related to its own workforce	74
S1-6	Characteristics of the undertaking's employees	75
S1-9	Diversity metrics	76
S1-10	Adequate wages	76
S1-12	People with disabilities	76
S1-13	Training and skills development metrics	76
S1-14	Health and safety metrics	76
S1-15	Work-life balance metrics	77
S1-17	Incidents, complaints and severe human rights impacts	77

S3 Affected communities

SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	78
S3-1	Policies related to affected communities	78-79; 91-93
S3-2	Processes for engaging with affected communities about impacts	79
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	79; 85
S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	79-81
S3-5	Targets related to affected communities	81

S4 Consumers and end-users

SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	82
S4-1	Policies related to consumers and end-users	82; 91-93
S4-2	Processes for engaging with consumers and end-users about impacts	82
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	85
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers, and effectiveness of those actions	82-84
S4-5	Targets related to consumers and end-users	84

G1 Governance

IRO-1	Governance-related impacts, risks and opportunities	86
● GOV-1	The role of the administrative, supervisory and management bodies	86
● G1-1	Business conduct policies and corporate culture	86; 91-93
G1-2	Management of relationships with suppliers	86-87
G1-3	Prevention and detection of corruption and bribery	87
G1-4	Incidents of corruption or bribery	87
G1-6	Payment practices	87

General information continued

BP-1

General basis for preparation

This Sustainability Statement has been prepared on a consolidated basis in accordance with the European Sustainability Reporting Standards (ESRS, EU 2023/2772). It covers Kernel Holding S.A. and all its subsidiaries (collectively referred to as the "Group" or "Kernel") for the period 1 July 2025 to 30 June 2026. The scope of consolidation is consistent with that applied in the Group's [Consolidated Financial Statements](#).

The Sustainability Statement encompasses value chain information across the Group's direct operations, as well as its indirect activities in the upstream and downstream stages. For specific information on the Group's value chain, please refer to the [Business Model](#) section. The entire value chain was considered during the Double Materiality Assessment (DMA); the detailed procedure and material impacts, risks, and opportunities (IROs) are presented in the Material Impacts, Risks, and Opportunities sub-section (pages 47-50).

The Group has omitted information corresponding to intellectual property, know-how, or the results of innovation.

BP-2

Disclosure in relation to specific circumstances

Time horizons

In preparing this sustainability statement, the Group has applied the following forward-looking time horizons as defined in ESRS 1:

- Short-term: 1 year, within the reporting period
- Medium-term: from 1 to 5 years
- Long-term: more than 5 years

Changes in preparation or presentation of the Sustainability Statement

In FY2026, changes were made to the preparation and presentation of sustainability information relating to Scope 3 GHG emissions categories and waste calculations. In addition, the target under the ESG Strategy related to Diversity and Inclusion was revised. Details of these changes, including the rationale for the target revision, are provided in the corresponding sections of this Sustainability Statement.

Reporting Errors in Prior Periods

No errors in the prior reporting period were identified.

Disclosures from other legislation or sustainability reporting standards

This Sustainability Statement contains information as per the [EU Taxonomy](#). In the

process of DMA, we took into consideration the overarching principles of the Global Reporting Initiative (GRI). In preparing the E1 Climate Change information, we were guided by the Task Force on Climate-Related Financial Disclosures (TCFD) framework.

Incorporation by reference

Kernel has applied the ESRS "Incorporated by reference" approach, placing specific Disclosure Requirements (DRs) within the Management Report. The list of DRs incorporated by reference, along with their placement in this Annual Report, is presented in the table on pages 43-44.

Use of phase-in and voluntary provisions

The Group has applied phase-in provisions in line with ESRS 1 Appendix C for the disclosure requirements in ESRS 2 SBM-3 (48e), E1-9 and E2-6. Consequently, only qualitative information is disclosed for these requirements for the first three years of sustainability statement preparation. Data points that are voluntary for reporting have also been omitted.

Sources of uncertainty

Metrics related to our own operations are based on primary data. Disclosed metrics subject to a high level of measurement uncertainty include Scope 3 emissions. The uncertainty arises because the calculation approach entirely relies on the use of secondary data such as emissions factors from DEFRA and CEDA databases, as well as spend-based methodologies. These approaches are based on industry-average estimates rather than region- or source-specific carbon footprint values, which limits precision and introduces measurement uncertainty.

GOV-4

Statement on due diligence

We recognize that robust due diligence across all business segments and throughout the value chain is the foundation of responsible business conduct and sustainable development. As a leading agricultural producer in Ukraine, we are guided by international sustainability standards, including the *United Nations (UN) Guiding Principles on Business and Human Rights*. Our due diligence framework is based on systematic risk identification, assessment, prevention, and mitigation practices to address actual and potential environmental and social impacts within our direct operations. We also evaluate our suppliers, investment decisions, and business relationships to ensure compliance with environmental regulations, labor rights, and ethical business practices. In addition, Kernel has successfully undergone several external

Environmental and Social due diligence reviews conducted by international financial institutions and commercial banks, which inform financing decisions. See additional information on due diligence in [Annex 1](#).

GOV-5

Risk management and internal controls over sustainability reporting

Scope, main features, and components of Risk Management and Internal Control processes

As part of the Group's risk management process, risk management and internal controls encompass all aspects of annual sustainability reporting. These processes include the identification, assessment, and mitigation of inherent material misstatement risks arising, among others, from potential human error or data incompleteness that could impact the accuracy of sustainability reporting (see [Risks and Uncertainties](#) section of this report).

Risk Assessment approach and prioritization methodology

The Group's risk assessment approach involves a systematic evaluation of potential risks based on their likelihood and impact. Sustainability reporting-related risks are incorporated into the enterprise risk management framework, which prioritizes risks using a risk matrix that categorizes them as high, medium, or low priority and is currently undergoing formalization. This methodology allows for focusing resources on the most significant risks to the sustainability reporting process.

Main risks identified and mitigation strategies

The sustainability reporting process presents several risks, including incompleteness, errors, data inaccuracies, regulatory non-compliance, and operational disruptions. To mitigate these identified risks, internal controls are applied in the reporting streams. Segregation of responsibilities is applied in the reporting process, where separate individuals conduct data collection, validation, and review. A key component of this framework is data verification, which includes reconciling reported data with source systems and analyzing material differences compared to prior years. To support regulatory compliance, legislative changes and updates are continuously monitored to achieve alignment with reporting requirements. Given the reliance on key personnel within the reporting organization, these measures help address risks related to workforce availability and expertise, supporting consistency in disclosures.

General information continued

Integration of findings of Risk Assessment and Internal Controls into internal functions and processes

As outlined above, the sustainability reporting risks are incorporated into the internal risk management system, and the findings from risk assessments and internal controls are integrated into internal functions through regular updates to the policies and procedures. The Group aims to ensure that all departments are aligned with the sustainability reporting objectives and that any identified risks are addressed promptly. The Group also conducts training sessions to keep employees who are involved in the reporting function informed about the latest developments in sustainability

reporting.

SBM-2

Interests and views of stakeholders

Kernel recognizes that its business operations impact various stakeholders, who, in turn, influence and shape how we conduct our business. Kernel identifies eight stakeholder groups that are subject to inter-influence and ongoing interaction with the Group. These influences and stakeholder categories are outlined in Kernel's management vision, as well as through an analysis of stakeholder feedback dynamics, and are revised during due diligence and DMA processes. Our stakeholder

interactions are guided by the Stakeholder Engagement Policy, which aligns with the relevant IFC Performance Standards.

Stakeholder engagement is a vital part of Kernel's DMA process. The outcomes of this engagement shaped the final prioritization of material topics for disclosure, boosting the credibility and transparency of the assessment process. Stakeholder views gathered during this process were incorporated into Kernel's sustainability priorities and considered in the Group's broader strategy and business model. More details on stakeholder engagement within the DMA framework are provided on pages 47-49.

Key interests and methods of engagement with stakeholder groups

Employees

Interest and key concerns

- Healthy and safe working conditions
- Fair workplace conditions and practices
- Competitive salary and career advancement
- Professional development opportunities and recognition of results
- Equality and diversity

Engagement method

- Learning & development programs
- Internal communications
- Group website & social media
- Hotline for submitting compliance-related inquiries
- HR Conference & Strategic sessions for each business division

IFIs & Banks

Interest and key concerns

- Transparent, accurate, and timely information on financial performance
- Risk control and prevention, compliance with ESG standards, and responsible business conduct
- Non-financial performance and sustainable development

Engagement method

- Annual and quarterly reports
- Group website & social media
- One-to-one meetings (online/offline)
- Email communication and ESG questionnaires

Local communities

Interest and key concerns

- Employment opportunities
- Responsible land and resource use
- Compliance with national legislation
- Support for local farmers (knowledge-sharing, partnership)
- Socio-economic development of territories
- Timely communication and effective grievance handling

Engagement method

- Environmental and social impact assessments
- One-to-one meetings (online/offline)
- Group website & social media
- Hotline for submitting compliance-related inquiries
- Printed material distributed among communities

National and local government

Interest and key concerns

- Regulatory compliance (national and local)
- Socio-economic development of territories
- Responsible land and resource use

Engagement method

- One-to-one meetings (online/offline)
- Group website & social media
- Website of the charitable foundation "Together with Kernel"
- Local and national media
- Hotline for submitting compliance-related inquiries

Civil society organizations/NGOs

Interest and key concerns

Environmental NGOs:

- Climate change adaptation and mitigation
- Risks of water and soil pollution, impact on biodiversity
- Timely communication and effective grievance handling

Social NGOs:

- Compliance with national legislation
- Livelihood of local communities
- Human rights of employees and local communities
- Equal opportunities and diversity
- Timely communication and effective grievance handling

Engagement method

- One-to-one meetings (online/offline)
- Group website & social media
- Annual reports
- Hotline for submitting compliance-related inquiries

Academics and analysts

Interest and key concerns

- Efficient handling of questions, feedback, or research-related inquiries

Engagement method

- Group website & social media
- One-to-one meetings (online/offline)
- Email communication

General information continued

Customers

Interest and key concerns

- Food safety and quality of products
- Transparency and traceability of product information
- Compliance with certification standards
- Timely communication and effective grievance handling

Engagement method

- Group website & social media
- Group's brand names
- Brand exhibitions and specialized events
- Annual reports
- Hotline for submitting compliance-related inquiries
- Customer research and brand health tracking

Suppliers

Interest and key concerns

- Fair market competition
- Transparent procurement
- Ethical business conduct
- Compliance with agreements and delivery of commitments

Engagement method

- One-to-one meetings (online/offline)
- Group website & social media

Material Impacts, Risks and Opportunities (IROs)

IRO-1; IRO-2

Description of the process to identify and assess material impacts, risks, and opportunities

DMA Assumptions

Value chain

Kernel's DMA considers the value chain perspective through the assessment of IROs arising from our own operations, upstream suppliers of oilseeds and grains, as well as trade partners and customers in the downstream value chain. The details on Kernel's value chain are outlined in the [Business Model](#) section.

Stakeholder engagement

The perspective of affected stakeholders and the users of the Sustainability Statement continued to be incorporated into the assessment through the stakeholder engagement (see pages 46-47 on Stakeholder engagement), as well as by proxy through the knowledge of our internal subject matter experts. These experts, representing different divisions of the Group, engage with affected stakeholders as part of their core responsibilities and stay informed on the latest developments across relevant ESG areas.

Sustainability due diligence

In addition to stakeholder engagement, our DMA is informed by our Social and Environmental Due Diligence and the Enterprise Risk Management process (see pages 45-46).

In FY2026, Kernel's double materiality assessment (DMA) maintained full adherence to the principles of the European Sustainability Reporting Standards (ESRS). Starting with an annual DMA review, we further adjusted our DMA approach to ensure the identification and presentation of material sustainability matters in an efficient way.

Step 1. Identification of impacts, risks and

opportunities

The IRO Inventory established during Kernel's first double materiality assessment in FY2025 served as the starting point for the FY2026 re-assessment. The inventory was originally developed in accordance with ESRS 1 Application Requirement (AR) 16 and reflects the Group's business model, activities, and value chain, incorporating insights from due diligence processes, stakeholder engagement and regulatory requirements.

In FY2026, as part of Kernel's annual monitoring and periodic review process (see Step 6), the existing IRO Inventory was reviewed and updated. Rather than developing a new inventory from scratch, the Sustainability Department, with support from internal subject-matter experts, reviewed all previously identified impacts, risks, and opportunities, focusing on the completeness of the IRO descriptions, the supporting assessment rationale, and any internal or external changes that could influence any assessment criteria. Specifically, the review considered changes in the Group's operations, business relationships, regulatory developments, and the broader sustainability context.

As a result, IROs that continued to reflect the Group's sustainability context were retained, some IROs were flagged for reassessment, IROs considered not applicable were removed from the inventory, and new IROs were added where relevant. The review also included refinement of existing IRO descriptions where necessary to improve their accuracy and understanding.

Where it was identified that the existing sustainability topics did not fully reflect the Group's activities, additional company-specific topics and associated IROs were incorporated.

Step 2. Impact materiality assessment

Following the review of the IRO Inventory described in Step 1, we reassessed the impact materiality of IROs flagged for further evaluation. These included changes to the nature of an impact (e.g., actual or potential, positive or

negative) or cases where changes in circumstances or supporting evidence could affect materiality status. IROs for which no relevant changes were identified retained their previous impact assessment. Newly identified IROs were assessed using the same methodology applied in the initial DMA.

The impact materiality methodology remained unchanged from FY2025. To ensure consistency and comparability across reporting periods, all reassessments were performed using the same ESRS-aligned methodology (Section 3.4) applied during the initial double materiality assessment.

The impact materiality assessment evaluates actual and potential, positive and negative impacts on people and the environment. The assessment considers the location of each impact across the value chain (upstream, own operations, and downstream) as well as its expected timeframe of occurrence: short-term (up to 1 year), medium-term (1-5 years), and long-term (beyond 5 years).

The calculation methodology is aligned with the ESRS criteria set out in Section 3.4. Actual impacts are assessed based on severity factors such as scale, scope, and irremediability, while potential impacts are evaluated using severity and likelihood. Each factor is scored on a scale from 1 to 4, representing limited strategic impacts of the Group on environmental, social, or governance matters (see the Impact Assessment criteria table for more details on the methodology).

For potential impacts, the raw materiality score ranges from 1 to 16 and is subsequently normalized to a standardized scale of 1 to 4 to ensure consistent interpretation and comparability. Following consultations with internal stakeholders, a threshold of 1.3 for the normalized materiality score was established to classify IRO as material. In line with ESRS 1, for potential negative impacts on human rights, the severity of the impact was given more weight than likelihood, reflecting the critical importance of human rights

General information continued

Impact assessment criteria

	Actual		Potential		Score
	Negative impact	Positive impact	Negative impact	Positive impact	
Scale	Evaluates the intensity of the impact on people or the environment				1-4
Scope	Measures how widespread the impact is on people or the environment				1-4
Irremediability	Assesses the extent to which a negative impact can be remediated	Irrelevant	Assesses the extent to which a negative impact can be remediated	Irrelevant	1-4
Likelihood	Irrelevant	Irrelevant	Probability of occurrence		1-4
Materiality calculation	Severity ¹	Severity ²	Severity ¹ x likelihood	Severity ² x likelihood	Normalized 1-4

Note 1: Severity of negative impact is defined as scale, scope, and irremediability.

Note 2: Severity of positive impacts is defined as scale and scope

considerations.

Step 3 Financial materiality assessment

Following the review of the IRO Inventory described in Step 1, risks and opportunities flagged for evaluation were reassessed for financial materiality. This included cases where changes in circumstances or supporting evidence could affect its financial materiality assessment. Risks and opportunities for which no relevant changes were identified retained their previous financial materiality assessment. Newly identified risks and opportunities were assessed using the same overall methodology applied in the initial double materiality assessment, with the scoring range adjusted in FY2026 to better reflect the Group's ESG risk appetite and the financial significance of identified risks and opportunities.

The overall financial materiality assessment methodology remained aligned with the FY2025 approach. It evaluates identified risks and opportunities that affect, or are expected to affect, the Group's financial position, financial performance, cash flows, access to finance, or cost of capital. These effects may manifest as negative or positive deviations over the short-, medium-, or long-term across different parts of the value chain. Each identified risk and opportunity was assessed based on the potential magnitude (severity) of financial effect and the likelihood of occurrence (ESRS 1, Section 3.5).

Risks and opportunities are evaluated according to their nature, specifically whether they directly affected the Group's financial health or influenced its reputation:

- Financial risks and opportunities are measured using absolute EBITDA thresholds aligned with the Group's defined risk appetite.
- Reputational risks and opportunities are assessed based on the level of media exposure and stakeholder perception.

In FY2026, the scoring range and

corresponding financial thresholds were refined specifically for the assessment of sustainability-related risks and opportunities. While the FY2025 assessment applied the Group's overall risk appetite, the FY2026 review recognized the need for a more tailored approach to reflect the financial materiality of ESG-related risks and opportunities. The revised scoring range provides greater differentiation among sustainability-related risks and opportunities and ensures that identified risks and opportunities are not falling below the materiality threshold solely due to the Group's high risk appetite.

For consistency, each risk and opportunity was assigned a score on a scale from 1 to 4, representing severity and likelihood ranging from 'limited' to 'strategic' in significance to the Group's financial position. In line with the overall evaluation methodology, raw materiality scores for potential risks and opportunities were normalized to ensure comparability. A materiality threshold of 1.3 was established, with any IRO scoring at or above this threshold considered material.

Step 4. Consolidation of results

The results of the impact and financial materiality assessment were consolidated to obtain an overview of Kernel's impacts, risks, and opportunities mapped within the longlist of sustainability matters. A sustainable matter was defined as material if it included at least one material IRO at every level of aggregation, i.e., subtopic and topic.

After identifying material sustainability matters, the corresponding data points from the EFRAG data point list were determined for disclosure using the ESRS decision tree. For further detail, refer to "List of DRs compiled and list of DRs incorporated by reference" on pages 43-44 and [Annex 2](#) "List of data points that derive from other EU legislation".

Step 5. Stakeholder validation and management validation

Stakeholder engagement remains an important input to Kernel's DMA. Following the comprehensive consultations with internal and external stakeholders during the initial DMA in FY2025, the FY2026 annual review focused on validating changes through targeted consultations with internal subject-matter experts.

During the annual review process, the Sustainability Department worked closely with internal subject-matter experts (i.e., HR, CSR, trading and product quality, compliance, internal audit, investor and public relationships) to review the IRO Inventory and validate the reassessment of impacts and financial risks and opportunities. Expert inputs received through the meetings and emails were used to confirm the completeness and accuracy of IRO descriptions, challenge assessment assumptions where necessary, and ensure that methodology appropriately reflected the Group's current business context. Where the review identified the need to incorporate company-specific subtopics into the IRO Inventory, the proposed additions were validated with the relevant business function before being incorporated into the assessment.

The validated results were presented to the leadership team for final endorsement. The Group's Board of Directors, together with the Sustainability Department, oversees and approves the material sustainability topics and DMA methodology, ensuring alignment with corporate objectives and stakeholder expectations.

Step 6. Monitoring and periodic review

Kernel maintains a structured approach for monitoring and periodic review of its sustainability topics to ensure that the double materiality assessment remains current and continues to reflect the Group's business activities, value chain, and operating context between reporting periods. The monitoring process includes tracking changes within the regulatory landscape, industry trends, and emerging new

General information continued

IROs that may affect the Group or its stakeholders, as well as maintaining consistent dialogue with stakeholders to ensure their perspectives are integrated into the DMA process.

A re-assessment of double materiality is performed on an annual basis. Previously identified outcomes may remain valid if there is sufficient evidence to confirm their relevance at the time of reporting. In the event of major events, such as significant regulatory changes or the establishment of new business relationships, an immediate review of sustainability topics will be triggered. The Group's Sustainability Department oversees the monitoring process and conducts the annual review in collaboration with the Financial Reporting, Accounting, and Control Departments.

SBM-3

Results of double materiality assessment (DMA)

As the foundation for this sustainability statement, Kernel conducts a double materiality assessment in alignment with the Corporate Sustainability Reporting Directive (CSRD) and guidance from the European Financial Reporting Advisory Group (EFRAG). The DMA methodology is presented on pages 47-49.

In FY2025, Kernel's first double materiality assessment identified 20 material sustainability topics, corresponding to 14 negative impacts, 17 positive impacts, and 13 risks and opportunities across the Group's model, operations, and business relationships within the value chain.

As part of the annual review of the DMA in FY2026, these sustainability matters were reassessed to confirm their continued

materiality:

- E1** Climate Change
- E2** Pollution
- E4** Biodiversity and Ecosystems
- E5** Resource Use and Circular Economy
- S1** Own Workforce
- S3** Affected Communities
- S4** Consumers and end-users
- G1** Governance

Following the review, 19 sustainability topics were determined to remain material and are presented in the materiality matrix on this page. Among these topics, Kernel identified 10 negative impacts, 18 positive impacts, and 11 risks and opportunities.

Compared with FY2025, the number of material sustainability topics decreased from 20 to 19. The topic *Direct impact drivers of biodiversity* was determined to be non-material following the reassessment of the climate change driver, which was the only material driver identified under this topic. Although climate change is recognized as a direct driver of biodiversity loss, and the Group's operations generate GHG emissions, the review concluded that it does not have a material impact on biodiversity, taking into account the climate change mitigation measures implemented by Kernel.

The Water and Marine Resources topic (ESRS E3) remained immaterial to Kernel's operations within environmental topics in FY2026, as water is not a key resource across any of our business segments. Currently, less

than 1% of our land bank is irrigated for seed production. In the oilseed processing segment, water is used primarily for technical purposes, such as steam generation and domestic needs, both of which require insignificant volumes. Although the IROs related to ESRS E3 did not meet our materiality thresholds, Kernel acknowledges its responsibility to monitor and manage water-related subjects. These topics continue to be addressed through our existing governance structures, policies, and operational practices.

No entity-specific topics have been identified for FY2026. However, following the annual DMA in FY2026, we added an entity-specific subtopic, Community and Rural Development, within S3 Affected Communities. The subtopics relating to access to adequate housing, food, water and sanitation were considered relatively narrow and did not fully capture the broader scope of the Group's Corporate Social Responsibility (CSR) activities and their impacts on affected communities. Therefore, an entity-specific subtopic was introduced to better reflect the nature and scope of the Group's community-related impacts and activities.

Each material topic and subtopic is defined by specific material impact, risks, and opportunities (IROs), which serve as the basis for Kernel's topical disclosures. Comprehensive information on the DMA methodology and topic-specific IROs is provided in the IRO-1, IRO-2, and SBM-3 sections for each relevant topical standard.

The IROs identified through the DMA are outlined in detail within each topical chapter. They highlight where along the value chain these IROs materialize and over which time horizons

Kernel's materiality matrix

Materiality matrix				Environment		Social	
Impact material		Double material		E1 Climate Change		S1 Own Workforce	
4		1		1 Climate change adaptation		20 Working conditions	
5		2		2 Climate change mitigation		21 Equal treatment and opportunities for all	
7		3		3 Energy		22 Other work-related rights	
8		26		E2 Pollution		S2 Workers in the Value Chain	
14		32		4 Pollution of air		23 Working conditions	
15				5 Pollution of water		24 Equal treatment and opportunities for all	
19				6 Pollution of soil		25 Other work-related rights	
20				7 Substances of concern		S3 Affected Communities	
21				8 Substances of very high concern		26 Communities' economic, social, and cultural rights	
30				9 Pollution of living organisms		27 Communities' civil and political rights	
31				10 Microplastics		28 Rights of indigenous peoples	
33				E3 Water and Marine Resources		S4 Consumers and end-users	
				11 Water		29 Information-related impacts for consumers	
				12 Marine resources		30 Personal safety of consumers	
				E4 Biodiversity and Ecosystems		31 Social inclusion of consumers	
				13 Direct impact drivers of biodiversity loss		Governance	
				14 Impacts on the state of species		G1 Governance	
				15 Impacts on the extent & condition of ecosystems		32 Business conduct	
				16 Impact & dependencies on ecosystem services		33 Corruption and bribery	
				E5 Resource Use and Circular Economy			
				17 Resource inflows			
				18 Resource outflows			
				19 Waste			

General information continued

they are relevant, directly connecting them to Kernel's strategy and business model. Where relevant, changes to previously identified IROs resulting from the FY2026 annual DMA review are indicated in the respective topical disclosures through explanatory notes.

SBM-3

Results of DMA across the value chain

Material IROs identified through the Group's DMA relate to different stages of the value chain. The heat map illustrates where these IROs arise within the Group's business model, including its upstream value chain, own operations and downstream value chain.

The majority of material IROs are concentrated within the Group's own operations, reflecting the vertically integrated nature of Kernel's business.

Material environmental and governance-related IROs also arise in the upstream value chain, while downstream materiality is primarily associated with climate-related topics and consumers and end-users.

Upstream environmental IROs are primarily associated with agricultural production of our suppliers, where farming practices might influence GHG emissions, pollution, biodiversity and soil health. Recognising these impacts, Kernel engages with third-party farmers and value chain participants through programmes like Open AgriBusiness and Open Agri Club, by providing agronomic expertise, digital tools and tailored services that help farmers improve productivity while adopting resource-efficient farming practices.

Governance-related IROs in the upstream value chain are primarily associated with relationships with suppliers and other business partners. To ensure responsible business conduct across the value chain, the Group applies a risk-based supplier management approach, including due diligence for all counterparties and Enhanced Due Diligence (EDD) for higher-risk suppliers. This process supports compliance with the Group's requirements on business ethics, anti-corruption, human rights and other sustainability-related standards.

S2 Workers in the Value Chain was not identified as a material topic as the outcome of DMA. This reflects the nature of the Group's supplier portfolio and operating context, where risks related to child labour, forced labour and other human rights violations are not considered significant. Nevertheless, the Group maintains a risk-based approach to supplier

Concentration of material IROs within Kernel's value chain

	Impact Materiality			Financial Materiality		
	Upstream	Own operations	Downstream	Upstream	Own operations	Downstream
Environment						
E1 Climate change	1	3	2	0	7	2
E2 Pollution	2	2	0	0	3	0
E4 Biodiversity and eco-systems	1	2	0	0	0	0
E5 Circular economy	0	1	0	0	0	0
Social						
S1 Own workforce	0	6	0	0	0	0
S3 Affected communities	1	2	0	0	1	0
S4 Consumers and end-Users	0	0	2	0	1	1
Governance						
G1 Governance	2	4	0	1	1	0

Note: Numbers represent the material IROs identified in each stage of the value chain. Certain IROs are relevant to more than one value chain stage and are therefore reflected in multiple locations.

oversight, with EDD applied to counterparties presenting elevated ESG risks.

Downstream material IROs are mainly associated with GHG emissions occurring across the downstream value chain and with financial opportunities arising from the growing demand for low-carbon products and commodities. Materiality in the downstream value chain also arises from interactions with consumers and end-users, particularly through product health and safety considerations and the provision of sustainability-related information that supports transparent communication and enables customers to incorporate this information into their own sustainability reporting and decarbonisation initiatives.

This section provides an overview of where material IROs are concentrated across the value chain. More detailed information on each material topic, including the related impacts, risks, opportunities and the Group's approach to managing them, is provided in the relevant topical sections of this Sustainability Statement.

Environmental information

E1 Climate change

In this section:

- Climate change adaptation
- Climate change mitigation
- Energy

E1.IRO-1

Climate change-related impacts, risks, and opportunities

Impacts, risks, and opportunities related to climate change mitigation, adaptation, and energy were identified through Kernel's DMA, informed by our annual climate risk analysis conducted in alignment with the TCFD framework. This analysis, which covers both physical and transition-related risks and opportunities, is presented in detail in the sub-

section "*Climate Risks and Opportunities*" on pages 52-54.

For further details on the methodological approach applied under the DMA, see pages 47-49. The table below summarizes the material IROs identified for E1 Climate change, including their location in the value chain and the timeframe over which associated risks and opportunities may materialize.

Environmental Material Impacts, Risks and Opportunities

Environmental material impacts, risks and opportunities				Value chain			
				Upstream	Own operations	Downstream	Time horizon
Sustainability matter	IRO	IRO nature	Description				
E1 Climate change							
Climate change adaptation	Positive impact	Actual	Enhancing climate resilience by implementing regenerative agricultural practices that reduce soil erosion and improve water retention capacity.		•		-
	Risk	Financial	Acute physical climate risks: Crop yield losses resulting from extreme weather events. ¹		•		S
	Risk	Financial	Chronic physical climate risk: Losses of productive land due to the shifts in climatic zones. ¹		•		L
Climate change mitigation	Negative impact	Actual	Generation of greenhouse gas (GHG) emissions (Scope 1,2,3). ¹	•	•	•	-
	Positive impact	Actual	Reducing GHG emissions and promoting carbon sequestration through improved agricultural and land management practices. ¹		•		-
	Risk	Financial	Climate transitional risks: Increasing spending on material assets (OPEX) as a result of new regulatory frameworks, or potential fines due to non-compliance with climate-related policies (higher carbon tax and an elevated cost of fertilizers under "Fit for 55").		•		L
	Opportunity	Financial	Creation of new revenue streams from low-carbon practices and commodities, including carbon certificates, price premiums, and access to green financial instruments. ¹		•	•	S
Energy	Positive impact	Actual	Own generation and supply of renewable energy to the national grid contribute to the stability of Ukraine's energy system and its decarbonisation. ²			•	-
	Risk	Financial	Increased spending on electricity as a result of new domestic regulatory frameworks, i.e., UA ETS		•		L
	Opportunity	Financial	Provision of feedstock and production of biomethane and liquid biofuels in response to the growing demand (REPowerEU). ¹		•	•	M
	Opportunity	Financial	Reduced operating expenses and enhanced energy self-sufficiency through the adoption of bioenergy solutions		•		S

Note 1: Value chain stage updated in FY2026 to better reflect the scope.

Note 2: Description and value chain stage were refined in FY2026 to improve clarity and better reflect the Group's current activities and business context.

MDR-P; E1-2

Policies

Kernel recognizes climate actions and the broader climate corporate governance as one of the most material aspects of the Group's ESG agenda. Principles of traceable and efficient climate mitigation and climate adaptation practices across the whole value chain are anchored by the *Environmental Protection policy* and reflected in the *Sustainable Development and CSR policy*. We expect our suppliers to uphold the same level of climate-related responsibility as outlined in our *Code of Interaction with Suppliers*; in FY2026, we updated the Code to include alignment with the 2012 Performance Standards of the International Finance Corporation and Environmental, Health and Safety Guidelines of the World Bank

Group. Also, in FY2026, we adopted a *Climate Change and Energy policy* that establishes the principles and framework for managing climate-related risks and opportunities, integrating climate and energy considerations into business decisions, and promoting responsible use of energy resources. Additionally, a *Sustainable Agriculture Management policy* was adopted, which aims at promoting environmentally responsible and economically sustainable agricultural practices that preserve natural resources, preserve soil health, reduce environmental impacts, and support long-term agricultural productivity.

See [Annex 3 – Key Policies and Procedures](#) for a detailed description of all Kernel policies.

GOV-1; GOV-2; E1.GOV-3

Climate corporate governance

Board oversight of climate corporate governance

Kernel's **Sustainability Committee** of the Board of Directors is the body responsible for (1) identifying, prioritizing, and advising the Board on the Group's strategic activities in the areas of decarbonization, climate-related business opportunities, development of environmental, social and human capital, and sustainability governance (hereinafter – "ESG") and sustainable finance; (2) critically reviewing and considering the ESG Strategy, which will incorporate SBTi-aligned climate targets and decarbonization pathway; (3) ensuring the implementation of the ESG Strategy across business operations; (4) connecting ESG and

Environmental information continued

climate corporate agendas with Kernel's business strategy, business objectives and capital allocation decisions.

The Sustainability Committee consists of at least three members, appointed by the Board of Directors upon the proposal of the Nomination and Remuneration Committee. The Chair of the Committee appoints a secretary, who is usually a sustainability manager within the Group. For this reason, the Sustainability Committee serves as an effective link between the Board of Directors and the Executive Management Team.

The Sustainability Committee meets at least twice a year. The purpose of such meetings is the following:

- update on priority business opportunities related to sustainability function and climate change
- when required, review of changes in relevant policies and procedures
- when required, review and approval of strategic targets associated with decarbonization and sustainable development.

Regarding remuneration, services provided by the Directors in their capacity as members and the chairwoman of the Sustainability Committee include oversight of the identification and implementation of climate-related business opportunities, which is considered in their fixed fees.

The **Audit Committee** critically reviews and prioritizes physical and transition climate risks as part of its responsibilities to assist the Board of Directors in delivering its risk management responsibilities by providing a description of risks specific to Kernel, overseeing the adequacy and effectiveness of Kernel's risk management system, and reviewing the Group's policies on risk assessment and risk management.

Management's role in climate corporate governance

Kernel aims to integrate ESG and climate-related corporate agendas into its overall business strategy and operations. The Executive Management Team is actively engaged in the implementation of ESG and climate action practices and initiatives within their respective functions, which are considered a priority at a specific time. Kernel plans and prioritizes such initiatives based on its vision of the Group's role and the agricultural sector's overall contribution to achieving the goals of the Paris Agreement, as well as its position within the international climate arena. We develop our vision based on our understanding of global dynamics in the areas of decarbonization and carbon markets, complemented by continuous dialogue with our key trade partners and major

global agriculture commodity traders.

The **Chief Executive Officer** plays a crucial role in overseeing the integration of ESG and climate-related corporate agendas into business operations. The CEO provides a critical review and feedback on the development of Kernel's ESG and climate corporate strategy, including GHG emission reduction targets, approaches to the development of the sustainability and climate corporate strategy across operations, as well as engagement in relevant business opportunities related to decarbonization.

The **HR Director** provides overall support to initiatives related to low-carbon development. This includes the development of climate-related KPIs for the Executive Management Team, which are then cascaded across each corporate function. The HR Director is also responsible for communicating the importance and benefits of sustainability practices and climate actions within the Group, as well as supporting their implementation from a behavioral perspective.

Kernel's Sustainability team is in direct subordination to the **Chief Financial Officer**. The Head of Sustainability is responsible for leading the development and improvement of Kernel's sustainability and climate corporate function.

The **Risk Committee** of the Executive Management Team is responsible for identifying, assessing, managing, and controlling key risks, including climate-related risks.

Kernel has a formalized internal strategic target for the executive management by 2028 related to climate change, namely "Ensuring the implementation of the Group's low-carbon development and climate resilience projects". This target is further cascaded across relevant departments through annual KPIs. The results of the annual evaluation of progress towards KPIs and the overall performance of employees directly impact remuneration decisions, specifically the review of wages and the size of bonuses.

E1-1

Transition plan for climate change mitigation

In 2023, Kernel finalized the "Climate corporate governance and low-carbon pathway" project in partnership with EBRD and EY. The project covered an assessment of climate-related risks and opportunities (aligned with TCFD recommendations), a gap analysis of climate governance, and a feasibility review of mitigation and adaptation measures. Based on these results, Kernel developed a

comprehensive Program of Activities that sets out organizational and investment measures to strengthen climate governance and enhance performance. The Program spans key areas including agribusiness, production, energy, carbon offsets, supply chain, GHG accounting, risk management, strategy, governance, and sustainable finance. The Program was reviewed by the Sustainability Committee, prioritizing actions and reflecting them in respective KPIs for executive and operational managers. It now serves as the cornerstone of Kernel's long-term emission-reduction strategy, aligned with SBTi FLAG guidance and supporting the Group's planned climate transition pathway.

However, due to the ongoing Russian invasion of Ukraine and related uncertainties, the Group has not yet adopted its transition plan for climate mitigation, particularly in relation to setting GHG emissions reduction targets. The timing of adoption remains contingent on external wartime developments. Nevertheless, the Group has established its ESG Strategy and continues to advance initiatives on broader sustainability topics beyond carbon, ensuring progress in areas such as sustainable production, resource efficiency, social responsibility, and governance.

E1.SBM-3

Climate risks and opportunities

Approach to climate risk identification and management

Kernel conducted a comprehensive resilience analysis to assess how climate risks could be reflected in the enterprise value over the short-, medium-, and long-term time horizons.

- **Short-term** (up to 1 year): Evaluation of exposure to climate impact in the short-term perspective aligns with the annual operational business planning, reflecting the dynamics of the commodities market. In Farming, Kernel continuously monitors and analyzes climate parameters throughout the crop cycle (land preparation, fertilization, plantation, plant protection, and harvesting). Key indicators include precipitation, temperature, atmospheric pressure, sum of active temperatures, and soil moisture reserve (SMR), with data sourced from the Group's own meteorological stations. Kernel also uses the normalized difference vegetation index, also known as NDVI, from satellite databases to assess and predict yields by estimating the density of green coverage on land.
- **Medium-term** (1 to 5 years): Scientific modeling indicates a gradual shift in Ukraine's natural zones (woodlands, forest-steppe, steppe) northwestward over the next decade. For this horizon, Kernel aligns climate risk assessment with 5-year financial modeling. Scenarios account for acute climate

Environmental information continued

events, which might have a significant negative impact on harvest. Kernel's assessment of medium-term climate risks shows that acute climate events have the most impact on oilseed crops, namely sunflower. The Group already has experience in adapting to these risks through changes in the geographic location of the land bank to more suitable areas.

- **Long-term** (5 to 10 years): Kernel relies on the **Coupled Model Intercomparison Project models (CMIP6)** to evaluate long-term climate dynamics (reference point: 2051–2055). While the Group does not undertake business planning over such extended horizons, these projections inform future decision-making, particularly in relation to M&A opportunities.

The overall approach to evaluating climate risks and their financial impacts is built on the climate change information provided by the Regional Climate Models, specifically CMIP6 Projections using the SSP 2.6-4.5 scenario, (referred to as "Net Zero 2050" or "hard"); and the SSP 8.5 scenario (referred to as "Nationally Determined Contributions" or "soft"). This allows us to understand the dynamics of climate change impact across Kernel's landbank in the long-term perspective.

Relevant parameters of these scenarios are used to stress-test Kernel's financial model, allowing the Group to evaluate exposure to long-term climate change and quantify the monetary impact, particularly on EBITDA. Transitional climate risks are also included in the model, reflecting potential additional expenditures under both Ukrainian and European carbon regulations.

The interconnection between climate, physical, and transitional risks is linked to the assumption that SSP 2.6-4.5 scenarios would imply that carbon regulations will be tightened significantly. It will significantly impact the Group's performance, but the Group will be less vulnerable to physical risks. In contrast, the SSP 8.5 scenario suggests that carbon regulations will be tightened moderately, with a soft impact on the Group's performance. Still, in turn, the Group will be more exposed to physical risks.

Monitoring of **physical chronic climate risks** is based on the Group's practical observations and analysis of available agrometeorological research on changes in Ukraine's climate zones and yield dynamics. To that end, Kernel's business analysts conduct a regular analysis of harvest results from both Kernel and other agricultural companies in Ukraine, comparing these indicators across geographic

regions. This enables the identification of climate patterns and tendencies across the land bank, which are used to inform long-term strategic decisions on asset allocation. Such decisions are made at the Executive Management Team level or the level of the Board of Directors if the monetary implication of risk exceeds the established substantial strategic impact threshold.

The **risk of acute climatic events** resulting in decreased yields is a basic risk for the agriculture business. Within Kernel's risk management framework, this risk is reflected as "Climate and adverse weather risk", which is included in the Group's top ten risks. Likewise, the Group's financial modeling provides for conservative basic assumptions of reduced yields due to the impacts of acute climate impacts. In addition, acute climate physical risks also affect Kernel's infrastructure and broader value chain. Extreme weather events that reduce agricultural output across Ukraine may constrain grain and oilseed availability, affecting the Group's supply chain and trading activities and potentially resulting in lower utilization of silos and oilseed processing facilities.

Kernel's sustainability function undertakes the identification of **climate transition risks** through the ongoing monitoring of developments in domestic and EU carbon regulations. Material transitional risks are evaluated in terms of their monetary impact, together with financial and business analytics. The evaluation of climate transitional risks is based on an analysis of the Network for Greening the Financial System (NGFS) scenarios of carbon prices within the EU ETS and in Ukraine. The analysis of these scenarios and the financial implications of climate transition risks, as well as information on key drivers of these risks (i.e., developments in EU and domestic climate regulations), are updated annually.

Assessment of material climate-related risks and anticipated financial effects

Chronic physical risks

For Kernel's operations, chronic physical climate risks are relevant in both long-term strategic decisions on asset location and the impact on yields of key crops. Analysis of the overall dynamics in the climate system across Ukraine's territory demonstrates a gradual shift in the boundaries of natural zones (woodlands, forest-steppe, steppe) towards the northwest, reducing the extent of suitable areas and affecting yields. Lower yields translate into potential EBITDA losses not only for the Farming segment but also indirectly for Oilseed Processing and Infrastructure and Trading.

To estimate potential long-term decrease in yields, we apply projections of Global Agro-Ecological Zoning for Ukraine, prepared by the Food and Agriculture Organization (FAO)¹. These projections result from a climate scenario Ensemble (average of 5 climatic models) for RCP 2.6 and RCP 8.5 for the period 2040-2070.

Acute physical risks

We evaluate acute physical risks using the Regional Climate Model (RCM) of climate dynamics in Ukraine. The RCMA collects data on single levels from numerous experiments, models, domains, resolutions, ensemble members, time frequencies, and periods computed over several regional domains all over the World, particularly in the CMIP6 of the Co-ordinated Regional Climate Downscaling Experiment (CORDEX) framework. This analysis indicates that the frequency of acute events such as droughts is expected to rise in the northern parts of Kernel's land bank under the SSP 8.5 scenario in the long term.

To estimate the potential financial impact of acute climate risks, we use the 2024 impacts of heatwaves and drought during the pollination period on harvest as a reference point and translate them into potential losses in EBITDA for Farming, Oilseed processing, and Infrastructure and Trading.

Transition risk: emerging carbon regulation in Ukraine (carbon tax and Emission Trading Scheme)

Ukraine's carbon tax applies to Kernel's combined heat and power plants that generate electricity from sunflower husk, a by-product of the oilseed crushing process recognized under Annex IX.A of the EU RED II Directive as an advanced biofuel feedstock. The nature of these risks lies in the fact that the EU's position on the combustion of biomass and production of advanced biofuels contradicts Ukraine's regulation on Monitoring, Verification, and Reporting (MRV), considering GHG emissions of biomass combustion to be zero.

Ukraine's carbon tax on CO₂ emissions increased from UAH 10 to UAH 30 per ton with effect from 1 January 2022 and remained unchanged in FY2026. In the medium term, however, the Group anticipate that it would grow to become more aligned with the average price of a ton of CO₂ in the EU (these expectations are based on Ukraine's commitments under the EU Association Agreement and its candidacy to the EU, as well as Ukraine's possible response to EU CBAM requirements). Kernel evaluates the risk of the expected growth in carbon tax over the following years,

¹ Food and Agriculture Organization of the United Nations, [GAEZ Data Portal](#)

Environmental information continued

based on the average carbon tax value in EU member countries (EUR 20-170 per tCO₂), which would result in significant annual expenditures.

Regarding Ukraine's national emissions trading scheme (UA ETS), the key risk for Kernel is the significant increase in electricity price, which would include the cost of carbon, when UA ETS is finalized and launched. We use the NGFS (Network for Greening the Financial System) climate modeling of the carbon price dynamics in Ukraine to estimate potential financial impacts. In February 2025, the Ukrainian Government approved the Action Plan for the Establishment of a National GHG Emissions Trading System, while mandatory greenhouse gas monitoring, reporting, and verification (MRV) requirements were reinstated in 2025. The current roadmap foresees the launch of a first operational (pilot) phase in 2028, with a more advanced operational phase planned no earlier than three years after the end of martial law.

The financial impact of this transitional climate risk is estimated as a range of combined additional expenditure stemming from increased carbon tax and electricity price by 2030, where the minimum figure is the projections under the SSP 8.5 and the maximum figure – under the SSP 2.6-4.5 scenario. As of FY2026, the carbon price in Ukraine is projected to be EUR 1.1 per tCO₂ under the SSP 8.5 scenario and increase up to EUR 231.2 per tCO₂ under the SSP 2.6-4.5 scenario.

Transition risk: emerging carbon regulation in EU (increasing cost of fertilizers)

EU's 'Fit for 55' package (under which the EU seeks to cut its emissions by at least 55% before 2030) includes provisions on the ETS, namely the target to reduce emissions by 61% before 2030 and to reduce the number of free allowances by 4.2% each year. GHG emissions from the production of nitric acid, ammonia, and hydrogen are covered by the EU ETS. Considering that nitric acid, ammonia, and hydrogen are intermediates in the production of NPK fertilizers, it is expected that the price of EU-sourced fertilizers will increase following the implementation of the Fit for 55 provisions.

The financial impact of this transitional climate risk is estimated to be a range of additional expenditures stemming from the increased cost of N-fertilizers, with the minimum figure projected under the SSP 8.5 scenario and the maximum figure under the SSP 2.6-4.5 scenario. Additionally, a risk of higher fertilizer costs stems from the implementation of the Carbon Border Adjustment Mechanism (CBAM). Although agricultural products are not currently subject to CBAM, ammonia-

based fertilizers are covered by the mechanism, and carbon costs linked to the EU Emissions Trading System (EU ETS) are expected to increase their market price. As Ukraine remains reliant on both imported fertilizers and regional pricing trends, rising carbon costs are expected to put upward pressure on nitrogen fertilizer prices available to Ukrainian farmers. According to market estimates, CBAM could add tens of euros per ton to ammonia-based fertilizers from 2026, with the impact increasing substantially after 2030 as free emission allowances are gradually phased out. Higher fertilizer prices may increase production costs across the agricultural sector and negatively affect profitability if not offset by productivity gains or improved nutrient-use efficiency.

As of FY2026, if produced in the EU, the price of fertilizers would reflect the price of EU allowances on GHG emissions, which are projected to increase up to EUR 203.7/tCO₂ under the SSP 8.5 scenario, and up to EUR 283.7/tCO₂ under the SSP 2.6-4.5 scenario by 2030 (according to NGFS climate data projections). In the case of domestically produced fertilizers, their price would account for a projected carbon price in Ukraine as indicated above.

Assessment of material climate-related opportunities

Bioenergy. Kernel explores opportunities in the production of biofuels, namely biomethane produced from plant-based feedstocks such as silage, corn, or crop residue. Demand for such energy sources is increasing in both Ukraine and the EU, supported by the REPowerEU initiative. Recent developments in Ukrainian legislation further support this opportunity by allowing biomethane injection into the national gas transportation system and by establishing a renewable gas guarantees of origin (RGGO) registry for biomethane producers. In FY2026, we conducted a biomethane production feasibility study, which included an empirical study of biogas outcomes from different types of feedstock.

Diversification of financial assets with sustainability- and climate-linked finance. We aim to effectively access markets of sustainability- and climate-linked finance, both in terms of receiving specialized interest rates on loans (linked to specific covenants) and project finance.

International carbon markets. Since 2024, Kernel has been in the process of developing grounds for accessing voluntary carbon markets, namely through the methodology VM0042 that quantifies the greenhouse gas (GHG) emission reductions and soil organic carbon (SOC) removals resulting from the

adoption of improved agricultural land management, as well as intergovernmental carbon market mechanisms provided by Article 6.2 and Article 6.4 of the Paris Agreement.

In FY2026, Kernel publicly announced its ongoing work on the development of the proprietary carbon removals project 'Seeds of Recovery'. The project is developed under Verra's VM0042 Improved Agricultural Land Management methodology in partnership with Sentinel Earth. The project is designed to generate high-integrity carbon credits through the adoption of regenerative agriculture practices, including reduced tillage, cover crops, improved residue management, and optimized fertilizer use. The pilot phase currently covers approximately 15 thousand hectares in the Chernihiv region and serves as a foundation for scaling carbon farming across Ukraine. Through this initiative, Kernel aims to create a transparent platform for measuring, verifying, and commercializing carbon removals while supporting the decarbonization and resilience of agricultural production.

Low-carbon commodities

Kernel is developing an offering of low-carbon commodities, particularly sunflower oil, by integrating field-level greenhouse gas accounting, regenerative agriculture practices, traceability systems, and low-carbon processing into a single value chain. The Company measures and tracks emissions from more than 5 thousand fields, enabling the identification and sourcing of crops from best-performing fields and the production of differentiated products. Through lifecycle assessment (LCA) and end-to-end traceability, Kernel provides customers with transparent carbon footprint data, supporting Scope 3 emissions reduction efforts and the growing demand for sustainable, low-carbon agricultural commodities.

In FY2026, the Company completed its first commercial delivery of low-carbon sunflower oil, with an international food manufacturer paying a premium for verified greenhouse gas emission reductions. For this shipment, Kernel sourced sunflower from its lowest-carbon-footprint fields, tracked the raw material from field to finished oil, and further cut production emissions by using renewable electricity, with the verified emission reduction forming the basis for the price premium.

MDR-A; E1-3

Actions and resources

Kernel's decarbonization strategy focuses on both its Farming, Infrastructure and Trading, and Oilseed Processing segments.

Adoption of regenerative agriculture practices

Material decarbonization actions are concentrated in the Farming segment, as crop

Environmental information continued

production accounts for the majority of Kernel's GHG emissions. The emission reductions are achieved through carbon farming practices, also known as regenerative agriculture, including reduced tillage, the use of nitrification inhibitors, and the introduction of cover crops into crop rotations. According to prior estimations, such practices can potentially have the following emission reduction capacity: (1) nitrification inhibitors up to 10% reduction, (2) cover crops up to 31% reduction, and (3) reduced tillage up to 85% reduction.

Energy efficiency of silos

During FY2026, Kernel's grain elevators implemented a series of organizational measures aimed at improving the energy efficiency of the grain drying process and reducing natural gas consumption. One of the key measures was the optimization of the operating modes of the grain drying equipment. Specifically, drying units are started up only when a sufficient volume of grain is accumulated to ensure their uninterrupted operation for 2–3 days. This approach minimizes the number of cooling and reheating cycles that occur during frequent stops and restarts of the dryers, thereby reducing natural gas consumption.

A laboratory-based grain quality control system further enhances the efficiency of the drying process. During grain receipt and drying, grain samples are regularly collected and analyzed by the laboratory for moisture content. Based on the analysis results, drying equipment operators adjust the drying parameters in real time, which helps prevent over-drying of the grain and maintain its moisture content at an optimal level of approximately 14%. This approach contributes to a further reduction in natural gas consumption.

Implementation of precision farming technologies

Emission reduction efforts go hand in hand with enhancing operational efficiency. Kernel has been advancing the principles of precision farming, and since 2023, has introduced zonal management within its fields. By identifying homogeneous productivity zones and tailoring agricultural practices to each, the Group is able to optimize tillage and input application rates. These decisions are informed by detailed soil characteristics, climate, and terrain data, agrochemical analysis, and other variables, ensuring both greater efficiency and reduced environmental impact.

Scaling renewable energy use

In the Oilseed Processing segment, the Group seeks to leverage its capacity for green electricity production from biomass (sunflower seed husk) that previously was sold to the national energy grid in full volume. At the Poltava

OEP, this electricity is now used to power bottled oil production, significantly reducing the production's carbon footprint – marking another step toward embedding sustainable practices into its production cycle. In the reporting period, Poltava OEP also completed external verification confirming the direct consumption of green electricity from its CHP.

In the Infrastructure and Trade segment, the Group develops solar electricity consumption. In FY2026, solar panels installed at two of the Company's grain elevators generated a total of 73.4 MWh of electricity, of which 37.4 MWh was used to power the grain dryers and the rest was sold to the national grid. This initiative reduces reliance on externally sourced electricity and lowers the carbon footprint of the production process, contributing to the Group's broader goals in the areas of decarbonization and sustainable development.

MDR-T; E1-4

Targets

Kernel has set climate-related targets that integrate decarbonization, sustainable agriculture, and the expansion of renewable energy. At the Poltava OEP, we are **advancing the validation of a science-based target (SBTi) for Scope 2 emissions**, ensuring our reduction pathway is consistent with global climate goals. In agriculture, we are committed to regenerative practices that improve soil fertility, preserve biodiversity, and reduce greenhouse gas emissions: we aim **to reduce the share of land under plowing from 25% in 2020 to 10% by 2030, while introducing cover crops and siderats on 30% of land previously dedicated to winter wheat**. To strengthen resource efficiency and support innovation, we **aim to implement a technology management system based on precision farming polygons across 100% of our land bank by 2030**, enabling data-driven decisions that optimize yields and minimize environmental impacts.

As of the end of FY2026, we have established the science-based target for Poltava OEP and launched the validation process with SBTi. On climate change, 19% of land was under plowing, and 30% of land previously under winter wheat has been cultivated with cover crops and siderats, achieving the target ahead of schedule.

Complementing these actions, we **aim to have at least 50% of the electricity used by our assets come from our own renewable generation by 2030**, advancing our transition to low-carbon energy, reducing reliance on fossil fuels, and lowering operational risks linked to energy volatility. With these measures, we are dedicated to delivering

measurable climate benefits while securing long-term competitiveness and sustainability of the Group.

As of the end of FY2026, own generation now supplies 50% of the Group's oilseed processing plants' electricity consumption, achieving the target ahead of schedule.

Environmental information continued

Metrics

E1-5

Energy consumption and mix

Energy consumption

terajoules

	FY2024	FY2025	FY2026
Non-renewable fuel consumed	1,895.0	1,593.6	3,185.8
Natural gas	717.0	489.6	1,835.9
Oilseed Processing	212.2	251.5	221.9
Infrastructure and Trading	486.3	234.4	1,584.7
Farming	18.5	3.7	29.3
Other	0.0	0.0	0.0
Diesel	1,099.6	1,042.2	1,255.2
Oilseed Processing	9.1	13.7	11.7
Infrastructure and Trading	28.8	20.6	68.1
Farming	1,056.6	1,002.7	1,169.4
Other	5.2	5.2	6.0
Petroleum	43.4	41.0	45.3
Oilseed Processing	1.0	1.1	0.9
Infrastructure and Trading	5.8	5.2	6.0
Farming	29.2	25.8	28.2
Other	7.4	8.8	10.1
LNG	35.0	20.8	49.4
Oilseed Processing	0.2	0.2	0.1
Infrastructure and Trading	2.0	1.4	35.3
Farming	32.2	18.9	13.8
Other	0.5	0.3	0.3
Renewable fuel consumed (sunflower seed husk)	7,028.0	7,113.2	6,580.7
Purchased electricity	628.4	474.8	321.5
Oilseed Processing	457.4	327	117.7
Infrastructure and Trading	128.2	110.8	176.3
Farming	40.4	34.0	24.7
Other	2.4	3.0	2.8
Heating	2.3	2.0	1.5
Oilseed Processing	0.0	0.0	0.0
Infrastructure and Trading	1.5	1.1	0.8
Farming	0.0	0.0	0.0
Other	0.8	0.8	0.7
Electricity from own generation	232.3	530.3	667.5
Electricity sold to the grid	1,094.3	826.2	475.4
Total energy consumption	9,456.0	8,887.7	10,281.6
Oilseed processing	6,846.0	7,410.8	7,125.2
Infrastructure and Trading	652.6	373.6	1,871.2
Farming	1,176.9	1,085.1	1,265.4
Other	780.5	18.2	19.8

Note 1: Any discrepancies between data in this and previous reports are associated with further improvements in the accounting system, clarifications of raw data, alignment of relevant conversion factors and other corrections.

Energy intensity indicators¹

megajoules

	FY2024	FY2025	FY2026
Energy consumed per ton of sunflower seed crushed	2,279.6	2,145.6	2,237.1
Energy consumed per ton-% of grain dried	64.5	66.3	62.6
Energy consumed per ton of harvested grain	629.5	613.7	695.3
Energy intensity based on net revenue, per USD million	2.6	2.2	2.3

Note 1: Any discrepancies between data in this and previous reports are associated with further improvements in the accounting system, clarifications of raw data, alignment of relevant conversion factors and other corrections.

The revenue figure used is USD million (in FY2026 – USD 4,404 million), consistent with the revenue reported in Kernel's Consolidated Statement of Profit or Loss in its consolidated financial statements.

Environmental information continued

E1-6

Scope 1, Scope 2 and Scope 3 greenhouse gas (GHG) emissions

Key GHG emission indicators¹

thousand tCO ₂ e	FY2024	FY2025	FY2026
Scope 1	233.40	175.30	286.20
<i>by GHG</i>			
CO ₂	90.3	35.7	130.3
CH ₄	23.9	18.5	4.4
N ₂ O	119.2	121.1	151.4
<i>by business segment</i>			
Oilseed Processing	12.7	15.2	13.4
Infrastructure and Trading	30.0	15.1	96.5
Farming	193.6	188.5	164.2
<i>Fuel use</i>	90.0	84.7	99.5
<i>Fertilizers application</i>	114.6	141.4	142.0
<i>Changes in stock of soil carbon</i>	- 37.9	- 58.4	-81.8
<i>Cattle methane from enteric fermentation</i>	26.9	20.8	4.4
Other	1.0	1.1	12.1
Biogenic (combustion of sunflower husk)	690.5	698.9	646.6
Scope 2 (Location based)	123.5	89.7	34.4
Scope 2 (Market based)	152.8	102.9	44.2
Scope 3	2,692.6	1,631.6	1,574.8
Cat.1. Purchased goods and services	851.5	599.4	707.3
Cat.2. Capital goods	8.6	7.3	6.1
Cat.3. Fuel- and energy-related activities (not incl.in S.1-2)	57.2	50.1	62.3
Cat.4. Upstream transportation and distribution	265.1	150.5	312.0
Cat.5. Waste generated in operations	6.1	4.0	3.6
Cat.9. Downstream transportation and distribution	1,219.6	523.0	452.7
Cat.10. Processing of sold products	28.1	31.9	30.8

Note 1: Any discrepancies between data in this and previous reports (FY2025 and FY2024) are associated with further improvements in the accounting system, clarifications of raw data, alignment of relevant conversion factors and other corrections.

Note 2: The category of Scope 3 emissions 'End-of-life treatment of sold products' was excluded from the accounting due to its immateriality.

Scope 3 GHG emissions of Avere Commodities SA¹

thousand tCO ₂ e	FY2024	FY2025	FY2026
Scope 3	775.0	2,152.7	1,212.4
Cat.1. Purchased goods and services	733.7	2,069.9	1,169.0
Cat.9. Downstream transportation and distribution	29.8	67.6	39.4
Cat.10. Processing of sold products	11.5	15.1	3.9

Note 1: In line with the consolidation principles of the ESRS framework, the Group estimated GHG emissions of Avere Commodities SA for the first time in the reporting period. Material GHG emissions are considered to be associated with the trading activities, namely the following Scope 3 categories: Category 1 "Purchased goods and services", Category 9 "Downstream transportation and distribution", and Category 10 "Processing of sold products". Estimations were made using proxy emission factors from sources recognized by the GHG Protocol, such as Ecoinvent and CEDA by Watershed databases, as well as Kernel's data. The Group seeks to develop this accounting in future reporting periods.

Key GHG emissions intensity indicators (Scope 1&2)¹

	FY2024	FY2025	FY2026
GHG emissions per volume of harvested crop, kg CO₂e/ t of yields			
Corn	37.2	53.6	33.8
Sunflower	133.8	62.0	54.2
Wheat	49.4	49.9	53.1
Rapeseed	341.1	428.2	302.6
Soybean	86.8	-46.8	-62.1
GHG emissions per area of sowed crop, kg CO₂e/ ha			
Corn	416.2	459.8	357.5
Sunflower	399.6	178.6	149.3
Wheat	331.8	302.5	314.5
Rapeseed	1,035.8	1,021.0	730.0
Soybean	248.4	-105.4	-145.0
GHG emissions per sunflower seeds processed, kg CO₂e/ t of seeds	20.4	14.5	8.1
GHG emissions per net revenue (location-based), kg CO₂e/USD million	99.7	54.9	72.8
GHG emissions per net revenue (market-based), kg CO₂e/USD million	107.8	58.2	75.0

Note 1: Any discrepancies between data in this and previous reports (FY2025 and FY2024) are associated with further improvements in the accounting system, clarifications of raw data, alignment of relevant conversion factors and other corrections.

The revenue figure used is USD million (in FY2026 - USD 4,404 million), consistent with the revenue reported in Kernel's Consolidated Statement of Profit or Loss in its consolidated financial statements.

Environmental information continued

E1-8

Internal carbon pricing

For internal carbon pricing, Kernel uses two sources of indications, namely (1) the Ukrainian carbon tax and (2) actual and projected prices of allowances within the EU Emission Trading Scheme (EU ETS). Projected prices of EU ETS allowances are estimated in line with the scenarios of climate impact dynamics provided by the Network of Central Banks and Supervisors for Greening the Financial System (NGFS). As of the end of FY2026, the applied price of carbon was estimated at USD 203.7, which is the projected price of one EU ETS carbon allowance by 2030 under the NGFS 'Nationally Determined Contributions' (soft) scenario of climate impact dynamics. Under the NGFS 'Net Zero 2050' (hard) scenario of climate impact dynamics, the price of an allowance is projected to increase up to USD 283.7 by 2030. The Group applies these carbon price indications in the annual assessment of climate transitional risks, specifically to conduct driver analysis of climate change factors on the Group's EBITDA stress testing, as well as to estimate the financial impact of climate-related business opportunities. Results of such assessments are used in the decision-making regarding risk management and appropriate response to arising opportunities. The Group's internal carbon pricing approach covers 100% of gross Scope 1 and Scope 2 emissions.

MDR-M

Climate change accounting methodology Energy consumption and mix

For the calculation of energy consumption, the Group consolidated data from its business segments and subsidiaries, primarily including information from supplier invoices and meter readings. Total energy consumption for own operations consists of fuel usage at the assets, fuel consumption in both owned and leased agriculture machinery and vehicles, and the use of purchased, self-generated energy and electricity sold to the grid (including heating). Self-generated electricity is reported as "Renewable fuel consumption", as this is electricity generated from biomass (sunflower seed husk). Each business segment and subsidiary in the Group reports energy consumption data by energy type. Categories of consumed fuel include natural gas, diesel, petroleum, and LNG.

Scope 1, Scope 2, and Scope 3 greenhouse gas (GHG) emissions

Kernel accounts for GHG emissions from its operational activities in Ukraine, adhering to the IPCC Guidelines for National Greenhouse Gas Inventories and Greenhouse Gas Protocol Guidance.

Scope 1 emissions include direct GHG emissions associated with the Group's operations of fossil fuel stationary and mobile combustion, cattle farming, farmland cultivation (soil carbon stock change), and fertilizer applications. The Group's total biogenic GHG emissions, generated from the combustion of sunflower seed husk and changes in organic carbon stocks, are reported separately. Emissions associated with farming operations are reported in the financial year when the agricultural products were harvested, using data on mineral and organic fertilizers applied during the growth period in crops.

We continue improving prototype operational accounting of GHG emissions from farming operations across key crops (winter wheat, corn, sunflower, winter rapeseed, and soybean) and individual fields (Kernel's whole landbank, comprising approximately 5 thousand fields). The main purpose of such an approach is to reflect that the landbank is not homogeneous in terms of soil characteristics, agroclimatic conditions, and, therefore, agricultural technology and application rates, which in turn are tailored to crop rotation. For that reason, it's correct to calculate the carbon footprint of farming operations (kgCO₂/t of yield and kgCO₂/ha) for each field rather than on average for the whole landbank. This approach also enables the demonstration of annual carbon removals (shown as negative values) resulting from changes in tillage practices, such as shifting from conventional to reduced tillage, sowing cover crops, and managing crop residue. We are working to automate such accounting by integrating the methodology into existing ERP systems and ensuring traceability of the carbon footprint of each batch of grain (originating from a particular field) across the value chain. For these purposes, we seek to ensure minimization of data uncertainty: calculations of changes in soil carbon due to tillage are performed using "measure and model" and "measure and re-measure" approaches (aligned with the Verified Carbon Standard methodology, VM0042) that account for the availability of laboratory agrochemical data on soil organic carbon.

This approach will enable us to monitor the field-related carbon footprint of our commodities (in kgCO₂e/t of yield) and operations (in kgCO₂e/ha) from sowing to harvest. By doing so, the Group can better evaluate the overall potential for decarbonizing farming operations, prioritize geographic locations and intensity of low-carbon practices, and achieve GHG emissions reductions with greater monetary efficacy.

Scope 2 (location-based) emissions refer to GHG emissions generated from energy (electricity and heating) that the Group purchases from the national grid. The calculations used the Nationwide weighted greenhouse gas emission factors resulting from the consumption of final energy, approved by the Resolution of the Cabinet of Ministers of Ukraine No. 156 dated 5 February 2026¹.

Scope 2 (market-based) emissions refer to GHG emissions from energy (electricity and heating) consumed, calculated based on emission factors from specific electricity contracts. The carbon intensity of heating, both location- and market-based approaches, is the same due to a vertically integrated market and heating monopoly supply.

Scope 3. To calculate Scope 3 emissions, Kernel applies the methodology provided by the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard. We use secondary data to calculate 100% of our Scope 3 emissions across all 15 categories:

- **Purchased goods and services:** This category includes three material types of purchased products: (1) grains and oilseeds, (2) agricultural machinery, and (3) fertilizers. For the purchased grains, the accounting approach lies in the application of carbon intensity factors of Kernel's own crops to the volumes of the purchased grains. For the purchased agricultural machinery, a spend-based method was used, where emission factors were calculated based on the carbon intensity of the net revenue of machinery producers (material producers included CNH Industrial, John Deere, MAN, and Palfinger). For nitrogen fertilizers purchased by Kernel, emissions were calculated based on nitrogen content and sector-average emission factors (kg CO₂e/kg N). To calculate this category of emissions for Avere Commodities SA, the global market activity emissions factors sourced from the Ecoinvent database were applied for the following commodities: palm oil, palm meal, rapeseed oil, rapeseed meal, soy oil and soy meal. For corn, sunflower, wheat, rapeseed, soybean, sunflower oil, and sunflower meal, Kernel's operational emission intensity data for respective years were applied.
- **Capital goods:** Kernel accounted for the emissions associated with the production of metal and concrete, used for the construction of assets. The Group applied material use emission factors for metal and concrete from the UK Department of Environment, Food and Rural Affairs (DEFRA).
- **Fuel-and-energy-related activities (not included in Scope 1 or 2):** To calculate this

¹ Resolution of the Cabinet of Ministers of Ukraine No. 156 dated 5 February 2026

Environmental information continued

category of emissions, Kernel used primary data on energy consumption and applied Well-to-tank indicators (Activity A) from DEFRA; transmission and distribution losses data for Ukraine (Activity C); as well as average heat rate of local thermal power plants (Activity B) to calculate emissions across three types of activities: Activity A (36,148.8 tons CO₂e), Activity B (14,744.9 tons CO₂e), Activity C (11,358.2 tons CO₂e).

- **Upstream transportation and distribution:** This category includes emissions from the transportation of purchased goods and internal logistics (i.e., transportation of grains from fields to silos and from silos to terminals). We applied the Rail transportation and Truck transportation emission factors from CEDA 2024 by Watershed.
- **Waste generation in services:** For this category, Kernel used primary data on waste generation and approaches to waste utilization, including treatment of wastewater discharged to WWTPs. The Group applied the Waste disposal emission factors from DEFRA.
- **Business travel:** This category of emissions is not material in comparison to the total volume of Scope 3 GHG emissions. We evaluated this category of emissions and concluded that it remains immaterial for Kernel operations (less than 1 tCO₂e).
- **Employee commuting:** This category of emissions is not material in comparison to the total volume of Scope 3 GHG emissions. We evaluated this category of emissions and concluded that it remains immaterial for Kernel operations.
- **Upstream leased assets:** Kernel does not have leased assets within its operations.
- **Downstream transportation and distribution:** This category includes the emissions associated with the marine freight of sold products (grain and oil) – from the combustion of fuel by ships, mostly Panamax class. Emission factors for water transportation, sourced from CEDA by the Watershed database, were applied. The same approach was used for calculating this category of emissions for Avere Commodities S.A.
- **Processing of sold products:** This category includes emissions associated with the refining of sunflower oil. Unrefined sunflower oil purchased from Kernel typically undergoes a refining process at the buyer's facilities. To calculate such emissions, the Group used the average electricity efficiency factor for its own refining process and applied grid emission factors for each country where sunflower oil was exported (The IFI Dataset of Default Grid Factors). The same approach was applied for calculating this category of emissions for Avere Commodities SA, specifically for sunflower oil, palm oil, rapeseed oil, and soy oil.
- **Use of sold products:** Kernel sells final products, including grains, sunflower oil, and

animal meal. In case the sold products are used in the energy sector, the sunflower oil-related biodiesel component of fuel is considered zero-carbon.

- **End-of-life treatment of sold products:** This category of emissions is not material in comparison to the total volume of Scope 3 GHG emissions. We evaluated this category of emissions and concluded that it remains immaterial for Kernel operations.
- **Downstream leased assets:** This category of emissions is not relevant to Kernel's business, as the Group does not provide leased assets.
- **Franchises:** This category of emissions is not relevant to Kernel's business as the Group neither acts as an investor nor does it have shares in emission-related portfolios.
- **Investments:** This category of emissions is not relevant to Kernel's business as the Group neither acts as an investor nor does it have shares in emission-related portfolios.

No significant events or changes in circumstances related to GHG emissions occurred in the reporting period.

Environmental information continued

E2 Pollution

In this section:

- Pollution of air, water, and soil
- Substances of concern and very high concern

E2.IRO-1

Pollution-related impacts, risks, and opportunities

Agricultural and processing activities have a negative environmental footprint due to their interaction with natural systems and the use of resources. Kernel pays close attention to these impacts, recognizing pollution-related effects arising across its core operations. Pollution-related impacts have been identified through an impact screening process. As part of this process, we mapped our business segments - farming, oilseed processing, infrastructure, and trading, analyzing where interactions with nature occur and where emissions to air, water, and soil are generated.

The assessment also covered the identification of transitional and physical risks and opportunities associated with these impacts. Pollution-related transition risks may also give rise to financial effects.

In particular, evolving regulatory requirements and financing criteria may require the replacement of pesticides prohibited in the EU with alternative products, potentially increasing operating costs. To ensure comprehensive understanding of our pollution-related IROs, we consulted internal subject matter experts, including environmental and operational teams. Although affected communities were not directly involved in the pollution materiality assessment, their perspectives were indirectly considered through a review of environmental complaints received via the grievance mechanism. These engagements helped validate and refine the identification of relevant IROs.

For further details on the methodological approach applied under the DMA, see pages 47-49. The table below summarizes the material IROs identified for E2 Pollution, including their location in the value chain and the timeframe over which associated IROs may materialize.

Environmental Material Impacts, Risks and Opportunities

Environmental material impacts, Risks and Opportunities				Value chain			
				Upstream	Own operations	Downstream	Time horizon
Sustainability matter	IRO	IRO nature	Description				
E2 Pollution ¹							
Pollution of air	Negative impact	Actual	Direct emissions of air pollutants result from combustion-powered machinery, oilseed processing and grain handling, fertilizer and pesticide application, and other agricultural operations.	•	•		-
Pollution of water	Negative impact	Potential	Agricultural and processing activities may contribute to surface water pollution through wastewater discharges and nutrient leaching associated with agricultural operations. ²	•	•		L
Pollution of soil	Risk	Financial	Increased spending on pesticides to substitute those prohibited in the EU and/or by financial institutions. ³		•		M
Substances of concern (SoC) and Substances of very high concern (SVHC)	Negative impact	Actual	The use of plant protection products containing SoCs and SVHCs might negatively impact human health and the environment.		•		-

Note 1: Following the FY2026 annual DMA review, the positive impact related to Pollution of water was removed from the IRO Inventory, while the negative impact related to Pollution of soil was reassessed and determined to be non-material.

Note 2: Nature of the IRO updated from actual to potential to better reflect the Group's current activities.

Note 3: Materiality status updated in FY2026 following the regulatory shifts.

MDR-P; E2-1

Policies

Kernel recognizes the importance of addressing environmental pollution and is committed to protecting air, clean water, and healthy soils through the application of best practices and technical solutions. These ambitions are reflected in our *Environmental Protection policy*. The policy places a strong emphasis on preventing and mitigating environmental impacts. We systematically monitor key environmental indicators related to pollution to ensure the responsible use of natural resources and continuous improvement in environmental performance. To prevent incidents and emergencies, we conduct regular technical inspections

of our equipment and implement preventive measures. In the event of an industrial or natural emergency, Kernel acts immediately to stop any processes causing significant environmental impact, contain pollution, and address the consequences. Our response measures are designed to minimize harm to both people and the environment through rapid reaction and remediation efforts. We expect our suppliers to uphold the same level of environmental responsibility as outlined in our *Code of Interaction with Suppliers*. Starting from MY2026, suppliers must also ensure that their operations comply with the relevant 2012 Performance Standards of the International Finance Corporation and the Environmental,

Health, and Safety Guidelines of the World Bank Group.

See [Annex 3 – Key Policies and Procedures](#) for a detailed description of all Kernel policies.

MDR-A; E2-2

Actions and resources

Our commitment remains focused on preventing and reducing emissions using best practices and technical solutions.

Monitoring of environmental impacts and ecological compliance

Our management approach towards regulation of the impacts of our operations on the

Environmental information continued

environment is built on two pillars, namely (1) continuous monitoring of key environmental performance indicators to be aligned with **permit requirements** and to pass environmental inspections successfully, and (2) the use of **environmental impact assessment (EIA)** and **strategic environmental assessment (SEA)** procedures in line with national legislation, for planned activities that pose a high risk of significant environmental impacts.

Mechanisms of environmental monitoring are practically implemented through a group-wide environmental management system (EMS), which is certified with the ISO 14001 "Environmental management" standard¹. Responsibility for performing environmental monitoring and ensuring compliance with relevant legislation lies with the assets-based team of environmental specialists (12 full-time employees).

Due to the nature of our business operations, we are required to obtain permits for air emissions, water withdrawal, and wastewater discharge, each of which specifies emission and discharge limits in accordance with applicable local regulations. The process of obtaining permits is performed both by Kernel's team of environmental specialists and external contractors. In FY2026, Kernel's assets obtained a total of 20 new permits, including nine air emission permits and 11 water withdrawal permits. Moreover, over the reporting period, Kernel successfully completed the environmental impact assessment (EIA) process for 7 projects.

In line with permit obligations, we have developed monitoring programs to control the environmental quality of our operations. These include analyzing air, soil, and water quality and assessing levels of noise and vibration pollution. The state ecological inspectorate did not perform environmental compliance inspections on our assets in FY2026, since inspections are forbidden during martial law. Importantly, we successfully resolved all 4 complaints regarding Kernel's operations from local citizens. In FY2026, we spent a total of USD 279 thousand on measures associated with the mitigation of environmental impacts and environmental protection.

Control of air pollution

In the Kernel's operations, air pollution associated with oilseed processing and grain handling is addressed through a series of technological initiatives. The total number of atmospheric air quality samples taken at all Kernel facilities in FY2026 was 158. The test results showed that pollutant emissions into the

atmosphere were within established limits.

Particulate matter and NO₂ emissions, resulting from sunflower husk combustion, are managed using technological emission control systems. Our oilseed processing plants operate 11 electrostatic precipitators (ESPs) to remove particulate matter (PM) from boiler flue gases. These highly efficient filtration devices (95-98%) use electric energy to generate an electrostatic charge that captures fine particles.

Additionally, the boilers at two oilseed extraction plants (OEPs) are equipped with DeNO₂ systems designed to reduce nitrogen dioxide (NO₂) emissions. These systems work through a chemical reaction between nitrogen oxides and a reagent, producing molecular nitrogen (N₂) and water. Depending on parameters, this process allows for the reduction of nitrogen oxide emissions by 30-75%.

Dust emissions associated with grain and oilseed handling are primarily managed through engineering solutions designed to minimize the release of particulate matter into the atmosphere. This includes the use of enclosed unloading stations, covered conveyor lines, and ship-loading equipment equipped with integrated dust control features. Where complete prevention is not feasible, emissions are treated using specialized equipment. Notably, dust from grain handling operations is effectively controlled through the use of cyclone filters, which are installed at all silos and transshipment terminals.

Hexane emissions, which are linked to its use as a solvent in edible oil extraction, are carefully regulated and minimized throughout its transportation, storage, and application to ensure both resource efficiency and operational safety. The solvent operates in a closed-loop system, enabling it to be reused across multiple extraction cycles, thereby optimizing efficiency and minimizing environmental impact.

Kernel's hexane management at oilseed processing plants was focused on three key areas:

- Improving use efficiency: Enhancing cooling systems to enable more effective condensation of hexane vapors, thereby increasing solvent recovery and reducing losses.
- Early detection and monitoring: Installing hexane analyzers to enable timely leak detection and continuous monitoring of emissions.
- Maintenance: Conducting regular technical

maintenance to prevent uncontrolled hexane losses and ensure system integrity.

All equipment in contact with hexane at Kernel's plants complies with the EU ATEX Directive (2014/34/EU 'Equipment for potentially explosive atmosphere').

Emissions of ozone-depleting substances, primarily refrigerants, are linked to the operation of industrial cooling equipment at two oil extraction plants and within the animal husbandry division. Maintenance and monitoring of these systems are performed by an external organization. In FY2026, no refrigerant leaks were detected.

In FY2026, Kernel paid a total of USD 519 thousand in environmental tax, of which USD 450 thousand was for CO₂ emissions and USD 56 thousand was for air-polluting emissions from stationary sources.

Control of water pollution

At Kernel, we are committed to responsible water pollution management and minimizing the environmental impact of our operations. All wastewater generated during our processing activities is treated before being discharged into water bodies, in full compliance with national regulations.

Water management at oilseed processing plants includes the implementation of full-cycle water treatment systems in four OEPs. These systems provide biological, physical, and chemical purification of wastewater, ensuring effective treatment before discharge.

In FY2026, 99.7 megaliters of wastewater were purified at our facilities undergoing physical-chemical and biological treatment. In case an oilseed processing plant is connected to a municipal wastewater treatment plant (WWTP), wastewater is pre-treated on-site to meet the requirements set by WWTP and is directed to proper external treatment.

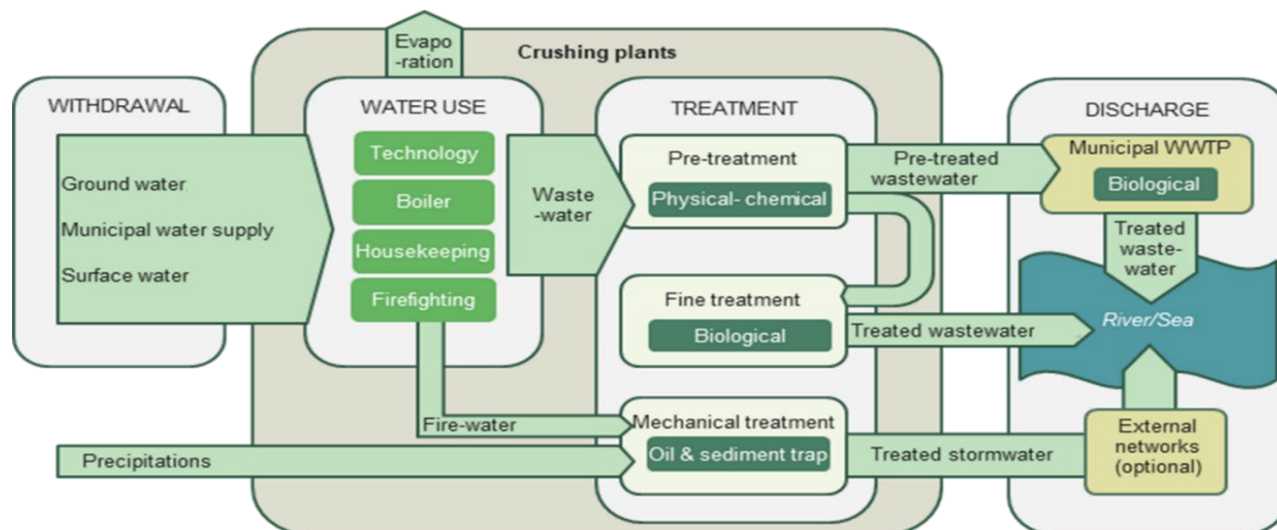
Regulatory compliance and quality management of treated wastewater are monitored by our laboratories, which analyze water samples in line with the Ukrainian national regulation on maximum permissible discharges of pollutants. This regulation defines acceptable limits for various contaminants and is outlined in our "Special Water Use" permits.

Such permits limit the volumes of withdrawn water and/or the volumes and quality of effluents based on surveys that define hydrological conditions, baseline water quality, and the assimilation capacity of a water body. The

¹ Certification ISO 14001 covers key trading Group Kernel-Trade, six oil crushing plants, two farming clusters, fifteen silos and one trading terminal

Environmental information continued

Scheme of Kernel's water management cycle at oilseed extraction plants



permitting authority uses information on water use within a watershed or aquifer to set permit conditions in a way that balances the interests of all users and keeps cumulative pollution levels within the national water quality standards. The regulatory requirements were the only criteria for setting permit conditions that define the quality of our effluents.

Parameters of wastewater, controlled during laboratory testing, include eight substances as well as biological oxygen demand (BOD₅) and chemical oxygen demand (COD). In FY2026, there were no incidents of non-compliance with the quality requirements for wastewater.

Preventing agricultural runoff is a focus area in Kernel's efforts to protect the water environment. We implement strict measures to minimize the risk of water pollution associated with farming activities, the most significant area of potential impact. Specifically, we ensure the precise application of fertilizers and pesticides, which allows us to control the risk of their runoff into water bodies. In addition, we do not implement agricultural and manure management activities within buffer zones that safeguard surface water resources.

Monitoring of soil pollution

In the Farming segment, Kernel prioritizes soil health and pollution prevention through precision agriculture and responsible nutrient management. Since 2024, we have been

developing soil health management plans for each farm cluster under ISCC certification. These plans include integrating bioinsecticides and biofungicides, improving spraying technologies to minimize ecosystem exposure, and applying degraders and soil remediation techniques. For non-agricultural soils, monitoring of non-fertile bulk soils is conducted strictly in line with legislative requirements.

Control of substances of concern (SoC) and substances of very high concern (SVHC)

Kernel conducted a screening of plant protection products (PPPs) used in the Group's farming operations against the criteria of substances of concern ¹ (SoC) and substances of very high concern ² (SVHC) as part of the broader analysis of our compliance with EU requirements on PPPs. As of FY2026, the Company's PPPs portfolio contained 67 products that contain active ingredients classified as substances of concern, and 7 products that contain substances of very high concern.

MDR-T Targets

At present, Kernel has not established quantitative sustainability targets related to pollution management. We recognize the importance of setting outcome-oriented goals and are assessing the feasibility of defining such targets in the coming years.

In the meantime, we track the effectiveness of our policies and actions through the operation of our EMS, which ensures compliance with environmental permits and the ISO 14001 regulatory requirements. Effectiveness is evaluated based on the occurrence of incidents with ecological consequences, alongside regular monitoring of pollution emissions. Our defined ambition is to maintain full regulatory compliance and to continuously improve our environmental performance by minimizing pollution risks.

¹ Criteria laid down in Article 57 and is identified in accordance with Article 59(1) of Regulation (EC) No 1907/2006 of the European Parliament and of the Council (35); is classified in Part 3 of Annex VI to Regulation (EC) No 1272/2008 of the European Parliament and of the Council (36) in one of the following hazard classes or hazard categories: carcinogenicity categories 1 and 2; germ cell mutagenicity categories 1 and 2; reproductive toxicity categories 1 and 2; endocrine disruption for human health; endocrine disruption for the environment; Persistent, Mobile and Toxic or Very Persistent, Very Mobile properties; Persistent, Bioaccumulative and Toxic or Very Persistent, Very Bioaccumulative properties;

² Criteria laid down in Article 57 of Regulation (EC) No 1907/2006 (REACH) and were identified in accordance with Article 59(1) of that Regulation.

Environmental information continued

Metrics

E2-4

Pollution of air, water and soil

Pollution of air

thousand tons

	FY2024	FY2025	FY2026
Carbon monoxide	0.92	0.92	1.03
Oilseed Processing	0.83	0.84	0.76
Infrastructure and Trading	0.06	0.063	0.268
Farming	0.024	0.015	0.003
Nitrogen oxides	0.84	0.49	0.62
Oilseed Processing	0.49	0.45	0.40
Infrastructure and Trading	0.332	0.03	0.21
Farming	0.016	0.006	0.006
Sulphur oxides	0.08	0.08	0.08
Oilseed Processing	0.07	0.07	0.07
Infrastructure and Trading	0.01	0.002	0.008
Farming	0.0001	0.0027	0.0032
Solid substances	1.22	0.30	1.07
Oilseed Processing	0.70	0.10	0.08
Infrastructure and Trading	0.40	0.13	0.94
Farming	0.09	0.06	0.05

Pollution of water

tons

	FY2024	FY2025	FY2026
Weighing agents	0.9	11.4	1.2
Chlorides	21.5	32.7	22.9
Sulphates	38.2	53.4	52.2
Fats	-	-	-
Dry residue (mineralization)	122.7	174.3	156.4
Other substances	3.9	5.1	4.4

Note 1: The reported values refer to pollutants present in the treated wastewater discharged into groundwater bodies exclusively for the Bandurka Oilseed extraction Plant

E2-5

Substances of concern and Substances of very high concern

Substances of concern and Substances of very high concern (SoC/SVHC)

Main hazard class, tons ¹	SoC/SVHC	FY2025	FY2026
Carc. 1B	SVHC	-	-
Carc. 2	SoC	20.96	39.40
Repr. 1A	SVHC	-	-
Repr. 1B	SVHC	13.91	20.49
Repr. 2	SoC	359.95	347.21
Muta. 1B	SVHC	3.93	4.35
Muta. 2	SoC	-	0.69
Lact.	SoC	9.97	3.77
vPvM	SVHC	-	0.02
PMT	SoC	2.84	14.08

Note 1: Carc. - carcinogenicity categories
 Repr. - reproductive toxicity categories
 Muta. - germ cell mutagenicity categories
 Lact. - effects on or via lactation
 PMT - Persistent, Bioaccumulative and Toxic
 vPvM - Very Persistent, Very Bioaccumulative properties

Kernel's specific metrics

Key environmental monitoring indicators in FY2026

Scope of monitoring	# of checks	# of sites monitored	# of samples/measurements taken
Air quality	79	210	1,874
Conditions of the emissions permit	14	95	1,090
Conditions of EIA	30	14	461
Areas at the borders with SPA	35	101	323
Water quality	32	86	250
Ground water	27	84	211
Surface water	5	2	39
Soil quality	20	87	100
Areas of waste storage	11	87	86
Areas at the borders with SPA	9	15	14
Noise pollution (Areas at the borders with SPA)	23	22	113
Vibration pollution	10	15	43

Environmental information continued

MDR-M

Pollution accounting methodology

Pollution of air, water and soil

When assessing air pollution from processing plants, emissions from husk and natural gas combustion in boiler units, as well as gas combustion in grain dryers, are considered. Additionally, particulate matter emissions from technological processes unrelated to fuel combustion are also taken into account. Emissions from the infrastructure and farming segment include pollutants generated during fuel combustion in small installations (such as boilers, grain dryers, and generators), as well as particulate matter and other pollutants typical of auxiliary and related processes. An external contractor develops substantiating documents for the company that include descriptions of technological processes, identification of sources, and calculations of pollutant emissions. Based on specific emission factors, the company's environmental specialists perform quarterly calculations of actual pollutant emissions into the atmosphere and corresponding environmental tax.

Wastewater discharges into surface water bodies are performed in accordance with a special water use permit, which specifies the discharge volumes and maximum permissible concentrations of pollutants. Each quarter, the company's environmental specialist submits wastewater samples to an accredited independent laboratory for analysis. The volume of discharged wastewater is recorded using a flow meter. Based on the laboratory results and measured wastewater volumes, the environmental specialist calculates the amount of pollutants in the discharged wastewater and the corresponding environmental tax.

Substances of concern and substances of very high concern

Volumes of applied plant protection products are obtained from Kernel's database, which consolidates the factual situation on the ground based on accounting write-offs. The write-off of activity data is conducted based on the actual records of all agricultural operations made by agronomists for each field throughout the cultivation season in the operational online system (Online Job Order Book). Agronomists also reflect actual data on field activities on the online application 'Mobile Agronomist' (MAG), which interlinks with the Online Job Order Book. When conducting screening analysis of the PPPs portfolio against the criteria of substances of concern and substances of very high concern, we assigned respective classification in the database, allowing us to extract data automatically. The PPP database is kept updated on an annual basis to reflect new active substances used by the Company.

Environmental information continued

E4 Biodiversity and ecosystems

In this section:

- Impacts on the state of species
- Impacts on the extent and condition of ecosystems

E4.SBM-3

Impacts, risks and opportunities and their interaction with strategy and business model

Among Kernel's business segments, Farming operations are considered as those that both depend on the ecosystem services and may impact biodiversity-sensitive areas. To estimate the potential impacts on biodiversity-sensitive areas, Kernel conducted an analysis of its landbank to identify spatial overlaps with protected areas. Every field was visually compared against the protected area boundaries obtained from free access at the World Database on Protected Areas (WDPA) ¹ using geometric intersection analysis in QGIS ². To better contextualize the area's ecology, biomes and bioregions were also examined using the Terrestrial Ecoregions of the World (TEOW) ³. In addition, we similarly screened our landbank against polygons of wetlands of international importance obtained from the Global Wetlands Database level 3 (GLWD) ⁴ and the Ramsar list.

As a result of this analysis, it was identified that 905 fields out of approximately 5 thousand fields demonstrate an average-weighted level of intersection with protected areas, namely the Emerald Network, of 5.7%, which accounts for a total of 3,424 ha (less than 1% of the landbank). Nevertheless, agricultural operations on these fields are legal and are regulated by land lease agreements, which are registered in the State Land Cadastre of Ukraine. We are also compliant with the relevant national legislation on protected areas, namely the Nature Reserve Fund and underlying laws. Indeed, in 2020, the Ukrainian Parliament registered Bill No. 4461 "On Territories of the Emerald Network", under which Ukraine undertakes to protect and conserve its natural habitats according to European standards. The legislation has not yet been adopted. However, the bill does not entirely prohibit agricultural activities within the territories of the Emerald Network, provided they are of low intensity and do not damage protected habitats. Any new or intensified agricultural practices

Demonstration of the geometric intersection analysis



(e.g., conversion to intensive farming, installation of irrigation systems, pesticide use) must undergo an appropriate environmental assessment in line with the Law on Environmental Impact Assessment (EIA).

Regarding wetlands of international importance, only 328 hectares have some level of intersection with GLWD Level 3 or Ramsar list polygons across 18 fields (the average weighted level of intersection with protected areas across these fields is 19%). However, further analysis revealed that these territories are not recognized by Ukrainian legislation as wetlands of international importance, in line with the provisions of the Ramsar Convention; therefore, our operations are fully compliant with relevant laws ⁵.

We identified that our material dependency on biodiversity and ecosystem services is associated with soil productivity and pollination, which is key to ensuring the long-term stability of yields and, therefore, high operational performance of our Farming segment. Furthermore, we are committed to preventing deforestation and any forms of expansion of arable lands at the cost of natural habitats and other territories not intended for farming, both in our own operations and in our supply chain. Importantly, Ukraine is considered a low-risk country in relation to deforestation, considering that forestry and agricultural land banks are governed by different laws that prohibit the conversion of forests into agricultural land. Additionally, Ukraine is historically known for its large territories of agricultural land (almost

70% of the country's territory), which have not been forested over the last 50 years. Issues of illegal deforestation in Ukraine are specific to the lands of the forest fund and are not associated with agricultural activities. Nevertheless, Kernel undergoes preparation to ensure compliance with the **EU Deforestation Regulation (EUDR)**.

E4.IRO-1

Biodiversity and ecosystem-related impacts, risks and opportunities

Biodiversity and ecosystem-related IROs were identified through geospatial analysis and consultations with internal subject matter experts. At this stage, the evaluation focused on Kernel's operations, with the intention of extending the scope in the future.

The assessment included both actual and potential impacts. For agricultural operations, we identified actual pressures on pollinators such as bees that are affected by using agrochemicals and pesticides. In parallel, we identified positive effects of regenerative farming practices which help restore soil health, support ecosystem stability, and ensure stable yields.

For further details on the methodological approach applied under the DMA, see pages 47-49.

The table below summarizes the material IROs identified for E4 Biodiversity and ecosystems, including their location in the value chain and the timeframe over which associated IROs may materialize.

¹ The World Database on Protected Areas ("WDPA")

² QGIS (Quantum Geographic Information System) – a free, open-source software for creation, visualization and analysis of geospatial information)

³ Terrestrial Ecoregions of the World ("TEOW")

⁴ Global Lakes and Wetlands Database

⁵ Cabinet of Ministers of Ukraine, Resolution No. 935 of November 23, 1995 (Kyiv), "On Measures for the Protection of Wetlands of International Importance."

Cabinet of Ministers of Ukraine, Directive No. 147-r of February 23, 2011, "On Approval of Granting Wetlands the Status of Wetlands of International Importance."

Cabinet of Ministers of Ukraine, Directive No. 895-r of September 21, 2011, "On Approval of Granting Wetlands the Status of Wetlands of International Importance."

Cabinet of Ministers of Ukraine, Directive No. 818-r of October 24, 2012, "On Approval of Granting Wetlands the Status of Wetlands of International Importance."

Environmental information continued

Environmental Material Impacts, Risks and Opportunities

Environmental material impacts, risks and opportunities				Value chain			
				Upstream	Own operations	Downstream	Time horizon
Sustainability matter	IRO	IRO nature	Description				
E4 Biodiversity and ecosystems ¹							
Impacts on the state of species	Negative impact	Actual	The use of plant protection products may negatively influence pollinators and other non-target species, potentially affecting species populations and ecosystem health. ²		●		-
Impacts on the extent and condition of ecosystems	Positive impact	Actual	Support of soil health through regenerative agricultural practices such as reduced tillage, use of cover crops, and effective nutrient management. ²	●	●		-

Note 1: Following the FY2026 annual DMA review, the positive impact related to Ecosystem services was removed from the IRO Inventory, while the negative impact related to Climate change effects on biodiversity was reassessed and determined to be non-material.

Note 2: Description and value chain stage were refined in FY2026 to improve clarity and better reflect the Group's current activities and business context.

MDR-P; E4-2

Policies

We are strongly committed to both minimizing our negative impact on biodiversity and undertaking specific measures to conserve and boost biodiversity across our landbank. This approach is reflected in our *Environmental Protection policy*, and we are expecting our suppliers to uphold the same standards through the *Code of Interaction with Suppliers*. In FY2026, Kernel adopted the *Sustainable Agriculture Management Policy*, establishing a framework for sustainable agricultural practices including measures to prevent deforestation, protect biodiversity and ecosystems, and improve soil and water management. We have established a working group to monitor regulatory developments and ensure compliance with the EUDR.

See [Annex 3 – Key Policies and Procedures](#) for a detailed description of all Kernel policies.

MDR-A

Actions and resources

The key principle in delivering our commitments towards biodiversity is ensuring comprehensive and detailed monitoring of our farming activities, which we perform throughout our innovative “DigitalAgriBusiness” farm management system. By integrating IT, AI, and Big Data solutions, we collect and analyze field-level and operational data, which enhances precision farming practices, strengthens risk management, and ensures careful oversight of our interactions with natural ecosystems. All our fields are cultivated using RTK-guided autopilot machinery, with RTK signals shared among partners to expand precision farming coverage. We also monitor our fields through remote sensing technologies by

collecting data, such as NDVI¹, from satellites and on-site data collection facilities, which are then synchronized in databases and analyzed with GIS (Geographic Information Systems) programs. These insights are embedded into daily operations: agronomists use tablets equipped with a “Mobile Agronomist” scouting application, improving risk assessment and accelerating decision-making in the field. Furthermore, we undertake thorough due diligence before the conclusion of the lease, which includes evaluation of the physical condition, such as quality of soil and existing vegetation, as well as the legal status of the land, namely ownership rights, registered land use limitations, and legal suitability for farming, which also includes proximity to conservation areas.

Our practical approaches to minimizing the adverse impacts of our farming operations on biodiversity include the following:

- **Promotion of soil biodiversity.** Kernel actively researches and tests applications of biological fertilizers, including phosphorus- and nitrogen-fixing bacteria. We are the first agricultural producer in Ukraine to establish and run our own microbiological laboratory, where we closely evaluate the benefits of biological fertilizers on soil health. We also utilize bio-destructors, namely bacteria and fungi, which contribute to maintaining soil biodiversity while intensifying the decomposition of organic crop residues mulched and left in fields, leading to a subsequent return of nutrients from the residue back to the soil. Bio-destructors also have a fungicidal effect, protecting crops from harmful microorganisms. In FY2026, the total cumulative area of application of biological products accounted for 341,675 hectares, which accounts for multiple applications.

- **Integrated pest management system.**

When undertaking pest control actions to reduce crop exposure to diseases, we comply with applicable national and international regulations. We only use authorized plant protection products, listed in the State registry of pesticides and agrochemicals allowed to be used in Ukraine. Also, we do not apply chemicals prohibited by the Stockholm Convention on Persistent Organic Pollutants and products, listed in Annex 3 of the Rotterdam Convention². We constantly improve our pest management approaches by adjusting them in line with legislative changes on pesticides in other countries. For example, since 2021, we have been gradually reducing the use of neonicotinoid products. Before using a new substance on the operational scale, we test it on our R&D fields (more than 25 thousand hectares). Pesticides are applied by self-propelled spraying machinery equipped with a positioning control system that deactivates sprayers outside field boundaries, preventing overlapping and re-application. In addition, machines have automatic remote controls for weather conditions, which account for wind, allowing for minimized off-the-field releases of pesticides.

- **Control of seed quality.** For sowing campaigns, Kernel only uses breeds and hybrids of seeds, listed in the State Registry of Plant Species Eligible for Cultivation in Ukraine, which excludes genetically modified seeds. All seeds, either produced internally or sourced from the market, undergo a thorough examination in Kernel's accredited laboratory before sowing.

- **Monitoring soil nutrients.** At least once per crop rotation cycle, we analyze soil quality at our agrochemical laboratory by taking over 2 thousand soil samples (from 25-30 centimeters depth). Based on the

¹ Normalized Difference Vegetation Index quantifies vegetation by measuring the difference between near-infrared (which vegetation strongly reflects) and red light (which vegetation absorbs). NDVI is a standardized way to measure healthy vegetation – the higher the NDVI, the healthier vegetation.

² Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade

Environmental information continued

evaluation results, we adjust our crop mix plans, production technology, and fertilization practices where required. A test-based approach to fertilizer application allows for maintaining a deficit-free balance of nutrients and thus prevents deterioration of soil quality.

- **Protection of pollinators.** Kernel implements a system of notifying beekeepers who operate near our fields about plans to apply plant protection products. Notification is provided no later than 3 days before pesticide application, with details on exact date and time, location, as well as type of chemicals and method of application. We are also taking into account weather conditions, specifically wind speed.

MDR-T; E4-4

Targets

Kernel has set specific targets that directly address the areas identified in our assessment and track the effectiveness of biodiversity-related actions.

One of the crucial factors in agriculture relates to pollinator health, where the use of agrochemicals can negatively affect species such as bees, while at the same time, our business depends on the pollination services they provide. To mitigate this impact and safeguard critical ecosystem services, we have committed to **achieving 100% use of pollinator-safe insecticides during the flowering of crops by 2030** (minimization layer). This target not only reduces harm to pollinators but also strengthens the resilience of local ecosystems and ensures the continuity of crop productivity.

Another priority area is soil health, which is a key factor influencing both ecosystem stability and agricultural yields. In this context, we have set the target of **applying biological destructors on at least 50% of our cultivated landbank by 2030** (rehabilitation layer). By doing so, we aim to improve soil quality, enhance biodiversity below ground, and reinforce the positive contribution of our farming practices to ecosystem resilience and agroecological transition.

As of the end of FY2026, 100% of flowering-crop areas were treated with pollinator-safe insecticides, fully meeting that goal, while biological destructors are applied on 42% of the cultivated landbank, demonstrating significant progress towards the target.

Environmental information continued

E5 Circular economy

In this section:

- Waste

E5.IRO-1

Circular economy-related impacts, risks and opportunities

Our circular economy and resource use-related IROs were identified and assessed relying on the standard materiality assessment approach. This involved mapping our operations, evaluating the effects of circular economy practices, and analyzing our waste management processes within business segments. Risks and opportunities were considered through the lens of dependency analysis. The process was guided and supported by our internal subject matter experts within the environmental team. The analysis covers Kernel's

own operations, with a view to potentially extending the scope across the entire value chain. While the perspectives of affected communities were not directly solicited, they were indirectly considered through the review of complaints and feedback received.

For further details on the methodological approach applied under the DMA, see pages 47-49. The table below summarizes the material IROs identified for E5 Circular economy, including their location in the value chain and the timeframe over which associated IROs may materialize.

Environmental Material Impacts, Risks and Opportunities

Environmental material impacts, Risks and Opportunities				Value chain			Time horizon
Sustainability matter	IRO	IRO nature	Description	Upstream	Own operations	Downstream	
E5 Circular economy ¹							
Waste	Negative impact	Actual	Generation of operational waste that requires recycling, treatment, or disposal throughout the Company's activities. ²		•		-

Note 1: Following the FY2026 annual DMA review, the positive impact related to Waste was removed from the IRO Inventory.

Note 2: Description refined in FY2026 to improve clarity and better reflect the Group's current activities and business context.

MDR-P

Policies

Kernel recognizes the importance of sustainable waste management and the need to minimize the environmental impact associated with waste generation. Our *Environmental Protection policy* and *Code of Interaction with Suppliers* establish the foundation for responsible waste management, emphasizing waste reduction, reuse, and continuous improvement across our operations and value chain, and compliance with the 2012 Performance Standards of the International Finance Corporation and Environmental, Health, and Safety Guidelines of the World Bank Group. The *Environmental Protection policy* is aligned with the Law of Ukraine on Waste Management, updated in 2023, which harmonized national legislation with European Union standards and best practices.

Key highlights of the new legislation included:

- **Extended Producer Responsibility (EPR):** Producers are now accountable for the entire lifecycle of their products, particularly the waste they generate. This includes packaging, electrical and electronic equipment, batteries, and other products. Producers must finance the collection, recycling, and disposal of their products' waste.
- **Waste Management Hierarchy:** The law emphasizes a waste management hierarchy that prioritizes waste prevention, followed by preparation for reuse, recycling, other recovery operations (e.g., energy recovery), and disposal as a last resort.

- **Municipal Waste Management:** A municipal household waste management system is established and managed by an Administrator responsible for the effective collection, billing, and handling of claims related to waste services.
- **E-Waste System:** A unified state electronic waste system (e-waste) will be introduced to manage waste data and interactions electronically, enhancing transparency and accountability.
- **Hazardous Waste Management:** Stricter regulations for hazardous waste, including the requirement for permits for collection, transport, and treatment, as well as specific requirements for waste incineration and landfill operations.

We also expect our suppliers to uphold the same standards in their operations as outlined in the *Code of Interaction with Suppliers*. For further details, please refer to [Annex 3 – Key Policies and Procedures](#).

MDR-A

Actions and resources

Minimization of waste, as well as its proper treatment, is one of the key indicators of Kernel's operational efficiency. We aim to implement measures towards the reduction of the overall volume of waste through the modernization of technological processes, including the reuse of waste across divisions, contributing to the long-term sustainability of our business, as well as through the

establishment of controls over waste generation, transportation, and storage.

In FY2026, Kernel continued to enhance its operational practices across the Farming, Infrastructure and Trading, and Oilseed Processing segments, focusing on strengthening resource circularity and minimizing environmental impact through three distinct action streams.

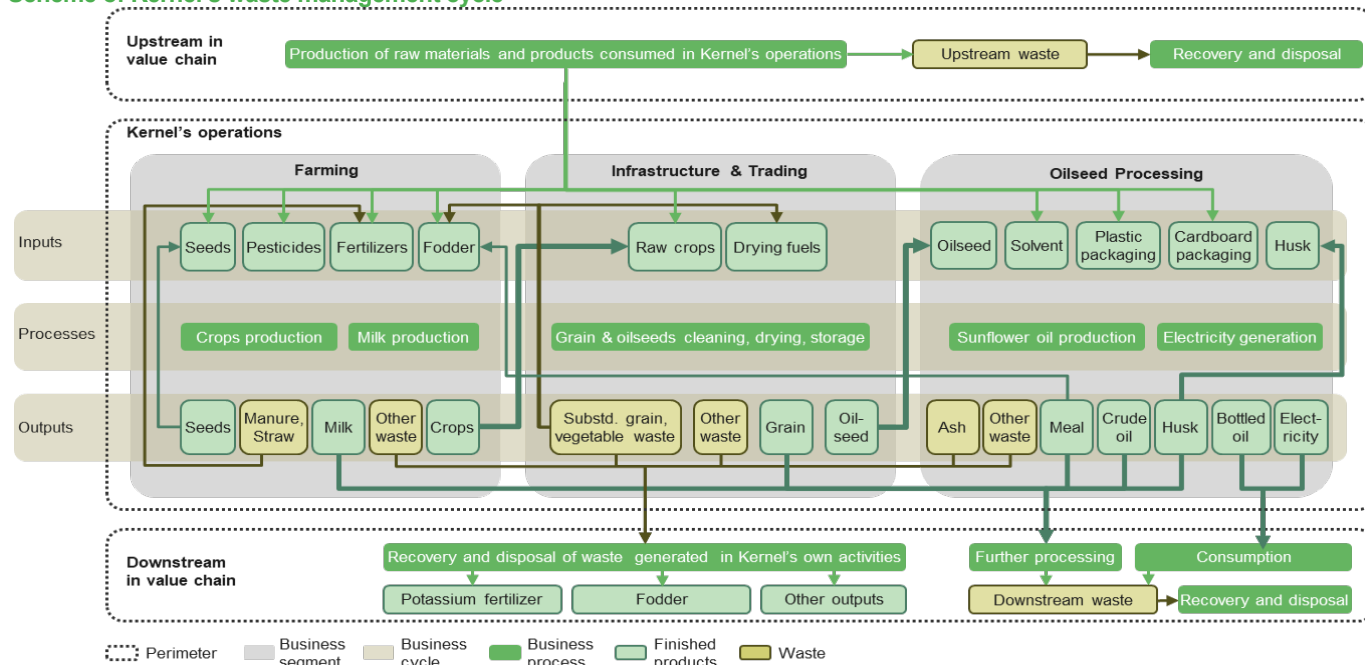
Resource circularity

The actions of this stream focus on turning by-products and residues into valuable inputs across our production chain. Particularly, in the Farming segment:

- **Crop residues** are normally left distributed on the field, incorporated into the soil, or mulched, thereby enhancing soil health by increasing organic matter and returning carbon to the soil. Part of the straw is used for cattle management as bedding. No crop residue is burned on the field, as it is strictly forbidden.
- **Manure**, the primary waste from animal husbandry, is removed from cowsheds via scraper conveyors and transported to embanked storage areas for natural composting. All storage sites are located outside of settlements, in leeward areas, and away from water protection buffer zones to avoid contamination. Manure is mainly applied in fields as organic fertilizer, and part of it is distributed among local communities for gardening purposes – closing the nutrient

Environmental information continued

Scheme of Kernel's waste management cycle



loop. In FY2026, we applied organic fertilizers, namely manure, over an area of 4,259 ha.

In the Infrastructure and Trading segment, generation of waste is associated mainly with the grain purification process and includes:

- **Fraction of substandard grain and crop residue**, separated from main products and sold to third parties. In addition, we use crop residue as a fuel on one of our drying installations for the generation of steam.

In the Oilseed Processing segment, waste is primarily generated during sunflower oil production and electricity generation:

- The primary waste stream from processing is **sunflower husk**, which is used as a biomass fuel in combined heat and power (CHP) plants at all our oil extraction facilities. This enables the generation of electricity for both internal consumption and sale to the national grid, as well as steam required for the production of sunflower oil.
- A further byproduct, **sunflower ash**, results from the combustion process in power generation and is repurposed as a raw material for fertilizer production. Ash is valuable for its chemical composition, namely its high potassium content and lack of hazardous admixture. Applying ash in fields allows us to return a part of the harvested nutrients back to the soil.

Circular Product & Packaging Design

Under this action stream, Kernel focuses on reducing environmental impact through

sustainable packaging solutions and **responsible material choices**, particularly within its Oilseed Processing operations.

In this segment, the main product is crude oil, sold in bulk for further processing by customers, eliminating the need for packaging and minimizing waste generation. The remaining volume of produced oil is refined, bottled, and packed for consumer markets. Thus, packaging waste, primarily **plastic and cardboard**, occurs downstream, at the customer level. To reduce the environmental impact at this stage of the value chain, we are actively working to transition to recycled plastic bottles and tethered caps, while already using cardboard packaging made from 100% recycled materials. These efforts directly support circular economy objectives, aiming to reduce virgin material use, improve recyclability, and minimize packaging-related waste.

Responsible Waste Management & Compliance

In this action stream, Kernel ensures environmentally sound management of non-circular waste streams. In both the Farming segment and cross-segment activities, we follow strict procedures to minimize environmental and health risks associated with waste management:

- **Pesticide packaging** is collected separately, depending on the class of hazard, and transferred to a licensed provider of waste disposal services.
- Additional types of **waste** arise from

operational household activities, such as machinery maintenance, construction and engineering works, and wastewater treatment. These streams are handled following national environmental standards to minimize risks to the environment and human health.

Waste that cannot be reused within the production chain is transferred to licensed disposal or recycling providers, selected from an official list maintained by the Ministry of Economy and Environment of Ukraine. The Ministry ensures compliance through regular verification, and violations can result in license revocation. We expect our contractors to adhere to the same waste management standards, requiring them to control waste generation and prevent mixing different types of waste. Contractors must also provide agreements with licensed disposal and recycling services as proof of compliance.

The Group's efforts reflect a dedicated approach to managing waste efficiently, adhering to regulations, and implementing innovative solutions for waste reduction and circularity.

Environmental information continued

MDR-T; E5-3

Targets

Kernel has established a voluntary target for resource use and the circular economy to enhance the sustainability of our packaging. By 2030, we aim for 20% of bottled oil to be packaged in bottles made from recycled plastic and 20% of bottles to be equipped with tethered caps. This target addresses material impact related to waste generation, particularly associated with plastic use, while promoting circular product design. The initiative contributes to increasing the share of recycled materials in packaging and reducing dependence on virgin plastic. Within the waste hierarchy, this target is classified under Recycling, as it supports the reuse of secondary materials and strengthens circularity in packaging solutions.

As of FY2026, significant progress has been made in implementing packaging containing recycled plastic for bottled oil products. PET bottles with 30% and 50% recycled content have been successfully tested, confirming compliance with product quality and safety requirements. Pilot batches of products packaged in these bottles have been produced, and samples have been provided to key customers for evaluation and approval. The Company is currently working with customers on the commercialization of this solution and expects to receive the first orders for products packaged in bottles containing recycled plastic in the near future.

In parallel, preparations are underway for the introduction of tethered caps in line with the Company's sustainability objectives and upcoming regulatory requirements.

MDR-M

Waste accounting methodology

Waste is classified into two main categories: hazardous and non-hazardous. Hazardous waste primarily includes used oil, rags, filters, batteries, fluorescent lamps, and chemical reagents. Non-hazardous waste covers household waste, seed-cleaning residues, used tires, plastics, paper, and cardboard. Biomass

Taxonomy-eligible share of Kernel's economic activities

USD million	FY2025		FY2026	
	Amount	Share	Amount	Share
Revenue , including	4,115.0	100%	4,404.3	100%
<i>taxonomy-eligible</i>	53.4	1.3%	60.5	1.4%
<i>taxonomy non-eligible</i>	4,061.6	98.7%	4,343.8	98.6%
Capital expenditure¹ , including	68.8	100%	64.6	100%
<i>taxonomy-eligible</i>	2.2	3.2%	0.3	0.5%
<i>taxonomy non-eligible</i>	66.6	96.8%	64.3	99.5%
Operational expenditure , including	4,027.0	100%	4,203.0	100%
<i>taxonomy-eligible</i>	43.9	1.1%	52.0	1.2%
<i>taxonomy non-eligible</i>	3,983.1	98.9%	4,151.0	98.8%

Note 1: Additions in CIP and uninstalled equipment for the respective period (Note 14).

¹ NACE code D35.11 in accordance with the statistical classification of economic activities, established by Regulation EC No 1893/2006

Metrics

E5-5

Waste

Key waste management indicators in FY2026

tons	Hazardous	Non-hazardous	Total
Total waste generated	413.7	12,062.6	12,476.3
Total waste diverted from disposal	358.0	5,517.7	5,876.7
Recycling	358.0	5,517.7	5,876.7
Total waste directed to disposal	-	6,511.0	6,511.0
Landfill	-	6,511.0	6,511.0
Other disposal operations ¹	-	-	-
Total non-recycled waste, tons	-	6,511.0	6,511.0
Total non-recycled waste, %	-	54.0	52.2

Note 1: Transferred for utilization.

Note 2: In FY2026, categories Other disposal operations and Recycling were combined under category Recycling

is accounted for separately as a biofuel.

Waste data is collected across the Company's Processing, Farming, and Infrastructure segments, using primary data sources supplemented by estimates where necessary. Data are provided by accounting specialists, department managers, and technical experts, such as the chief energy engineer, senior foreman, and commercial manager, through corporate programs and information systems.

EU Taxonomy

Kernel reports its contribution to the European Union's environmental objectives of climate change mitigation and adaptation, in line with the guidelines laid down in the EU Taxonomy regulations. In response to these requirements, we have conducted a comprehensive analysis of our economic activities, including the revenue they generate, as well as our capital expenditures (CapEx) and operational expenditures (OpEx). Besides, we identified the share of activities that meet the EU Taxonomy criteria or, in other words, are considered "environmentally sustainable".

The identified taxonomy-eligible economic activity falls under the category "Electricity generation from bioenergy"¹ and refers to the production of electricity from biomass, namely sunflower seed husk, at our cogeneration heat and power (CHP) plants. This "green CapEx"

investment project, launched in 2017 and completed in 2024, resulted in six CHP units with a combined electricity generation capacity of 84.4 MW.

Our taxonomy-eligible activity has the potential to save up to 700 thousand tCO₂e of national emissions every year, contributing significantly to Ukraine's transition to a net-zero emissions economy. As of FY2026, Kernel has been operating six CHPs.

Social information

S1 Own workforce

In this section:

- Working conditions
 - Secure employment
 - Working time
 - Adequate wages
 - Work-life balance
 - Health and safety
- Equal treatment and opportunities for all
 - Training and skills development
 - Employment and inclusion of people with disabilities
 - Diversity

S1.SBM-3

Impacts, risks and opportunities and their interaction with strategy and business model

Kernel's workforce includes its employees, both permanent and temporary, working on a full-time and part-time basis. The main categories of impacts identified include both negative and positive dimensions. On the negative side, impacts relate to diversity imbalance in professional roles, and health and safety concerns arising from accidents, occupational diseases, or mental overload linked to long working hours. These are not systemic or widespread issues but rather potential and context-specific impacts that are being monitored.

On the positive side, the Group's high share of permanent contracts and stable market position contribute to secure and predictable employment, particularly in times of full-scale war. Further, contributions to training and equal access to knowledge-sharing initiatives

enhance workforce resilience and capabilities, while targeted inclusion programs for people with disabilities and veterans promote a more diverse and equitable workplace. Additionally, the Group supports employees' well-being and work-life balance.

The Group also contributes to long-term human capital development by expanding access to education and encouraging young people, including girls, to pursue careers in the agricultural sector. These measures create opportunities for Kernel to access a broader talent pool and improve adaptability in the face of sectoral and economic change.

For further details on the methodological approach applied under the DMA, see pages 47-49. The table below summarizes the material IROs identified for S1 Own workforce, including their location in the value chain and the timeframe over which associated IROs may materialize.

Social Material Impacts, Risks and Opportunities

				Value chain			
				Upstream	Own operations	Downstream	Time horizon
Sustainability matter	IRO	IRO nature	Description				
S1 Own workforce ¹							
Secure employment & Working time & Adequate wages	Positive impact	Actual	Maintaining stable employment and preserving jobs during the war, ensuring continued income and social protection for employees despite significant economic disruption. ²		●		-
Work-life balance	Positive impact	Actual	The Company's measures to support employee well-being and work-life balance contribute to improved psychological resilience, reduced stress, and lower turnover during prolonged wartime. ³		●		-
Health and safety	Negative impact	Potential	Occupational health and safety might be compromised by both physical impacts, i.e., physical injuries or occupational illnesses, and psychosocial risks. ²		●		S
Training and skills development	Positive impact	Actual	Ensuring equal access to training and professional development enhances employees' skills, career development opportunities, and long-term employability. ²		●		-
Employment and inclusion of persons with disabilities	Positive impact	Actual	Providing inclusive employment opportunities for employees with disabilities and tailored reintegration support for veterans and their families. ²		●		-
Diversity	Negative impact	Potential	Diversity imbalance in professional roles may undermine motivation, engagement, and career progression for underrepresented groups.		●		L
	Positive impact	Actual	Supporting long-term human capital development by expanding access to education and encouraging young people, including girls, to pursue careers in the agricultural sector. ⁴		●		-

Note 1: Following the FY2026 annual DMA review, the negative impact related to Secure employment & Working time & Adequate wages, financial risk related to Training and skills development were reassessed and determined to be non-material, while the opportunity related to the Inclusion of persons with disabilities was removed from the IRO Inventory.

Note 2: Description refined in FY2026 to improve clarity and better reflect the Group's current activities and business context.

Note 3: Type of the IRO reassessed from negative to positive in FY2026 to better reflect the Group's current activities and business context.

Note 4: Type of the IRO reassessed from opportunity to positive impact in FY2026 to better reflect the Group's current activities and business context.

MDR-P; S1-1

Policies

Kernel's general approach towards managing human resources is defined by the *Code of Conduct* and is built on four principles, namely (1) involvement as internal entrepreneurship, (2) partnership and unity of goals, (3) mutual respect and trust, and (4) development of

human potential. Our practices are strictly aligned with the Labor Code of Ukraine and other relevant national legislations, as well as the International Labor Organization's (ILO) Fundamental Conventions and OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. In FY2026, the Group updated its *Human Rights and Freedoms*

Policy, further strengthening its approach to respecting internationally recognized human rights across its operations and value chain. Kernel has zero tolerance for any form of forced or compulsory labor or child labor. Kernel has an unwavering commitment to human rights, which is a fundamental principle employed at every corporate level. Kernel

Social information continued

ensures a transparent approach to remuneration and equal payments in line with the *Compensation and Benefits policy*. The principles of ensuring the safety of employees are embodied in the *Security policy and Business Continuity Policy*.

Apart from that, the Group's strategy on the safety of workers has been put into clearer perspective amid the Russian full-scale invasion of Ukraine and ongoing military actions. Indeed, upon the declaration of martial law, Kernel adopted the *Resilience in Times of War policy*, which outlines the principles guiding the Group's adaptation to unique external challenges and disruptions. On the operational level, the Group is guided by the *Occupational Health and Safety policy*, which has also been updated to reflect the emerging needs of wartime, specifically to ensure tailored care for mental health.

Our position on internationally proclaimed human rights is defined in our *Sustainability Development and Corporate Social Responsibility policy* and aligned with the principles of the UN Global Compact, which Kernel signed in 2020. Our approach to safeguarding equal opportunities and maintaining a non-discriminatory working environment is guided by the Luxembourg Law of 23 July 2016 and our Anti-Discrimination and *Diversity, Equality, and Inclusion* (hereinafter – “DE&I”) *policy*. As an adaptation to the new societal circumstances triggered by wartime, Kernel adopted the *Working with Veterans policy*, which guides the integration of demobilized employees in the professional and social environments.

We expect the same level of responsibility regarding relations with employees throughout our supply chain. Our counterparties are obligated to comply with our *Code of Interaction with Suppliers*, which requires them to ensure fair and safe working conditions for their employees and compliance with labor legislation and 2012 Performance Standards of the International Finance Corporation and Environmental, Health and Safety Guidelines of the World Bank Group. These requirements are reflected in the relevant contractual provisions.

See Annex 3 – Key Policies and Procedures for a detailed description of all Kernel policies disclosed.

S1-2

Engagement with employees

Kernel conducts annual feedback sessions in the form of questionnaires at every stage of an employee's life cycle in the Group, namely (1) upon completion of a probation period, (2) every year after performance assessment and

tailored professional training, and (3) exit interviews and feedback when an employee leaves the Group. A separate line of engagement and feedback is available for veterans.

Additionally, every year, we conduct anonymous satisfaction, loyalty, and engagement surveys, which involve all employees. When measuring satisfaction, the survey considers how employees rate compensation, working conditions, team atmosphere, relationships with management, development opportunities, and communication. Engagement is reflected in a willingness to share experiences and take proactive steps. The primary objective of this exercise is to identify negative impacts and gaps in the Group's management approaches and work towards their elimination; to identify positive impacts and strengthen positive performance factors; and to define general ways for the Group to develop as an employer.

In terms of involving employees in the Group's strategic discussions and decision-making processes, Kernel holds annual conferences for every business segment and department. During these conferences, representatives from the Executive Management Team and functional managers collaborate closely to review the previous year's performance, identify key lessons learned, and explore new strategic ideas. The director of each business segment and department is responsible for ensuring that this form of engagement takes place and its results are efficiently integrated into the operational activity.

Furthermore, engagement with employees is a fundamental aspect of the Group's occupational health and safety management (hereinafter – OHSMS) and is actively encouraged through various channels. The “Near Miss”, “Stop Card”, and “Walk The Talk” initiatives provided platforms for employees to report safety concerns, suggest improvements, and participate in safety projects. We employ proactive methods to engage our employees in the development, implementation, and evaluation of the effectiveness of the OHSMS, as well as to communicate information related to occupational health and safety (OHS), namely via corporate surveys, the “Gold Safety Rules” initiative, which recognizes the best set of labor safety requirements, composed by employees themselves; and the “Walk the Talk” project, that allows OHS specialists and managers to explore gaps in OHSMS by interviewing employees and discussing their ideas on improvements. Since 2020, Kernel has been a signatory to the UN Global Compact, declaring its alignment with key internationally recognized principles of protection of human rights of employees, including the Universal

Declaration of Human Rights and the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work.

In FY2026, we rolled out a Behavioral Safety Audits program across Transbulkterminal, Transgrainterminal, the Black Sea Industries OEP, and our grain elevators. The Group also scaled the electronic non-conformity reporting system, which logs safety issues and tracks the progress of corrective actions. We also launched a new chatbot, which allows employees to report non-conformities, suggest improvements, and flag near-miss incidents. The bot allows workers to attach photos and tag the specific asset and location involved, making reports faster, more precise, and easier to act on.

MDR-A; S1-4

Actions and resources Employment safety

Amid the Russian invasion of Ukraine and ongoing military actions, the safety and well-being of Kernel's workforce have been of utmost priority. Kernel ensures that all its offices and production sites have air alert systems and appropriate shelters. Both the workforce and counterparties working on site are obligated to proceed to shelters when air alerts are in effect. The Group ensures that production processes remain uninterrupted through remote management during such times.

In FY2026, Kernel continued providing extensive support to its employees, especially those who are defending the country or who are internally displaced. During FY2026, 109 of our employees were enlisted in the Armed Forces of Ukraine, whereas 84 employees were demobilized. The total monetary support provided to enlisted employees over FY2026 amounted to USD 3,265 thousand. As of 30 June 2026, 985 of our employees are serving in the Armed Forces of Ukraine. Furthermore, in FY2026, Kernel provided USD 288 thousand of financial support to employees and the families of employees who were injured or killed in action.

Remuneration approach and adequate wages

Kernel's remuneration approach is built on three pillars, namely:

1. **Base compensation and benefits.** The basic level of Kernel's remuneration system includes:

- salaries and wage-based bonuses that match or exceed the benchmark of other industries. It also includes additional payments and compensation, depending on working conditions, as well as fixed payments in the event of retirement and financial support in the case

Social information continued

of an employee's difficult personal circumstances. When personnel optimization occurs, resulting in a reduction in the number of employees, the wage fund is not reduced correspondingly but is redistributed among the remaining team members.

- healthcare services, including voluntary medical insurance for full-time employees, life insurance for employees, who cover insurance costs, and OHS insurance.
- rewards for improvements in production, both monetary (such as one-time monetary incentives for operational accomplishments) and non-financial recognitions.
- other benefits include sponsorship of educational opportunities and sports activities, provision of food at workplaces, free transportation to work, etc.

2. Reward for leadership. Each year, employees undergo an assessment of their competencies, both self-assessment and evaluation by a linear manager. Based on the results, employees' base salaries may be reviewed.

3. Incentive system. This system aims to ensure that the career goals of our employees, business targets of business divisions, and long-term strategic goals of the Group are synchronized. Kernel annually establishes financial and operational quantitative and qualitative goals, which are cascaded down to specific KPIs of employees in relevant business segments. Employees can also establish their own KPIs. Annual performance assessment quantifies the achievement of KPIs and automatically impacts the size of the annual performance bonus. The system is fully transparent and prevents any prejudice. We provide employees with all the tools to directly affect KPIs and monitor the KPIs' execution on a close-to-online basis.

Occupational health and safety

Kernel's OHSMS operates in line with national regulations and ISO 45001 standards, and is led by an OHS corporate manager who reports annually to a management committee headed by the Group's CEO. Within the OHSMS, the process of identifying and assessing work-related hazards and safety risks is exercised on a non-routine and annual basis. A non-routine procedure of risk identification takes place for new business operations and assets, and results in a list of hazards and risks. The risk identification on an annual basis is reflected in the responsibilities of managers, OHS professionals, and other employees to update the list of hazards, basing their inputs on results of internal and external labor safety audits, the outcomes of employees'

engagement process, and feedback, conclusions drawn from incident investigations, as well as results of OHS assessments and incorporation of world best practices. OHS assessments include self-assessments and statutory inspections, information on which is consolidated in a special database. Once potential risks and hazards are identified, the OHSMS triggers the procedure of risk management, which is organized in line with the ERIC/PD¹ hierarchy of hazard controls and consists of the following steps, taken in descending priority:

- Fully eliminate a risk or a hazard
- Reduce the potential impact of a risk or a hazard
- Isolate a risk or a hazard from employees
- Control a risk or a hazard by providing employees with personal protective equipment, training, detailed instructions and information, means of first response, as well as lockout/tagout devices.

In the event of work-related incidents, we launch an investigation of each case, using the Ishikawa, or "fishbone diagram" approach that aims: (1) to identify root causes of an incident, (2) to map risks and hazards that materialized, (3) to determine corrective actions in line with the ERIC/PD hierarchy of hazards control, and (4) to integrate lessons learned into required improvements of the OHSMS. This information is diligently recorded in the accident statistics, which also includes data on the frequency of occupational accidents, subsequent lost workdays, and the severity of injuries.

For every work-related accident, we create a special investigation commission that might also include representatives of relevant authorities. As a result of an investigation, the commission issues a report detailing the circumstances of the incident and recommendations to improve the risk management approaches and to prevent the occurrence of such incidents in the future. Such an approach aims to ensure continuous improvement of the OHS practices to achieve the central target of zero work-related injuries and fatalities.

To ensure alignment of our OHS approaches with national legislation and best practices, we conduct annual state inspections (1 in FY2026 with no fines imposed). Additionally, all employees covered by the OHSMS undergo an internal audit every year, and in FY2026, a total of 5,293 employees were audited externally. Furthermore, Kernel allocates significant resources to prevent occupational health and safety violations and incidents through rigorous annual training.

In FY2026, Kernel invested a total of USD 2.4 million in occupational health and safety. These funds were allocated to enhance safety infrastructure, provide training, and improve health services for employees.

Work-life balance

Since the full-scale Russian invasion, Kernel has been implementing the corporate program **"Resilience. Strength Within You,"** aimed at strengthening employees' psychological, physical, and social well-being and reducing the stigma associated with seeking psychological support. The program focuses on four areas: mental health, social relationships, physical well-being, and creativity. Its objective is to strengthen resilience, reduce stress and burnout, and support employee engagement and well-being. During FY2026, the program included webinars and training sessions, psychological consultations, sports events and challenges, creative initiatives such as art therapy and photo contests, as well as a dedicated corporate Telegram channel providing practical well-being content.

The initiative also targets families of employees serving in the army and veterans, 70% of whom reside in small towns and villages. Expected outcomes include a threefold increase in psychological support requests, 50% employee engagement in project activities, a 5% reduction in staff turnover, as well as improved psychological resilience and overall well-being. In FY2026, a total of 6,965 people participated, representing a 16% increase compared to the previous year. Participants benefited from over 33 thousand hours of training.

Training and skills development

Kernel's approach to employee development is underpinned by the Competency Model, which defines eight core competencies aligned with the Group's strategy, priorities, and long-term value creation objectives. Kernel's key professional competencies are the following:

1. Strategic thinking
2. Responsibility
3. Systematic thinking
4. Partnership and collaboration
5. Adaptivity and improvement
6. Customer-oriented approach
7. Team management and leadership
8. Internal entrepreneurship

Employees covered by the Competency Model undertake an annual assessment, after which they create an individual development plan. The individual development plan consists of three parts: (1) hard learning, which provides for the attraction of internal or external experts and the allocation of individual learning budgets; (2) soft learning, which is

¹ Acronym stands for Eliminate, Reduce, Isolate, Control, Personal Protective Equipment, Discipline.

Social information continued

realized through Kernel's Institute of Internal Coaches; and (3) distance learning, which employees can access through an online educational platform, Kernel Hub, which provides more than 1 thousand e-books, 155 e-courses, and 200 training videos and additional training materials. Together, these learning activities form the corporate minimum package, which includes one professional course and at least three general development courses. In FY2026, the Company ensured an opportunity for every employee to choose any competency set for additional self-directed learning, called 'Free Classes'. The competency model applies to both managers and specialists, ensuring that all employees receive professional education tailored to their development plans and job descriptions, which outline standard skill requirements for each position.

In FY2026, Kernel launched the Management School at the corporate level. The goal of the project is to develop management skills among young leaders - whether they are specialists or new hires. From now on, a list of young managers at Kernel is reviewed every quarter, and they are enrolled in the ongoing Managerial Skills School development program. The program lasts six months and consists of three stages: (1) a distance learning program, (2) in-person training with an external trainer, and (3) case clubs - solving case studies after the training sessions.

Gender equality, human rights, inclusion and diversity

In line with DE&I policy, Kernel aspires to reach at least 30% representation of each gender within the Group's corporate bodies, namely the Board of Directors and the Executive Management Team. We have designated individuals and teams responsible for implementing the DE&I Policy at every corporate level, ensuring the adoption of diversity, equality, and inclusion principles in all business activities of Kernel. At the Board of Directors' level, matters related to the integration of diversity principles are overseen by the Nomination and Remuneration Committee, whereas the Chief Executive Officer is responsible for the implementation of the DE&I Policy throughout the Group.

Kernel's veteran support program seeks to help demobilized employees in their self-realization and smooth integration into business processes. It consists of three key components, namely: (1) physical recovery, including compensation of costs of medical treatment and prosthetics; (2) mental recovery involving tailored work with professional psychologists; (3) integration into the workplace, which also implies specific training on communication

skills and ethics for other employees. The latter might also include alterations of a workplace or machinery to accommodate a person's prosthetics. Upon return to work, veterans may also change their previous professional qualifications with special support from the HR department. The program includes a mandatory protocol for managers who supervise veterans, requiring regular face-to-face meetings to review professional performance, KPIs, personal needs, and, most importantly, to provide care and mental health support. Managers are responsible for monitoring the well-being of veterans and offering timely assistance. Additionally, Kernel facilitates and supports gatherings for the corporate veteran community, including a dedicated networking channel for veterans on Telegram and occasional offline events.

In FY2026, the Company expanded the program to include opportunities for veterans themselves to play a key role in a comprehensive model of professional integration. The following new initiatives were introduced: 1) veteran instructor in tactical medicine; 2) veteran mentor for other returning veterans or those joining the company; and 3) utilizing military experience in professional development, which aims to leverage military experience as valuable human capital, foster internal veteran leadership, and establish mechanisms for mutual support among veterans. This approach not only facilitates the successful reintegration of employees but also strengthens organizational resilience and fosters a culture of inclusive leadership.

Corporate volunteering

Since 2024, Kernel has been implementing the nationwide *Corporate Volunteer* project, aimed at supporting wounded servicemen, including the company's mobilized employees, soldiers from the brigades under the company's patronage, and defenders released from captivity. The project's goal is to provide emotional support to military personnel during their rehabilitation, by spending quality time with them, foster a culture of volunteerism among employees, and help prepare society for the future reintegration of veterans. As part of the initiative, volunteers visit wounded soldiers in medical facilities across Ukraine, delivering "Recovery Packages" containing essential items, letters of support, and children's drawings. During FY2026, more than 100 corporate volunteers - employees who underwent specialized training with military psychologists - joined the project. The volunteer team visited more than 1,250 wounded servicemen. *Corporate Volunteer* demonstrates the Group's systematic approach to social responsibility and supports the UN Sustainable Development Goals, particularly in the areas of health

and well-being, decent work, and sustainable institutions. In FY2026, it received the silver award at the CSR Award 2026.

MDR-T; S1-5

Targets

Kernel has set workforce targets to track the effectiveness of our actions and address material sustainability matters. In FY2026, the company reviewed its commitment in the area of diversity and inclusion, particularly to **increase women's representation in traditionally male-dominated positions** and increased the target metric from **15% to 17% by 2030**. The reason behind this revision is that the Company extended the list of positions classified as male-dominated.

In parallel, we recognize the strategic importance of talent development for the Group. To this end, **by 2030, we aim to ensure that at least 10% of open vacancies are filled by graduates of our Internship and First Job programs**. This target enhances our ability to retain institutional knowledge, develop internal experts, and support the career progression of young professionals entering the workforce. We also strive for the **continuous development of career opportunities and an inclusive working environment for women, youth, veterans, and people with disabilities**.

As of the end of FY2026, 15% of traditionally male-dominated positions were occupied by women. The Company also made progress with regard to its target to increase talent development, with 6.9% of positions represented by alumni of Kernel's Internship and First Job programs. It also includes employees who developed required skills and expertise after they were hired and trained for their specific role.

Social information continued

Metrics

S1-6

Characteristics of employees

Key human resources indicators

(as of 30 June)

	FY2024	FY2025	FY2026
Total number of employees	10,904	10,760	14,484
<i>including by geography:</i>			
Ukraine	10,851	10,703	14,424
Other countries	53	57	60
<i>including by level:</i>			
Managers	879	889	939
Specialists	3,157	3,229	6,048
Workers	6,868	6,642	7,497
<i>including by business segment:</i>			
Oilseed Processing	2,479	2,193	2,587
Infrastructure and Trading	2,894	3,056	3,410
Farming	4,527	4,451	7,249
Head office and other	1,004	1,060	1,238
<i>including by age</i>			
less than 30 years old	1,548	1,507	1,763
up to 50 years old	6,110	5,969	8,145
more than 50 years old	3,246	3,284	4,576
<i>including by employment contract, by region:</i>			
Permanent	10,259	10,090	13,381
Ukraine	10,206	10,033	13,321
Other countries	53	57	60
Seasonal and temporary (only Ukraine)	645	670	1,103
<i>including by employment contract, by gender:</i>			
Permanent	10,259	10,090	13,381
Male	7,469	7,382	10,488
Female	2,790	2,708	2,893
Seasonal and Temporary	645	670	1,103
Male	580	586	996
Female	65	84	107
<i>including by employment type, by gender:</i>			
Full-time	10,067	10,172	12,923
Male	7,418	7,509	10,060
Female	2,649	2,663	2,863
Part-time	837	588	1,561
Male	631	459	1,424
Female	206	129	137

Key employment indicators

(as of 30 June)

	FY2024	FY2025	FY2026
Total number of new hires	2,464	2,293	5,066
<i>by geography</i>			
Ukraine	2,456	2,282	5,056
Other countries	6	11	10
<i>by gender</i>			
Male	1,745	1,640	4,329
Female	717	653	737
<i>by age</i>			
less than 30 years old	735	726	849
up to 50 years old	1,320	1,053	2,793
more than 50 years old	407	514	1,424
Total number of employees who have left	1,491	2,493	1,779
<i>by gender</i>			
Male	1,073	1,773	1,232
Female	418	720	547
<i>by age</i>			
less than 30 years old	320	535	507
up to 50 years old	411	824	529
more than 50 years old	760	1,134	743
Total number of employees who left Kernel due to retirement	83	77	99

Social information continued

Metrics

S1-9

Diversity

Kernel's top management is the Executive Management Team, as defined by the Corporate Governance Charter. The Team consists of 14 directors of the Group's business segments and departments, headed by the CEO. They are responsible for Kernel's overall operational and financial performance. More information on the Executive Management Team, as well as data on the composition and diversity of the Board of Directors, is provided in the [Corporate Governance](#) section.

S1-10

Remuneration and adequate wages

In FY2026, Kernel's total payroll and payroll-related costs accounted for a total of USD 272 million; 375 employees were receiving minimum wage (273 FTE basis).

Employees working with a full-time workload (coefficient = 1.0) are classified as full-time. Those with a workload below 1.0 are categorized as part-time.

S1-12

People with disabilities

In FY2026, the share of socially vulnerable employees was 21% out of the total number of employees, and 11% of all employees were individuals with disabilities.

S1-13

Training and skills development

During FY2026, a total of 3,742 employees evaluated their competencies and created individual development plans. Throughout the year, 8,850 employees benefited from Kernel's educational programs, spending 192,883 hours of training (an average of 19.6 hours per employee), 45% of which were dedicated to improving hard skills and 55% to improving soft skills. Furthermore, 10,420 employees engaged in at least one course on Kernel Hub, our online educational platform.

S1-14

Health and safety

Key occupational health and safety indicators¹

(as of 30 June)

	FY2024	FY2025	FY2026
Recordable work-related injuries	14	16	16
Oilseed Processing	3	4	7
Infrastructure and Trading	5	12	9
Farming	6	-	-
High-consequence work-related injuries (ex. Fatalities)	5	3	5
Oilseed Processing	1	2	2
Infrastructure and Trading	1	1	3
Farming	3	-	-
Fatalities resulted from work-related injuries	1	-	1
Oilseed Processing	-	-	-
Infrastructure and Trading	1	-	1
Farming	-	-	-
Rate of recordable work-related injuries (LTIFR)	0.76	0.85	0.85
Rate of fatalities as a result of work-related injury	0.05	-	0.05
Rate of high-consequence work-related injuries (excluding fatalities)	0.27	0.16	0.26

Key diversity and equality indicators

(as of 30 June)

	FY2024	FY2025	FY2026
Executive Management Team distribution, %			
<i>by gender</i>			
Male	80%	80%	80%
Female	20%	20%	20%
<i>by age</i>			
30-50 years old	87%	80%	71%
more than 50 years old	13%	20%	29%
Employees distribution, %			
<i>by gender</i>			
Male	74%	74%	79%
Female	26%	26%	21%
<i>by age</i>			
less than 30 years old	14%	14%	12%
up to 50 years old	56%	55%	56%
more than 50 years old	30%	31%	32%

Key training and education indicators

(as of 30 June)

	FY2024	FY2025	FY2026
Average hours of training per employee	27.2	26.5	19.6
<i>by gender:</i>			
Average hours of training per male	28.3	25.5	17.9
Average hours of training per female	27.8	25.2	22.3
<i>by employee category:</i>			
Average hours of training per manager	34.8	33.1	23.7
Average hours of training per specialist	34.0	31.9	21.4
Average hours of training per worker	19.3	16.5	10.30
Total number of training hours	200,188	216,517	192,883
<i>including by skill sets</i>			
Hard skills	128,298	90,445	85,853
Soft skills	71,890	126,072	107,020
<i>including by learning formats</i>			
Full-time training	60,120	35,529	94,054
Distance Learning	140,067	180,988	98,829
<i>including by frequency</i>			
Annual/regular training	41,508	18,986	25,972
One-time training	151,732	186,585	145,798
Modular development programs	6,948	10,946	21,113

Key employees' career development indicators

(as of 30 June)

	FY2024	FY2025	FY2026
Total number of employees, receiving regular performance and career development reviews	1,676	1,894	1,837
<i>including by gender</i>			
Male	1,270	1,466	1,382
Female	406	428	455
<i>including by employee category</i>			
Managers	756	659	608
Specialists	920	1,235	1,229

Social information continued

S1-15

Work-life balance

Parental leave indicators

	FY2024		FY2025		FY2026	
	Male	Female	Male	Female	Male	Female
Employees who were entitled to parental leave	223	60	179	37	127	33
Employees who took parental leave	0	40	0	76	0	53
Employees who returned to work in the reporting period after parental leave ended	1	68	0	78	0	62
Employees due to return to work after taking parental leave	0	135	0	133	0	112
Employees who were still employed 12 months after their return to work	0	25	0	29	0	28

S1-17

Incidents and complaints

There were no instances of discrimination and severe human rights incidents connected to our own workforce that occurred over FY2026.

All submissions to Kernel's grievance mechanism are recorded in the Unified Register of Reports and are processed per the *Procedure for Receiving and Reviewing Information Received via Hotline Channels*. More information about the process of compiling data on work-related grievances, incidents, and complaints related to social and human rights matters is provided in the "Grievance mechanism" sub-section (see page 85). In FY2026, a total of 24 enquiries from employees were received.

MDR-M

Own workforce accounting methodology

To ensure accurate and consistent reporting of the Group's workforce data, the following methodology is applied annually to calculate the number of active employees as of June 30:

1. Employee data is extracted from the official HR management system using the report titled "Employee List of the Organization", with the reporting date set to June 30.
2. The primary filter applied is "Main Place of Work" under the Employment Type category. This ensures that only individuals employed at their primary place of work are included in the dataset. Employees engaged under internal part-time or additional employment contracts are excluded to prevent double-counting.
3. Only employees who are officially part of the Group as of June 30 are included in the report. Any individuals who, for technical or transitional reasons, remain in the system but are no longer affiliated with the Group are manually excluded from the dataset.
4. The dataset is classified by the following categories:
 - Business division
 - Employment type (full-time/part-time)
 - Job level
 - Geography and region
 - Gender
 - Age group
 - Employment contract type
5. Additional validation is conducted for employees working in other countries to ensure accurate geographic classification and avoid data inconsistencies.

Kernel's specific metrics

Occupational health and safety training in FY2026

OHS trainings, <i>participants</i>	548
OHS trainings, <i>hours</i>	11,551
Participants in electronic OHS training	3,143
Number of emergency response drills	912
Employees involved in emergency response drills	2,451

6. The dataset is reviewed for potential outliers or anomalies, which may arise due to system errors or data entry issues. Such entries are investigated and corrected or removed as necessary.
7. Final calculations and aggregations are performed using pivot tables in Microsoft Excel. This approach enables the generation of structured breakdowns across the required reporting dimensions.

Social information continued

S3 Affected communities

In this section:

- Community and rural development
- Land-related impacts

S3.SBM-3

Impacts, risks and opportunities and their interaction with strategy and business model

This section covers communities with whom Kernel has a direct relationship through its own operations. Therefore, communities living or working around Kernel's farming operations, grain storage facilities, oilseed processing sites, and export terminals are subject to potential or actual material impacts. Thus, communities affected by Kernel's upstream segment are excluded from this section.

Across the regions where we operate, four principal areas of positive impact that contribute to resilience and long-term community and rural development have been identified. The first area focuses on helping communities to become resilient, capable of attracting external resources and independently addressing local challenges through training, knowledge sharing, and co-financing mechanisms. The second area relates to strengthening community energy resilience through renewable energy projects and capacity building in energy management. The third area focuses on supporting the physical, psychological, and social recovery of veterans, service members, their families, and war-affected communities through rehabilitation and mental health programs.

Lastly, Kernel supports the resilience and competitiveness of small and medium-sized agricultural producers through the Open Agri Club project. This contributes to the long-term development of Ukraine's agricultural sector, supporting the business environment in which Kernel operates.

Alongside positive impacts, a reputational risk associated with land use has been identified. Actual or perceived land-related disputes may undermine stakeholder trust, negatively affect Kernel's reputation, and weaken relationships with local communities. Maintaining transparent communication and responsible land-use practices is therefore important to preserving strong community relations and the Company's social license to operate.

The identified IROs affect different groups within affected communities, including residents, local authorities, veterans, war-affected populations, landowners, and small and medium-sized agricultural producers.

For further details on the methodological approach applied under the DMA, see pages 47-49. The table below summarizes the material IROs identified for S3 Affected communities, including their location in the value chain and the timeframe over which associated IROs may materialize.

Social Material Impacts, Risks and Opportunities

Social material impacts, Risks and Opportunities				Value chain			Time horizon
				Upstream	Own operations	Downstream	
Sustainability matter	IRO	IRO nature	Description				
S3 Affected communities ¹							
Community and rural development ²	Positive impact	Actual	Improving access to sustainable and reliable energy for essential community infrastructure by enabling local communities to develop and implement renewable energy projects.		●		-
	Positive impact	Actual	Strengthening the capacity of local communities to independently identify, develop, finance and implement initiatives that address their social, economic and infrastructure needs.		●		-
	Positive impact	Actual	Supporting the physical, psychological, and social recovery of veterans, service members, their families, and war-affected communities through rehabilitation, mental health, and community support.		●		-
	Positive impact	Actual	Strengthening the capacity and competitiveness of small and medium agricultural producers by improving access to knowledge, financing opportunities and agricultural inputs through OpenAgriClub	●			-
Land-related impacts	Risk	Reputational	Community conflicts related to land use may damage the Company's reputation and weaken relationships with local stakeholders. ³		●		M

Note 1: Following the FY2026 annual DMA review, the positive impacts related to Adequate food and Water and sanitation were reassessed and determined to be non-material.

Note 2: Following the FY2026 annual DMA review, new IROs were identified and incorporated under the newly introduced entity-specific subtopic Community and rural development, to better reflect the scope of the Group's Corporate Social Responsibility (CSR) activities and their impacts on affected communities.

Note 3: Type of the IRO reassessed from opportunity to risk in FY2026 to better reflect the Group's business context.

MDR-P; S3-1

Policies

At Kernel, we strive to be a responsible neighbor and reputable partner to local communities and support the Ukrainian society overall. These priorities are reflected in our *Social*

Impact and Community Engagement policy and Sustainable Development and CSR policy. The Group acknowledges the impact of its operations on the communities we engage with and is committed to upholding human rights according to the *Human Rights policy* in

line with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. We strive to foster understanding of the cultures, traditions, and values of the local communities in which we operate. To this end, we promote

Social information continued

inclusive and open dialogue, ensuring that underrepresented and vulnerable groups are heard and actively involved. Where human rights impacts occur, we are committed to enabling access to effective remedies, while maintaining processes to monitor compliance and address material issues transparently.

See [Annex 3 – Key Policies and Procedures](#) for a detailed description of all Kernel policies.

S3-2

Engagement with affected communities

The Group's approach towards effective interaction with different groups of stakeholders is guided by the *Stakeholder Engagement policy* specified on pages 46-47, which includes a plan of our interactions with key stakeholders like local communities.

The Group systematically engages with communities to identify, minimize, or prevent potential impacts of its activities on human rights, well-being, and sustainable local development. Kernel's community engagement process follows a structured cycle of stakeholder mapping, consultation, feedback integration, and monitoring.

Engagement is conducted both directly and through legitimate representatives or trusted intermediaries - such as community leaders, local NGOs, opinion leaders, and social infrastructure workers, who have a deep understanding of the local context, needs, and challenges. We ensure that community perspectives are embedded at all key stages of initiative development:

- **Before project launch** - Conduct consultations, joint planning sessions, round tables, public discussions, and focus groups to gather community opinions, concerns, and needs.
- **During project implementation** - Collect and integrate regular feedback to adapt approaches and actively involve communities in project monitoring.
- **After project completion** - Carry out impact assessments and community satisfaction surveys to evaluate results and inform future initiatives.

The frequency of interaction is proportionate to the scale of the initiative, namely, large social projects require monthly engagement, while smaller ones, as needed, but at least once a year. The CSR Department is responsible for stakeholder identification and engagement, while the Head of CSR Service holds operational accountability for these processes.

The Group also recognizes the importance of considering the interests of vulnerable and marginalized groups in its social engagement processes. The priority groups include women and girls, internally displaced people, people with disabilities, the elderly, low-income households, youth, and veterans. The Group's engagement measures are tailored to the specific needs of vulnerable and marginalized groups, ensuring accessible formats, gender-sensitive approaches, trusted intermediaries, and confidentiality safeguards. This approach removes participation barriers and enables these groups to contribute actively to decision-making and benefit from social initiatives. Kernel regularly evaluates the effectiveness of its

engagement with communities through annual surveys on communication quality and the impact of implemented initiatives, analysis of complaints and requests, and social impact assessments.

S3-3

Processes to remediate negative impacts

Kernel is committed to preventing, mitigating, and remediating any negative impacts arising from its activities. This includes expert assessments of social, environmental, and infrastructure factors, followed by corrective measures (financial compensation, adjustments in operating practices, etc.). Where specific issues arise, e.g., road damage, the Group develops and executes targeted recovery plans. These measures are designed not only to resolve immediate problems but also to prevent their recurrence and strengthen long-term community trust. To ensure affected communities can express concerns, submit proposals, or communicate their needs, the Group maintains an accessible, transparent, and effective grievance mechanism. More information on the procedure is provided in the "Grievance mechanism" subsection (see page 85).

MDR-A; S3-4

Actions and resources Community initiatives

In alignment with Kernel's social impact strategy, the Group implements a broad range of social initiatives that support:

- Community healthcare
- Education
- Culture and sports
- Military support and rehabilitation for

Key community initiatives

My community: Together with Kernel	Goal Foster community development by equipping participants with practical crowdfunding skills and by supporting the creation and implementation of local initiatives that promote sustainable growth.
	Actions - Training and mentoring support, during which participants gained knowledge in project planning, crowdfunding, communications, and partnership building. - Co-funding of social projects based on the results of the training and the presentation of participants' initiatives.
	Goal Provide training for representatives of local self-government, civil society organizations, and community initiative groups on key aspects of territorial development.
Empowered: A Platform for Community	Actions Creation of online courses combining theory and practical tools to help participants effectively mobilize resources, manage local finances, build partnerships, and implement socially significant projects.
	Goal Bring together communities, educators, executives, businesses, researchers, and international partners to support youth development and provide knowledge and skills for the successful implementation of educational initiatives.
MSAgency Club	Actions Holding meetings with educators, representatives of communities and businesses, executives, and researchers.

Social information **continued**

Rehabilitation for Service Members and Their Families	Goal Support the physical and psychological recovery of service members returning from combat, veterans, and their families by providing access to rehabilitation services that improve well-being, facilitate social inclusion, and enable successful economic reintegration. Initiative SROI ratio - 7.4:1. Every USD 1 invested in the rehabilitation program generated approximately USD 7.4 of social value for beneficiaries through increased employability/productivity, reduced transportation and healthcare costs, lower caregiving burden for families, and improvements in quality of life and well-being. Actions Provision of medical procedures, psychological support, and spaces for physical activity and mental recovery in a safe, natural environment.
Rehabilitation and Psychological support for Veterans, Female veterans, their Families, and Civilians at the Community Level	Goal Integrate rehabilitation spaces into the local healthcare system to enhance secondary, long-term rehabilitation during the post-acute recovery phase. Actions Installation of mobile rehabilitation units and medical equipment.
“Worth Acting” Grant Program	Goal Implement targeted projects to support war veterans, the families of deceased veterans, and the families of fallen Defenders of Ukraine. Actions Grant support for the implementation of veterans' business initiatives in partnership with the Ukrainian Veterans Foundation and the Ministry of Veterans Affairs of Ukraine
Children of the Unbreakable	Goal Provide holistic care and support for children of fallen, missing, or captive Defenders of Ukraine, ensuring their well-being and prospects. Actions - Organization of a summer camp for children. - Excursions, cinema visits, and trips to entertainment centers. - Holiday events to mark International Children's Day. - Weekend family tours. - Birthday gifts. - Educational and medical support. - Purchase of gift certificates for children's clothing, footwear, and school supplies. - Sanatorium rehabilitation provided to children together with their mothers.
«Solar Energy for Communities»	Goal Equipping communities with the knowledge and skills to effectively manage energy resources, prepare investment projects, and implement energy-efficient solutions in social infrastructure facilities, including schools, hospitals, administrative buildings, and other public facilities. Actions - training component (a training course for community representatives “Energy Sustainability and Independence of Communities,” preparation of technical specifications for future projects, and designing of community energy plans) - donor engagement (identifying and engaging donors and financial institutions to collaborate on funding energy-efficient community projects) - installation of solar panels on social infrastructure facilities
“Equal-to-Equal: Experiencing Loss Together”	Goal Supporting people coping with loss related to the war. Actions Providing certified training for specialists working in veteran spaces and Resilience Centers across Ukraine.
veterans • Infrastructure improvements • Community economic growth • Community capacity building • Barrier-free accessibility • Energy independence and energy efficiency	These initiatives aim to prevent social isolation and discrimination while improving the quality of life, particularly for vulnerable groups. In shaping its initiatives, the Group strives to balance business objectives with community needs by applying inclusive project selection processes, co-financing mechanisms, and actively engaging the community. This approach not only generates positive outcomes for communities but also helps prevent and mitigate potential negative impacts. Effectiveness of initiatives is evaluated using both quantitative and qualitative indicators for specific projects. We take preventive measures to avoid and mitigate potential

Social information continued

negative impacts on communities. Operational activities are planned with careful attention to stakeholder needs, supported by ongoing communication through established channels. For example, in transporting raw materials and goods via local roads, routes are selected to avoid disrupting local traffic. The Group monitors vehicle movement, load levels, and transport methods to reduce disturbance and funds annual improvements to local road conditions. All processes comply with Ukrainian laws and standards, limiting impacts on the environment, public health, and infrastructure. Sanitary zones are established around facilities with ongoing monitoring of pollution, noise, and other factors. These measures help prevent conflicts from having significant negative impacts of operations or decisions. No severe human rights issues or incidents with affected communities were reported in FY2026. The Group reduces community-related risks by investing in social development and maintaining ongoing communication and engagement. Guided by integrity-based stakeholder relations, Kernel strengthens social legitimacy, expands its community presence and relationships, and builds partnerships with local self-government bodies.

Open Agri Club

Open Agri Club is a collaborative platform that connects Kernel's expertise with small and medium-sized agricultural producers in Ukraine, launched in 2025. Through this collaboration, agricultural producers gain access to agronomic and business advisory services, knowledge exchange, innovative technologies, digital farming solutions, financing opportunities, and preferential access to agricultural inputs. Across the agricultural value chain, this collaboration aims to strengthen small and medium producers' productivity, resilience, and competitiveness, promote the adoption of sustainable farming practices, and contribute to the long-term development of a more inclusive and resilient agricultural sector.

As of FY2026, the Open Agri Club engages 524 partners that collectively cultivate 207 thousand hectares of agricultural land.

Metrics

Kernel's specific metrics

During FY2026, we continued implementing social initiatives aimed at strengthening community resilience and introduced three new programs. The initiatives expanded their geographical reach and increased the number of beneficiaries, supporting progress towards the Company's 2030 target.

MDR-M

Kernel's specific metrics

Key social indicators

	Metric	FY2025	FY2026
Community Capacity Building			
My community: Together with Kernel	Geographical coverage	5 communities	190 communities
	Direct beneficiaries	70	66
	Projects co-funded	33	34
Empowered: A Platform for Community	Geographical covered	456 communities	448 communities
	Direct beneficiaries	960	>1000
Energy Resilience			
«Solar Energy for Communities»	Geographical coverage	-	11 communities
	Direct beneficiaries	-	30
	Facilities equipped with solar PV	-	6
Support for Veterans, Their Families and Communities			
Rehabilitation for Service Members and Their Families	Geographical coverage	Nationwide	Nationwide
	Direct beneficiaries	109	287
Rehabilitation and Psychological Support at the Community Level	Geographical coverage	4 communities	5 communities
	Direct beneficiaries	617	2,264
"Worth Acting" Grant Program	Geographical coverage	Nationwide	Nationwide
	Veteran projects supported	130	320
Children of the Unbreakable	Geographical coverage	190 communities	190 communities
	Direct beneficiaries	135	220
"Equal-to-Equal: Experiencing Loss Together"	Geographical coverage	-	17 regions
	Direct beneficiaries	-	25
Youth Development			
MSAgency Club	Geographical coverage	-	8 communities
	Direct beneficiaries	-	70
	Educational initiatives implemented	-	9

Social indicators accounting methodology

To monitor the effectiveness of community social initiatives, the Company uses a set of company-specific social indicators that measure:

- **Geographical coverage** reflects the territorial scope of each initiative and is reported as the number of communities, regions, or nationwide coverage, depending on the initiative's scope.
- **Direct beneficiaries** include individuals who directly participated in or benefited from the initiative, such as community representatives, local government officials, veterans, family members, children, educators, and other target groups.

The indicators are reported annually, enabling consistent monitoring of initiative progress over time while recognizing that the portfolio of social initiatives may evolve to address changing community needs and priorities.

MDR-T; S3-5

Targets

Kernel has set a target to strengthen its contribution to local community well-being by

enhancing access to and participation in social programs. **By 2030, the Group aims to increase beneficiary participation in its community initiatives by 10% across all regions of operation.** The baseline for this target is FY2026.

This target reflects our commitment to fostering inclusive and resilient communities, ensuring that social benefits reach a broader share of stakeholders, including underrepresented and vulnerable groups. As of the end of FY2026, the total number of beneficiaries¹ of Kernel's social projects accounted for 723,839 village and community residents across all areas of our presence.

¹ The metric "Direct beneficiaries" presented in the *Key social indicators* table are not additive, as the Group-level ESG goal includes beneficiaries of all community programs, including initiatives not described in this section.

Social information continued

S4 Consumers and end-users

In this section:

- Access to (quality) information
- Health and safety of consumers and/or end-users
- Responsible marketing practices

S4.SBM-3

Impacts, risks and opportunities and their interaction with strategy and business model

In identifying IROs related to consumers and end-users, Kernel considered both B2B customers and individual consumers who purchase our products and may be materially affected by our operations.

The identified IROs reflect Kernel's focus on delivering safe, high-quality and responsibly produced food products while responding to customer expectations and regulatory requirements. Positive impacts relate to consumer health and safety and responsible marketing practices. Through internationally recognized certification schemes, rigorous food safety management and continuous monitoring, we ensure that our products meet high safety and quality standards. In addition, transparent environmental information and communication

on sustainable production practices support informed purchasing decisions and encourage more responsible consumer behavior. An opportunity was identified in relation to increasing demand for reliable sustainability information and product traceability. By complying with environmental regulations, including the EU Deforestation Regulation (EUDR), and providing verified sustainability information, Kernel can strengthen customer confidence, improve market access, and create additional business opportunities in markets where sustainability performance is an increasingly important purchasing criterion.

For further details on the methodological approach applied under the DMA, see pages 47-49. The table below summarizes the material IROs identified for S4 Consumers and end-users, including their location in the value chain and the timeframe over which associated IROs may materialize.

Social Material Impacts, Risks and Opportunities

				Value chain			
				Upstream	Own operations	Downstream	Time horizon
Sustainability matter	IRO	IRO nature	Description				
S4 Consumers and end-users							
Access to (quality) information	Opportunity	Financial	Compliance with environmental regulations (e.g., the EU Deforestation Regulation) may strengthen market access and create additional business opportunities. ¹		•	•	M
Health and safety	Positive impact	Actual	Adherence to rigorous certification standards and proactive management of the health and safety impacts ensures the high quality of the consumed products. ²			•	-
Responsible marketing practices	Positive impact	Actual	Supporting responsible consumer behavior by providing transparent environmental information and educational content on sustainable production. ³			•	-

Note 1: Type of the IRO reassessed from risk to opportunity with value chain stage update in FY2026 to better reflect the Group's business context.

Note 2: Description refined and value chain stage updated in FY2026 to improve clarity and better reflect the Group's current activities and business context.

Note 3: The nature of the IRO was reassessed as actual and material following further developments of low carbon projects.

MDR-P; S4-1

Policies

For Kernel, as a leading producer of grain in Ukraine and sunflower oil globally, the quality of its products and the health of its consumers are the highest priorities. Our management approach towards ensuring the highest quality of our goods is embedded in the *Safety and Quality Management policy*. The policy aims to establish a unified system for managing product quality and safety issues, creating conditions for their continuous development in line with international standards (ISO, GMP+, ISCC, IFS, BSCI, etc.) and the Sustainable Development Goals. At the center of our approach is the preventive food management system, which seeks to mitigate potential risks of biological, chemical, and physical hazards before they become material.

The *Business Continuity policy* establishes a

system for providing the Company's clients, shareholders, investors, partners, and counterparties with reasonable assurances of the Company's ability to ensure the continuous operation and recovery of its processes in the event of a business continuity disruption, including during military operations on the territory of Ukraine.

See [Annex 3 – Key Policies and Procedures](#) for a detailed description of all Kernel policies.

S4-2

Engagement with consumers

Kernel exercises four main channels of engagement with consumers, namely:

1. Research of consumers' preferences and awareness about the Group's activities, conducted by specialized agencies before and after launching new products or introducing any changes.

2. Interaction via Kernel's official social media, where consumers ask questions and express their concerns. All feedback received is analyzed and addressed.
3. B2B engagement through sales representatives, who gather and process feedback on operational aspects.
4. Grievance mechanism, accessible to all stakeholders (see more information on page 85). The Group responds to every inquiry, and in cases related to product quality, provides full documentation and, when needed, conducts additional laboratory tests to confirm compliance with the highest standards.

MDR-A; S4-4

Actions and resources

We adhere to the highest standard of quality in both the final goods and production processes throughout the whole value chain. Our

Social information continued

oil-extraction plants are certified with ISO 9001 “Quality management system” and ISO 22000 “Food safety management” standards, which integrate the principles of the Hazard Analysis and Critical Control Point (HACCP) system and application of procedures developed by the Codex Alimentarius Commission.

Ensuring the quality of crop production and storage

Within the whole landbank of Kernel, 505 thousand hectares (9 Farming enterprises) are certified with ISCC EU requirements, which ensures that crop production is performed in environmentally and socially sound ways. Under this certification, produced crops are considered compliant with biofuel supply chain sustainability requirements outlined in the EU RED II. At all our grain silos we build our food safety management system on the **HACCP principles** (Hazard Analysis Critical Control Point), namely: (1) conduct a hazard analysis, (2) determine critical control points (CCPs), (3) establish critical limits, (4) establish monitoring procedures, (5) establish corrective actions, (6) establish verification procedures, and (7) establish record-keeping and documentation procedures. The implementation of these principles aims to prevent and reduce the occurrence of food safety risks through analysis and control of biological, chemical, and physical hazards throughout the storage chain.

Ensuring the quality and safety of sunflower oil

Kernel's oil-crushing processes in Poltava are certified in line with ISO 9001 and ISO 22000 standards; bottling processes are additionally certified in line with the IFS and BRCGS standards. They also underwent a validation under the BSCI scheme (grade A), reflecting our commitment to social responsibility as an employer and maintaining high standards of social performance. Our laboratory is also certified (ISO 17025 “General requirements for the competence of testing and calibration laboratories”), and conducts regular sample analysis of sunflower oil, meal, and grain to confirm their compliance with quality standards. Our TransBulkTerminal is certified to conduct fumigation activities in accordance with Gafta standards.

Furthermore, our production assets are compliant with Kosher, Kosher Passover, Badatz, and Badatz Passover requirements of Jewish regulations, as well as the Muslim Halal food standards. Three of our plants are registered by the U.S. Food and Drug Administration (FDA), making our sunflower oil, including high oleic sunflower oil, in bottles and flexitanks suitable for the USA market.

Six of our oil extraction plants, as well as our trading entities, are certified in line with ISCC EU standards, which makes the production of sunflower oil and meal compliant with the legal sustainability requirements of the EU Renewable Energy Directive (Directive (EU) 2018/2001 also known as RED III) and the Fuel Quality Directive.

Ensuring the quality and safety of meals

Our whole value chain of protein meal is certified with the applicable feed quality and safety standard, namely GMP+. All our oilseed processing plants are certified with GMP+R1.0; our export terminals, as well as trading entities, Kernel-Trade and Innerco, are certified with GMP+R1.0, ensuring feed safety in the production, storage, transshipment, and trade of meals. Our products, namely oil and meal (sunflower, rapeseed, and soybean), have also been validated and identified as compliant with country-specific regulations of the People's Republic of China. In FY2026, our three oil extraction plants received a full license from the customs service to export rapeseed meal to the People's Republic of China.

The Group's internal quality management

Kernel's specific metrics

Matrix of Kernel's product quality certification

Standard	Oilseed processing plants						Terminals			Trading		Farming	Total
	Bandurka	Kropyvnytskyi	Poltava	BSI	Prydniprovskiy	Starokostiantyniv	TransBulkTerminal	TransGrainTerminal	OilExportTerminal	Kernel-Trade	Innerco		
ISO 9001	✓	✓	✓	✓	✓	✓	✓						7
ISO 22000	✓	✓	✓	✓	✓	✓		✓	✓				8
GMP+R 1.0	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓	15
ICS			✓										2
Kosher	✓	✓	✓	✓	✓	✓		✓					7
Kosher Passover			✓										1
Badatz Passover			✓										1
Halal	✓	✓	✓	✓	✓	✓		✓					7
FDA registration		✓	✓		✓								3
ISCC EU	✓	✓	✓	✓	✓	✓				✓	✓	✓	23
BRCGS			✓										1
IFS			✓										1
Gafta							✓						1
China (sunflower meal)	✓	✓	✓	✓	✓	✓							6
China (sunflower oil)	✓	✓	✓	✓	✓	✓							6
China (rapeseed meal)	✓			✓	✓	✓							4
China (rapeseed oil)	✓			✓	✓	✓							4
China (soybean oil)	✓			✓	✓	✓							4
China (soybean meal)	✓			✓	✓	✓							4
ISO 14001										✓			1
ISO 45001										✓			1
Total	12	9	14	12	13	13	3	4	1	4	2	20	107

✓ certificates obtained in FY2026

✓ registrations received in FY2026

team, responsible for overseeing the entire food safety system, is regularly inspected and verified by independent third-party auditors. The audit scope covers all stages of the value chain, including production, storage, distribution, and supply, ensuring that 100% of significant products are assessed for potential health and safety improvements. In FY2026, a total of 232 independent audits were successfully passed, which were performed throughout 732 days. In FY2026, the number of audits decreased compared to FY2025, but the total number of audit days increased significantly. As a result, the average duration of a single audit increased from 1.6 to 3.2 days. The main reasons were changes in certification standards and an increase in the level of risk for Ukraine, which led to a greater scope of review within each audit.

Supporting decarbonization goals of consumers

Within its climate corporate governance, Kernel seeks to scale up climate mitigation actions not only across its own operations, but also in supporting the reduction of Scope 3 emissions for its customers. In Farming, we ensure traceable accounting of the carbon footprint of grains and oilseeds, which allows

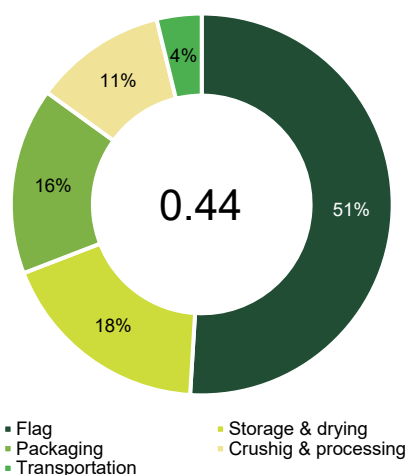
Social information continued

us to provide tailored batches of low-carbon products upon a customer's request. In Oilseed Processing, we aim to leverage our own generation of renewable energy from biomass to reduce Scope 2 emissions from sunflower oil production.

To support customers with product-level carbon footprint information, in FY2026 we conducted a life cycle assessment (LCA) of refined deodorized sunflower oil in accordance with ISO 14067. The assessment followed a cradle-to-gate system boundary, covering sunflower cultivation, transportation, storage and drying, crushing and refining, and packaging. The product carbon footprint was determined to be 0.44 kg CO₂e per liter of refined sunflower oil (excluding biogenic carbon).

Product carbon footprint per life cycle stage

kg of CO₂e/ 1L of refined sunflower oil



Promoting consumer sustainability awareness

At Kernel, we strive to improve consumer awareness of sustainability by providing transparent information about the environmental attributes of our products and by supporting environmental education initiatives.

In FY2026, we introduced sustainability-related product labelling for our bottled sunflower oil brands. Following an independent audit and certification confirming that production is powered entirely by renewable energy generated from sunflower husks, the corresponding label has been added to the packaging of the Group's flagship brands.

Beyond product communication, Kernel promotes sustainability awareness through Greeny ("Grinchyk" in Ukrainian), an educational initiative under the Shchedryi Dar brand designed to promote awareness of renewable energy, sustainability, and responsible resource use. Through educational content and

interactive activities, the initiative helps consumers better understand sustainable production and encourages more responsible consumption. More information about the initiative is available on the [Greeny website](#).

Metrics

There were no instances of non-compliance with regulations, voluntary codes, or human rights issues, which would have resulted in fines, penalties, or warnings in FY2026.

MDR-T; S4-5

Targets

To strengthen our actions in relation to consumers and end-users and their expectations, Kernel has set forward-looking targets that link product quality with sustainability performance. By 2030, we **aim to launch a new product category - sunflower oil with a verified reduced carbon footprint across the entire value chain**. This target responds to the market demand for sustainable food products while reinforcing our commitment to climate action.

In FY2026, Kernel completed its first commercial shipment of low-carbon sunflower oil, securing a premium from an international food manufacturer for verified greenhouse gas emissions reductions across the product's value chain. By leveraging field-level carbon footprint calculations, traceability from farm to finished product, and renewable electricity in processing, we were able to deliver a lower-emission product and create additional commercial value from its sustainability efforts. The milestone demonstrates growing market demand for climate-conscious agricultural products and supports Kernel's plans to scale low-carbon supply chain solutions for more customers.

In addition, we are preparing to **ensure full compliance with the EU Deforestation Regulation (EUDR)**, thereby assuring our customers that our products are not associated with deforestation or ecosystem conversion. Together, these targets demonstrate how Kernel engages with consumers through innovation and regulatory alignment to deliver safer, more sustainable, and responsible products.

Social information continued

S1-3; S3-3; S4-3

Grievance mechanism

Kernel has a grievance mechanism through which the Group's employees across all segments and subsidiaries, suppliers, consumers, local communities, and other stakeholders have an opportunity to submit inquiries and complaints related to human rights violations or discriminatory actions, as well as to receive redress if an investigation determines that such violations took place. Submissions to the grievance mechanism can be made via (1) an anonymous toll-free round-the-clock hotline, (2) a form on Kernel's website, (3) via email by writing to hotline@kernel.lu or compliance@kernel.lu, (4) Telegram chatbot "KernelHotline". Operation of the grievance mechanisms is embedded in the Group's "*Management and the Prevention of Fraud and Corruption*" policy and "*Code of Conduct*". The policy not only emphasizes the right but also outlines the cases when employees are obligated to report misconduct. Kernel also sends out periodic internal reminders to all employees regarding available reporting channels and the operation of the Hotline.

The Group guarantees confidentiality, protection of anonymity, and respect for the rights of whistleblowers. Indeed, Kernel has in place a *Procedure for Whistleblower Protection*. Under these frameworks, Kernel is obligated to protect and assist anyone who submits inquiries (see Annex 3 - Key Policies and Procedures).

Additionally, any employee can flag and report occupational health and safety risks they observe and report about hazardous situations on a worksite by reaching out to their supervisor, field OHS specialist, or the Group's corporate manager. Employees can also raise any OHS issues by submitting "Near Miss" and "Stop Card" forms or contacting the corporate Hotline.

All submissions are recorded in the Unified Register of Reports and are processed in accordance with the *Procedure for Receiving and Reviewing Information Received via the Hotline Channels*. Reports are forwarded to the responsible personnel according to the subject matter, with a copy sent to the Head of the Compliance Department. Each business segment and department has defined processes and timelines for handling submissions, and compliance specialists monitor adherence to deadlines and the quality of the response. Feedback to the whistleblower is provided by employees who undertook the review, or by the compliance specialist if the responsible party fails to respond. Regular analysis of reports is conducted, and findings are shared with management through a monthly

Hotline report, quarterly reports for the Human Resources Director, and monthly reports for directors of the Group's business segments.

Kernel conducts an annual anonymous survey to assess employees' knowledge and understanding of compliance requirements and business ethics. This survey helps evaluate employees' awareness and trust in the existing channels for reporting violations and receiving feedback. As part of the annual conflict of interest declaration, employees are asked whether they have the ability to report violations via the Hotline channels, which helps determine how well employees know and are willing to use these communication channels. The Compliance Department analyzes the collected information and, based on the results, implements measures to improve awareness, strengthen trust, and enhance relevant procedures and communication channels.

Governance information

G1 Governance

In this section:

- Business conduct
 - Corporate culture
 - Protection of whistleblowers
 - Management of relationships with suppliers, including payment practices
- Corruption and bribery
 - Corruption and bribery incidents

G1.IRO-1

Governance-related impacts, risks and opportunities

Kernel is committed to operating with integrity, embedding responsibility and ethical conduct at the core of its corporate culture. Material IROs related to business conduct, including corruption and bribery, were identified through internal dialogue, analysis of governance performance metrics, and sectoral benchmarking, taking into account both our own opera-

tions and business relationships across the value chain.

For further details on the methodological approach applied under the DMA, see pages 47-49. The table below summarizes the material IROs identified for G1 Governance, including their location in the value chain and the timeframe over which associated risks, opportunities, and potential impacts, both positive and negative, may materialize.

Governance Material Impacts, Risks and Opportunities

Governance material impacts, risks and opportunities				Value chain			
				Upstream	Own operations	Downstream	Time horizon
Sustainability matter	IRO	IRO nature	Description				
G1 Governance							
Corporate culture	Positive impact	Actual	Creating a workplace culture that shapes employees' long-term personal development and values beyond the workplace, supporting their role as responsible members of society. ¹		●		-
Protection of whistleblowers	Positive impact	Actual	Creating an environment where employees feel confident to raise concerns without fear of retaliation, enabling early identification of misconduct and organizational improvements. ²		●		-
Management of relationships with suppliers, including payment practices	Positive impact	Actual	Timely payments strengthen relationships with suppliers and overall value chain resilience. ³	●			-
	Opportunity	Financial	Opportunity to enhance supplier loyalty and value chain stability by offering additional benefits and partnership support, which also promotes sustainability and innovation. ¹	●	●		M
Corruption and bribery incidents	Negative impact	Actual	Confirmed corruption incidents undermine the integrity of business conduct and may weaken stakeholder trust	●	●		-

Note 1: Description and value chain stage were refined in FY2026 to improve clarity and better reflect the Group's current activities and business context

Note 2: Description refined in FY2026 to improve clarity and better reflect the Group's current activities and business context.

Note 3: Value chain stage updated in FY2026 to better reflect the scope

G1.GOV-1

Governance bodies

Detailed information about Kernel's governance structure, as well as the role of governance bodies related to business conduct, is provided in the [Corporate Governance](#) section.

Regarding the sustainability expertise within the supervisory body, the Group's Board of Directors operates a Sustainability Committee, comprising three non-executive directors and the Chief Executive Officer. Members of the committee bring expertise in sustainability matters, including climate risks and opportunities, decarbonization, environmental protection, and social and human capital development. Their expertise covers these matters from the perspectives of finance, international trade, and strategic development. Within the Executive Management Team, key sustainability-related expertise is concentrated across several functions, namely:

- Sustainability function
- Corporate social responsibility function
- Occupational health and safety function
- Ecology and environmental compliance function

- Quality management function

MDR-P; G1-1

Policies

We have zero tolerance for any fraudulent, corrupt, or criminal activities, both among our employees and counterparties. Our position on anti-corruption and approach towards ensuring ethical and legal compliance is embodied in Kernel's *Corporate Governance Charter, Code of Conduct, Conflict of Interest Management and the Prevention of Fraud and Corruption* policy, *Anti-money laundering policy* and the *Code of Interaction with Suppliers*. In addition, all our agreements and tendering processes include the mandatory Anti-Corruption clause and the process of due diligence on enhanced due diligence on counterparties, which is described in the *Interaction with Suppliers* policy.

The *Protection of Whistleblowers procedure* ensures that employees are encouraged and safeguarded when reporting misconduct and incidents related to anti-corruption. The Group's *Sanctions Risk Management policy* plays a crucial role in managing critical issues such as exports to sanctioned countries. It

provides Kernel's partners with a clear understanding of the Group's position on sanctions regulations, including those imposed because of the Russian invasion of Ukraine.

See [Annex 3 – Key Policies and Procedures](#) for a detailed description of all Kernel policies.

G1-2

Management of relationships with suppliers

Quality interactions with suppliers are one of the key aspects of Kernel's ESG and climate governance agenda. Kernel's process of supply chain management consists of four stages:

- **Setting E&S standards.** Our expectations of suppliers' environmental and social performance are defined by relevant provisions of the Code of Interaction with Suppliers and the Anti-Corruption Clause, which reflect Kernel's commitments to the principles of the UN Global Compact and Sustainable Development Goals. They include requirements on ethics, fair business practices, human rights, occupational health and safety, and environmental protection.
- **Ensuring obligatory E&S compliance.** Before entering into business relationships,

Governance information continued

all counterparties are obligated to sign Kernel's Anti-Corruption Clause in the contract. Kernel is entitled to verify compliance with relevant provisions and terminate contracts if non-compliance is identified.

- **Compliance verification.** The procedure for confirming suppliers' compliance with Kernel's E&S requirements consists of two levels. First, all potential counterparties undergo initial screening by the corporate Economic Security Service. Environmental and social criteria are included in the scope of initial screening, focusing on the analysis of the location and nature of suppliers' operations, certification by relevant E&S standards, such as ISCC, ISO 14001, and ISO 18001, as well as the outcomes of environmental inspections, etc. The second level of verification is an audit that involves visits to suppliers.
- **Production facilities, interviews with management and personnel, and review of relevant documentation.** During the verification process, we provide feedback to suppliers on possible ways to improve their E&S performance, if required.
- **Application of business consequences.** Based on the results of audits, Kernel either continues cooperation with counterparties or suggests corrective measures if non-compliance with our E&S requirements is identified and monitors their implementation. Another possible consequence of suppliers' non-observance is the termination of business relationships.

G1-3

Prevention and detection of corruption and bribery

Responsibility to enforce provisions of policies and procedures on corruption prevention lies centrally on Kernel's compliance officer, who reports directly to the CEO and the Audit Committee. Integrity across the Group is anchored in the "Tone at the Top," ensuring that leadership sets clear expectations for ethical behavior. Regional compliance coordinators support this framework by implementing standards on the ground and promoting continuous improvement in compliance practices across operational assets. In addition, the compliance officer provides confidential guidance to employees on compliance matters, ensuring that all staff have access to trusted advice when needed.

All Group operations are subject to regular screening for corruption risks. In total, 19 risks were identified, with the most significant including: (1) obtaining undue benefits, which might lead to financial losses and reputational damages; (2) conflict of interest; (3) working for other companies and entrepreneurial activities. To mitigate these risks, managers and specialists are required to submit annual conflict of interest declarations, while all

employees receive training to identify and address potential conflicts. In addition, corruption risk screening forms an integral part of the hiring process, particularly for candidates with prior government backgrounds.

To address corruption risks among counterparties, Kernel's security department performs KYC (Know Your Customer) compliance assessments for all business partners and responds to integrity concerns submitted through the Hotline (20 calls in FY2026). Where medium or high corruption risks, conflicts of interest, or potential international sanctions are identified, compliance officers conduct enhanced due diligence; 127 such cases were reviewed in FY2026. The compliance manager also scrutinizes contracts where counterparties either reject or propose amendments to the Anti-Corruption clause, which occurred in 84 instances during FY2026. Stakeholders can report concerns through dedicated anonymous channels, with all cases managed by the compliance officer and full protection ensured for whistleblowers.

MDR-A; G1-4

Actions and resources

Upholding anti-corruption and anti-bribery principles remains a core element of Kernel's approach to business conduct. In FY2026, no additional corrective actions were required due to the continuous improvements made as part of the compliance process.

MDR-T

Targets

In line with our policies, we are committed to conducting business in a legal, ethical, and transparent manner. No targets are set for incidents of corruption and bribery, due to their context-dependent nature. Furthermore, we continuously monitor and assess our business conduct metrics, striving for year-on-year improvement.

Metrics

G1-4 24a

Incidents of corruption or bribery

Key anti-corruption and compliance indicators in FY2026

(as of 30 June)

Number of confirmed incidents of corruption ¹	69
Number of employees dismissed for corruption	71
Number of public legal cases on corruption brought against Kernel	-
Number of confirmed incidents of contracts with business partners being terminated due to corruption	2
Total number of submissions to the Kernel's channels of informing on misconduct	20
Total number of managers and specialists who completed the procedure on the declaration of conflicts of interest	3,113
Total number of employees who took anti-corruption trainings	1,224

Note 1: Instances of corruption include: embezzlement, misappropriation, or acquisition of property through abuse of official position and misconduct; abuse of official position for personal gain or for the benefit of third parties; acquisition of property through fraud; forgery of documents for the benefit of others; receipt of illegal compensation; violations of the Conflict of Interest Management and the Prevention of Fraud and Corruption Policy; providing improper benefits; and violations of the Code of Conduct regarding the commission of prohibited acts.

In FY2026, Kernel had no convictions or fines for violations of anti-corruption laws.

G1-6

Payment practices

Kernel's payment practices are strictly regulated by commercial contracts with suppliers, which set a maximum period of 3-5 days within which the Group is obligated to pay. This clause applies to all suppliers; however, with small and medium-sized enterprises, which usually are producers of grain and oilseeds, Kernel aims to pay even sooner than required by contract. In FY2026, there were no legal proceedings for late payments.

MDR-M

Governance accounting methodology

Data on incidents of corruption and bribery, as well as other compliance-related metrics, are consolidated and monitored by Kernel's compliance officer. The Group's HR Business Partners are responsible for data on employees dismissed for corruption. The number of people dismissed for corruption is calculated across two criteria: dismissal for theft of the company's tangible or intellectual property and dismissal for abuse of official position for the purpose of obtaining financial gain.

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Annex 1 – Statement on due diligence

Core elements of due diligence	Disclosure requirement
a) Embedding due diligence in governance, strategy and business model	SBM-3 GOV-2 GOV-3
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 IRO-1 ESRS 2 SBM-2 S1-1, S1-2 S3-1, S3-2 S4-1, S4-2 G1-1 ESRS 2 MDR-P/S1-1 ESRS 2 MDR-P/S3-1 ESRS 2 MDR-P/S4-1
c) Identifying and assessing adverse impacts	ESRS 2 IRO-1 E1 SBM-3 E1 IRO-1 E2 IRO-1 E4 IRO-1; E4 SBM-3 E5 IRO-1 S1 SBM-3 S3 SBM-3 S4 SBM-3 G1 IRO-1
d) Taking actions to address those adverse impacts	ESRS 2 MDR-A/E1-3 ESRS 2 MDR-A/E2-2 ESRS 2 MDR-A/E4-3 ESRS 2 MDR-A/E5-2 ESRS 2 MDR-A/S1-4 ESRS 2 MDR-A/S3-4 S3-3 ESRS 2 MDR-A/S4-4 S4-3 G1-1, G1-2, G1-3
e) Tracking the effectiveness of these efforts and communicating	MDR-T/E1-4 E1-5, E1-6, E1-8 E2-4, E2-5 ESRS 2 MDR-T/E4-4 ESRS 2 MDR-T/E5-3 E5-5 ESRS 2 MDR-T/S1-5 S1-6, S1-9, S1-10, S1-16, S1-12, S1-13, S1-14, S1-15, S1-17 ESRS 2 MDR-T/S3-5 ESRS 2 MDR-T/S4-5 G1-4, G1-6

Annex 2 – List of data points that derive from other EU legislation

Disclosure Requirement	Datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material/ Not material	Page
ESRS 2 GOV-1	21 (d): Board's gender diversity	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		Material	97
ESRS 2 GOV-1	21 (e): Percentage of board members who are independent			Delegated Regulation (EU) 2020/1816, Annex II		Material	96
ESRS 2 GOV-4	30: Statement on due diligence	Indicator number 10 of Table #3 of Annex 1				Material	45; 88
ESRS 2 SBM-1	40 (d)ii: Involvement in activities related to fossil fuel activities	Indicators number 4 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS 2 SBM-1	40 (d)ii: Involvement in activities related to chemical production	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS 2 SBM-1	40 (d)iii: Involvement in activities related to controversial weapons	Indicators number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS 2 SBM-1	40 (d)iv: Involvement in activities related to cultivation and production of tobacco			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS E1-1	14: Transition plan to reach climate neutrality by 2050				Regulation (EU) 2021/1119, Article 2(1)	Material	52
ESRS E1-1	16 (g): Undertakings excluded from Paris-aligned Benchmarks		Article 449a; Regulation (EU)	Delegated Regulation (EU) 2020/1818,		Not material	

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			No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Article 12.1 (d) to (g), and Article 12.2		
ESRS E1-4	34: GHG emission reduction targets	Indicator number 4 Table #2 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6	Material	55
ESRS E1-5	38: Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1			Material	56
ESRS E1-5	37: Energy consumption and mix	Indicator number 5 Table #1 of Annex 1			Material	56
ESRS E1-5	40 to 43: Energy intensity associated with activities in high climate impact sectors	Indicator number 6 Table #1 of Annex 1			Material	56
ESRS E1-6	44: Gross Scope 1, 2, 3 and Total GHG emissions	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)	Material	57
ESRS E1-6	53 to 55: Gross GHG emissions intensity	Indicators number 3 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)	Material	57
ESRS E1-7	56: GHG removals and carbon credits			Regulation (EU) 2021/1119, Article 2(1)	Not material	
ESRS E1-9	66: Exposure of the benchmark portfolio to climate-related physical risks			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II	Not material	
ESRS E1-9	66 (a): Disaggregation of monetary amounts by acute and chronic physical risk 66 (c): Location of significant assets at material physical risk		Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.		Not material	
ESRS E1-9	67 (c): Breakdown of the carrying value of its real estate assets by energy-efficiency classes		Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book -Climate change transition risk: Loans collateralized by immovable property - Energy efficiency of the collateral		Not material	
ESRS E1-9	69: Degree of exposure of the portfolio to climate-related opportunities			Delegated Regulation (EU) 2020/1818, Annex II	Not material	
ESRS E2-4	28: Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1			Material	63
ESRS E3-1	9: Water and marine resources	Indicator number 7 Table #2 of Annex 1			Not material	

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ESRS E3-1	13: Dedicated policy	Indicator number 8 Table 2 of Annex 1		Not material	
ESRS E3-1	14: Sustainable oceans and seas	Indicator number 12 Table #2 of Annex 1		Not material	
ESRS E3-4	28 (c): Total water recycled and reused paragraph	Indicator number 6.2 Table #2 of Annex 1		Not material	
ESRS E3-4	29: Total water consumption in m3 per net revenue on own operations	Indicator number 6.1 Table #2 of Annex 1		Not material	
ESRS 2-SBM 3-E4	16 (a)i	Indicator number 7 Table #1 of Annex 1		Material	65
ESRS 2-SBM 3-E4	16 (b)	Indicator number 10 Table #2 of Annex 1		Not material	
ESRS 2-SBM 3-E4	16 (c)	Indicator number 14 Table #2 of Annex 1		Not material	
ESRS E4-2	24(b): Sustainable land, agriculture practices or policies	Indicator number 11 Table #2 of Annex 1		Material	66; 91-93
ESRS E4-2	24(c): Sustainable oceans/seas practices or policies	Indicator number 12 Table #2 of Annex 1		Not material	
ESRS E4-2	24 (d): Policies to address deforestation	Indicator number 15 Table #2 of Annex 1		Material	66; 91-93
ESRS E5-5	37 (d): Non-recycled waste	Indicator number 13 Table #2 of Annex 1		Material	70
ESRS E5-5	39: Hazardous waste and radioactive waste	Indicator number 9 Table #1 of Annex 1		Material	70
ESRS 2-SBM3-S1	14 (f): Risk of incidents of forced labour	Indicator number 13 Table #3 of Annex I		Not material	
ESRS 2-SBM3-S1	14 (g): Risk of incidents of child labour	Indicator number 12 Table #3 of Annex I		Not material	
ESRS S1-1	20: Human rights policy commitments	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I		Material	71-72; 91
ESRS S1-1	21: Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8		Delegated Regulation (EU) 2020/1816, Annex II	Material	71
ESRS S1-1	22: processes and measures for preventing trafficking in human beings	Indicator number 11 Table #3 of Annex I		Not material	
ESRS S1-1	23: workplace accident prevention policy or management system	Indicator number 1 Table #3 of Annex I		Material	71-72; 91
ESRS S1-3	32 (c): grievance/complaints handling mechanisms	Indicator number 5 Table #3 of Annex I		Material	85
ESRS S1-14	88 (b) and (c): Number of fatalities and number and rate of work-related accidents	Indicator number 2 Table #3 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II	Material	76
ESRS S1-14	88 (e): Number of days lost to injuries/ accidents/ fatalities or illness	Indicator number 3 Table #3 of Annex I		Material	76
ESRS S1-16	97 (a): Unadjusted gender pay gap paragraph	Indicator number 12 Table #1 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II	Not material	
ESRS S1-16	97 (b): Excessive CEO pay ratio paragraph	Indicator number 8 Table #3 of Annex I		Not material	
ESRS S1-17	103 (a): Incidents of discrimination paragraph	Indicator number 7 Table #3 of Annex I		Not material	
ESRS S1-17	104 (a): Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)	Not material	
ESRS 2-SBM3-S2	11 (b): Significant risk of child labour or forced labour in the value chain	Indicators number 12 and n. 13 Table #3 of Annex I		Not material	
ESRS S2-1	17: Human rights policy commitments	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1		Not material	
ESRS S2-1	18: Policies related to value chain workers	Indicator number 11 and n. 4 Table #3 of Annex 1		Not material	
ESRS S2-1	19: Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	Indicator number 10 Table #1 of Annex 1	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	Not material	
ESRS S2-1	19: Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8		Delegated Regulation (EU) 2020/1816, Annex II	Not material	
ESRS S2-4	36: Human rights issues and incidents connected to its upstream and downstream value chain	Indicator number 14 Table #3 of Annex 1		Not material	
ESRS S3-1	16: Human rights policy commitments	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1		Material	78-79; 91
ESRS S3-1	17: Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines	Indicator number 10 Table #1 Annex 1	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation	Material	78

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			(EU) 2020/1818, Art 12 (1)		
ESRS S3-4	36: Human rights issues and incidents	Indicator number 14 Table #3 of Annex 1		Material	81
ESRS S4-1	16: Policies related to consumers and end-users	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1		Material	82
ESRS S4-1	17: Non-respect of UNGPs on Business and Human Rights and OECD guidelines	Indicator number 10 Table #1 of Annex 1	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	Not material	
ESRS S4-4	35: Human rights issues and incidents	Indicator number 14 Table #3 of Annex 1		Material	82
ESRS G1-1	10 (b): United Nations Convention against Corruption	Indicator number 15 Table #3 of Annex 1		Not material	
ESRS G1-1	10 (d): Protection of whistle-blowers	Indicator number 6 Table #3 of Annex 1		Not material	
ESRS G1-4	24 (a): Fines for violation of anti-corruption and anti-bribery laws	Indicator number 17 Table #3 of Annex 1	Delegated Regulation (EU) 2020/1816, Annex II	Material	87
ESRS G1-4	24 (b): Standards of anti-corruption and anti-bribery	Indicator number 16 Table #3 of Annex 1		Material	87

Annex 3 – Key Policies and Procedures

Policy	Description of key contents	Scope	Responsible for implementation	Internationally recognized instruments	Availability
Sustainable Development and CSR Policy	The Policy is built around commitment to three dimensions: social, economic, and environmental responsibility — all contributing to sustainable development and the achievement of strategic objectives. Social responsibility focuses on developing human potential, ensuring occupational health and safety, fostering opportunities for self-realization and professional growth, and contributing to the resolution of socially significant issues, including support for local communities in regions of operation. Economic responsibility is aimed at maximizing profitability through the efficient use of resources, adoption of innovative technologies, continuous process improvement, and transparent business practices. The Company is committed to responsible land use and to producing high-quality products that meet international standards, business ethics, and customer needs. Environmental responsibility prioritizes energy efficiency, minimizes environmental impacts, reduces greenhouse gas emissions, promotes recycling and waste minimization, and preserves soil health and natural regenerative capacity.	Group Value chain	Head of Sustainable Development Head of CSR	SDGs UN Global Compact	Corporate website
Environmental Protection Policy	The Policy sets out goals to prevent and minimize negative impacts on the environment, ensure effective management of environmental risks, and establish a unified approach to environmental management. It emphasizes continuous improvement and performance enhancement in environmental protection, developing systems for monitoring environmental impacts, and ensuring openness and transparency in environmental communications.	Group Value chain	Head of Environmental Protection Head of Sustainable Development	ISO 14001 National legislation	Corporate website
Human Rights and Freedoms Policy	The Policy establishes guiding principles for the Company's approach to human rights, decision-making, and expected behavior. It aims to foster a strong compliance culture and uphold ethical standards in employee relations, while ensuring respect for human rights and providing effective remedies in cases of violation. The Policy ensures that all universally recognized human rights are upheld within the Company, demonstrates that respect for rights and freedoms is fundamental to business resilience, and sets out concrete actions to make these principles clear to employees and partners.	Group Value chain	Head of Compliance Department	UN Guiding Principles on Business and Human Rights ILO Fundamental Conventions Voluntary Principles on Security and Human Rights OECD Guidelines National legislation	Corporate website
Climate Change and Energy Policy	This Policy outlines the Company's commitment to addressing climate change, improving energy efficiency, reducing greenhouse gas emissions, and supporting the transition to renewable energy. It establishes the principles and framework for managing climate-related risks and opportunities, integrating climate and energy considerations into business decisions, and promoting responsible use of energy resources. Through continuous monitoring, risk management, decarbonization initiatives, and the development of renewable energy projects, the Company aims to strengthen its long-term resilience, support national and international climate goals, and contribute to sustainable development.	Group	Head of Environmental Protection Head of Sustainable Development	IFC Performance Standard on Environmental and Social Sustainability Task Force on Climate-related Financial Disclosures European Climate Law GHG Protocol European Green Deal Environmental, Health and Safety Guidelines of the World Bank Group Environmental, Health, and Safety Guidelines for Wind Energy Directive (EU) 2023/2413 of the European Parliament and of the Council	Corporate intranet

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Interaction with Suppliers Policy	This policy outlines Kernel's commitment to fostering transparent, constructive, and long-term relationships with its stakeholders. It supervises the procedures for identifying and managing risks in the supply chain, which form the basis for conducting due diligence and enhanced due diligence supplier audits. Based on the results obtained, the Company decides whether to collaborate with a stakeholder.	Group Value chain	Head of the Economic Security Service Head of Compliance Department Directors of the Division/Department Heads	UN Guiding Principles on Business and Human Rights (UNGPs) OECD Due Diligence Guidance for Responsible Business Conduct	Corporate website
DE&I Policy	The Policy aims to ensure equal respect and unbiased treatment for people of all cultures, backgrounds, and positions across the Group. It promotes equality, inclusion, and diversity, fostering human dignity and zero tolerance for discrimination. By creating opportunities, empowering underrepresented groups, and removing barriers for youth, women, people with disabilities, those nearing retirement, and employees from diverse regions, the Policy advances inclusivity.	Group Value chain	Head of Human Resources Department	UN Global Compact UN SDGs UN Entity for Gender Equality and the Empowerment of Women and International Labor Organization Conventions	Corporate website
Sustainable Agriculture Management Policy	The Policy is aimed at promoting environmentally responsible and economically sustainable agricultural practices that preserve natural resources, enhance soil health, reduce environmental impacts, and support long-term agricultural productivity. The Policy focuses on implementing measures to improve soil and water management, reduce greenhouse gas emissions, protect biodiversity, and ensure compliance with applicable legal and ESG requirements. Key measures include monitoring soil health indicators, adopting resource-efficient and precision farming practices, preventing pollution of water resources, tracking and reducing agricultural emissions, protecting natural ecosystems and pollinators, and continuously improving sustainable agriculture performance through monitoring, innovation, and scientific research.	Group	Head of Environmental Protection Head of Sustainable Development	EU Soil Monitoring Law EU Deforestation Regulation UN Environment Programme World Conservation Monitoring Centre International Union for Conservation of Nature Directive (EU) 2023/2413 of the European Parliament and of the Council	Corporate intranet
Anti-discrimination Policy	The Policy outlines the Company's commitment to preventing discrimination and unlawful harassment, protecting employees, counterparties, customers, and stakeholders. It reinforces the creation of a safe, diverse, and respectful workplace where all individuals are treated with dignity. It ensures that all stakeholders are aware of the Policy, with clear procedures to properly investigate and address any allegations of violations.	Group Value chain	Head of Human Resources Department	UN Global Compact	Corporate website
Occupational Health and Safety (OHS) Policy	The Policy is aimed at creating a safe working environment, fostering a strong safety culture, and implementing measures to protect the health and lives of employees during their professional activities. The Policy focuses on identifying and eliminating hazards, managing related risks, and ensuring the efficient operation of assets through continuous improvement of the OHS system. Key measures include analyzing incidents and implementing corrective actions, reducing risks to personnel during military aggression, monitoring OHS performance indicators and reporting on results, and providing psychosocial support to employees to help prevent mental and behavioral disorders.	Group	Head of Occupational Safety Department	OHSAS 18001/ISO 45001 National legislation	Corporate intranet
Compensation and Benefits Policy	The Policy is designed to ensure fair compensation for employees based on their qualifications, performance, and contribution to the Company's goals. The Policy promotes external fairness by aligning remuneration levels with market standards, while also ensuring transparency and clarity of reward conditions for all employees. It aims to motivate staff to achieve strategic objectives, while creating the conditions necessary to attract and retain talented employees.	Group	Head of Human Resources Department Directors of the Division/Department Heads	National legislation	Corporate intranet
Security Policy	The Policy is aimed at ensuring the safety and protection of its people, assets, and operations. The Policy establishes effective measures to prevent, monitor, and respond to security risks, including those arising from external threats, while maintaining business continuity.	Group	Head of Security Department	-	Corporate intranet
Resilience in Times of War Policy	The Policy is designed to ensure the uninterrupted operation of the Group, maintain financial stability, protect employees and assets, promote social responsibility, and comply with legal and ethical standards during times of war. It establishes measures for maintaining critical business processes, developing emergency response plans, securing financial reserves, and supporting employees through training, adaptation, and timely communication. Beyond internal resilience, the Policy encourages volunteer and charity initiatives, supporting communities in rebuilding infrastructure and addressing urgent needs.	Group	Head of Human Resources Department Directors of the Division/Department Heads	-	Corporate intranet
Business Continuity Policy	The Policy is designed to ensure the resilience of the Company's operations and its ability to maintain or promptly restore critical business processes in the event of disruptions, emergencies, or other adverse events. The Policy focuses on identifying critical processes, resources, and risks, developing and testing business recovery plans, and strengthening the Company's preparedness to respond effectively to incidents. Key measures include conducting business impact analyses, establishing and regularly testing recovery plans, monitoring continuity readiness, protecting employees' health and safety, safeguarding critical assets and information, and minimizing operational, financial, and reputational impacts through continuous improvement of the business continuity management system.	Group Value chain	Head of Process Management and Business Continuity	ISO 22301:2019 National legislation	Corporate intranet
Policy of Working with Veterans	The Policy is designed to support the professional and social reintegration of veterans. It aims to create favorable conditions for the return of demobilized employees and the recruitment of veteran candidates, promoting their integration into society and professional life, and fostering an inclusive workplace that ensures both comfort and productivity.	Group	Head of Human Resources Department	National legislation	Corporate intranet
Social Impact and Community Engagement Policy	The Policy sets out Kernel's commitment to creating lasting positive outcomes in the regions where it operates. It defines the principles of social influence and cooperation with communities, ensures transparent and systematic management of engagement with local authorities and stakeholders, and establishes effective mechanisms for addressing social issues together. The policy guides the implementation of long-term social	Group	Head of CSR	UN Global Compact UN Guiding Principles on Business and Human Rights	Corporate intranet

List of annexes continued

	programs and projects that contribute to sustainable regional development, while promoting a unified approach to collaboration that delivers lasting results for both the Company and the communities it serves.				
Safety and Quality Management Policy	The Policy aims to ensure proper control at all key stages of the production process, from the purchase of raw materials through their handling, storage, and processing to the production of finished products and their shipment, in accordance with established procedures, regulations, and instructions. It promotes the use of advanced methods for quality assessment, thorough documentation of laboratory quality control processes, and the implementation of motivational strategies to foster high-quality, productive, and engaged employee performance.	Group Value chain	Head of Quality Management	ISO standards FSSC 22000 IFS standards GMP +1B, +B3, +B4 ISCC standards National legislation	Corporate website
Code of Conduct	The Code of Conduct reflects Kernel's core values and guiding principles, setting the foundation for responsible and sustainable business practices. It emphasizes financial stability, strategic system management, and the effective use of assets and resources, while fostering synergy through business integration and innovation. It promotes sustainable business reputation - transparency, honesty, and compliance with laws and regulations, alongside a commitment to sustainable development, social responsibility, workplace health, and environmental stewardship. The Code recognizes the importance of strong leadership, professional teams, and entrepreneurial involvement, guided by partnership, shared goals, mutual respect, and trust.	Group	All employees	UN Guiding Principles on Business and Human Rights National legislation	Corporate website
Corporate Governance Charter	The Corporate Charter outlines the principles and framework guiding Kernel's corporate management and operations. It sets out the roles of shareholders, the Board, and executive management, outlines the work of key committees, and establishes principles for financial reporting, risk management, disclosure, and sustainability.	Group	Board of Directors Executive Management Team	Best Practices for WSE Listed Companies 2021 The X Principles of Corporate Governance of the Luxembourg Stock Exchange	Corporate website
Code of Interaction with Suppliers	The Code establishes clear standards for fair business practices, respect for human rights, and environmental responsibility with suppliers. Kernel builds supplier relationships on openness, trust, and integrity by holding transparent tenders, ensuring equal treatment, and providing channels to report violations. Suppliers are required to maintain fair working conditions, prohibit child and forced labor, prevent discrimination and harassment, uphold health and safety standards, and respect cultural diversity and freedom of association. The Code also emphasizes minimizing negative impacts of its operational activity on the environment, maintaining sustainable and efficient operations, delivering high-quality products and services, and safeguarding confidential information and personal data. Compliance with these principles is subject to verification, and violations may result in exclusion from tenders, termination of contracts, or cessation of cooperation.	Group Value chain	All employees	IFC Performance Standard on Environmental and Social Sustainability Environmental, Health and Safety Guidelines of the World Bank Group	Corporate website
Conflict of Interest Management and the Prevention of Fraud and Corruption Policy	The Policy is designed to foster a strong compliance culture and protect the Company from risks related to conflicts of interest, fraud, and corruption. It defines the types of conflicts of interest and situations requiring resolution, as well as the mechanisms for addressing them. The policy also outlines clear rules for tenders and procurement, interactions with public officials, the handling of business gifts and hospitality, financial reporting standards, and procedures for reporting violations, ensuring integrity and transparency across all business operations.	Group	CEO Directors of the Division/Department Heads	FCPA UKBA UNCAC The Convention on Combating Bribery of Foreign Public Officials in International Business Transactions OECD Convention	Corporate intranet
AML/CFT/WMD Policy Anti-money laundering, combating the financing of terrorism, and proliferation of weapons of mass destruction	The Policy is aimed at preventing money laundering, terrorist financing, and the proliferation financing of weapons of mass destruction by promoting a strong compliance culture and effective risk management practices across all assets of the Company. The Policy focuses on identifying, assessing, and mitigating AML/CFT/WMD risks through robust due diligence, counterparty verification, sanctions screening, and ongoing monitoring of business relationships and transactions. Key measures include implementing risk-based controls, conducting Know Your Customer (KYC) procedures, monitoring suspicious activities, ensuring compliance with applicable legal and regulatory requirements, providing employee training, and maintaining an effective internal control system to protect the Company from financial crime and reputational risks.	Group Value chain	Head of Compliance Department	National legislation	Corporate website
Protection of Whistleblowers Procedure	The Procedure is designed to safeguard employees who report concerns by preventing workplace discrimination against whistleblowers and their close relatives employed within the Company. The procedure is covered by Conflict-of-Interest Management and the Prevention of Fraud and Corruption Policy. It establishes measures to avoid harassment or violations of whistleblowers' rights, provides guidance on appropriate behavior in cases of confirmed retaliation, and reduces risks associated with potential misuse of authority by managers.	Group	Head of Compliance Department	-	Corporate intranet
Sanctions Risk Management Policy	The Policy establishes Kernel's commitment to monitoring, assessing, and managing sanctions-related risks across all business operations. Its purpose is to protect the Company's reputation, avoid cooperation with parties subject to international or national sanctions, and safeguard against related financial, operational, and legal risks while ensuring business continuity.	Group Value chain	Head of Compliance Department	National legislation	Corporate website

Corporate Governance

Main characteristics of Kernel

Group structure

Kernel Holding S.A. (the “Company”) is a Luxembourg-based public limited liability company (RCS Luxembourg B109173) established on 15 June 2005, with its registered office at 8A, Boulevard Joseph II, L-1840 Luxembourg. It serves as the holding entity for a group of companies, collectively referred to as the “Group” or “Kernel”.

The list of primary subsidiaries is disclosed on page 119 of this report.

Listing on the WSE

The Company's shares have been listed on the main market of the Warsaw Stock Exchange (“WSE”) since November 2007.

On 13 April 2023, the Board of Directors decided to delist the Company from the WSE, and on 12 May 2023, the Company applied to the Polish Financial Supervision Authority (“PFSA”) for approval.

On 13 October 2023, the group of minority shareholders of the Company initiated legal proceedings to cancel the Board's delisting decision. Given that, in March 2024, the PFSA informed the Company about the suspension of the administrative proceedings on the delisting of the Company from the Warsaw Stock Exchange. The PFSA will not issue the decision on granting permission to withdraw the Company's shares from trading on the regulated market until the District Court in Luxembourg has resolved the allegations raised by minority shareholders. Consequently, **the process of the Kernel's delisting from the WSE was ongoing** as of 30 June 2026.

Share capital and significant shareholdings

The issued capital of the Company as of 30 June 2026 consisted of 293,429,230 fully paid ordinary single-class shares without indication of the nominal value. Ordinary shares have equal voting rights and rights to receive dividends.

According to notifications received by the Company, one shareholder owned more than 5% of the Company's voting shares as of 30 June 2026:

- Namsen Limited (hereinafter “Namsen”), a legal entity directly controlled by the

Ownership structure as of 30 June 2026

	Shares owned	% owned	% of voting /dividend
Namsen	278,947,016	95.07%	95.16%
Other	14,182,214	4.83%	4.84%
Treasury	300,000	0.10%	0.00%
Total	293,429,230	100.0%	100.0%

Governance structure



Chairman of the Board of Directors and founder of the business, Mr. Andrii Ver-evskyi, owns 95.07% of the voting shares.

As of 30 June 2026, the Company held 300,000 shares as treasury stock without voting and dividend rights, representing 0.1% of the subscribed share capital.

As of 30 June 2026, there were no outstanding options granting rights to acquire shares of the Company to which the Company is a party.

Corporate governance framework

Kernel is committed to high standards of corporate governance and is guided by the corporate governance framework determined by:

- the corporate law of the Grand Duchy of Luxembourg as a place of incorporation (including voluntary compliance with most of the provisions of the X Principles of Corporate Governance of the Luxembourg Stock Exchange); and
- the corporate governance rules set out in the [Best Practice for WSE Listed Companies 2021](#) as a place of the Company's

shares listing. Paragraph 29 of the [Warsaw Stock Exchange Rules](#) requires issuers to publish a report indicating which rules the issuer complies with and which rules the issuer does not comply with permanently. The Company published such a report on 12 August 2021, available on the [Company's website](#). The Company applied all the principles except for detailed principles 1.4., 1.4.1., 1.4.2., 1.5., 2.1., 2.11.3., 2.11.5., 2.11.6., 3.6., 3.9., 6.2., 6.3., 6.4. The status of compliance with the above-listed principles has not changed since the publication of the report in August 2021. The Company confirms that the reasons for non-compliance with each of the aforementioned principles remain as described in that report. Should the status of compliance change, the report will be updated promptly in accordance with §29(3) of the WSE Rules.

The key documents defining the Company's corporate governance principles include the Articles of Association and the Corporate Governance Charter. Additionally, Kernel has a Remuneration Policy, which is approved and

Mandatory sell-out procedure

Following Namsen Limited's [notification](#) that it had exceeded the 95% ownership threshold in the Company, at least one minority shareholder requested a mandatory sell-out pursuant to Article 5 of the Luxembourg Law of 21 July 2012 on mandatory squeeze-out and sell-out of securities.

On 29 July 2025, Namsen published the proposed sell-out price of PLN 19.45 per share, together with the [first valuation report](#) prepared by KPMG Tax and Advisory S.à r.l.

Following oppositions lodged by minority shareholders to the proposed price, the Commission de Surveillance du Secteur Financier (“CSSF”) initiated the statutory second valuation process. In October 2025, the CSSF requested the Company to submit a list of five independent experts meeting the requirements of the Law, from which it subsequently appointed Grant Thornton Audit & Assurance S.A. as the second independent expert. The Company fully cooperated with the CSSF throughout the process.

On 24 June 2026, Grant Thornton Audit & Assurance S.A. issued the [second valuation report](#). After reviewing both valuation reports and all information submitted during the proceedings, the CSSF determined the fair price of the Company's shares at PLN 19.93 per share on 30 June 2026.

Following the CSSF's decision, on 08 August 2026 Namsen published the final payment date together with the [detailed terms and payment procedure](#) for the mandatory sell-out. During the statutory six-month period ending on 29 December 2026, eligible minority shareholders who have not exercised their mandatory sell-out right before the final payment date may continue to tender their shares at the fair price of PLN 19.93 per share, in accordance with the published procedure.

Corporate Governance **continued**

periodically reviewed by the general meeting of shareholders and applies to both the Board of Directors and the Executive Management Team. All these documents can be accessed on the [Company's website](#).

Following a regular review of the Company's adherence to the best corporate governance practices, the Board believes that the Company has made its best efforts to comply with:

- the applicable corporate governance principles;
- disclosure obligations concerning compliance with corporate governance principles defined in the [WSE Rules](#);
- regulations on current and periodic reports published by the Company as a securities issuer, according to [WSE Rules](#).

General Meeting

The General Meeting of Shareholders is the Company's highest governance body, possessing the broadest power to order, carry out, or ratify all acts relating to the Company's operations. Detailed information on the organization and functioning of the General Meeting of Shareholders can be found in the Articles of Association and the Corporate Governance Charter, both of which are available on the [Company's website](#).

The annual general meeting held on 10 December 2025 (the "AGM 2025"):

- approved the consolidated financial statements of the Group, and the standalone annual accounts of the Company, along with the report of the independent auditor for the year ended 30 June 2025;
- approved, on an advisory basis, the remuneration report for FY2025;
- granted discharge to the directors of the Company for their mandates in FY2025;
- renewed the mandates of all directors and approved the fees for executive and non-executive directors for the year ended 10 December 2026;
- re-appointed PwC as the independent auditor of the Company;

All recent general meetings were held with the

physical presence of shareholders, alongside through the direct electronic voting and proxy voting via an independent representative.

The next annual general meeting of shareholders is scheduled for 10 December 2026.

All documents related to the general meetings of shareholders and the resolutions adopted are available on the Company's website.

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Board of Directors

The Company is managed by the Board of Directors (the "**Board**"), which is the ultimate decision-making body, except for powers reserved for the general meeting of shareholders as stipulated by law, the Articles of Association, and the Corporate Governance Charter. The Board is vested with the broadest powers to perform all acts of administration and disposition in compliance with the Company's corporate purpose. The Board resolves to take its decisions objectively, in the best corporate interest of the Company. The Board is collectively responsible and accountable to the shareholders for the proper conduct of the business, the long-term success of the Company, the effectiveness of the reporting system, and the corporate governance framework.

The responsibilities of the Board include approval and review of strategies and policies, governance of the Company, and management supervision. More detailed responsibilities are specified in the Company's Corporate Governance Charter.

All Directors are equally accountable for the proper stewardship of the Company's affairs. The non-executive directors have a responsibility to ensure that the business strategies proposed are fully discussed and critically reviewed. This enables the Directors to promote the success of the Company for the benefit of its shareholders, while having regard to, among other matters, the interests of employees, the fostering of business relationships

with customers, suppliers, and other stakeholders, as well as promoting the impact of the Company's operations on the communities and the environment in which the business operates.

The Board approves every investment, divestment, acquisition, disposal, and funding transaction exceeding in value 5% of the average 12-month trailing daily market capitalization of the Company.

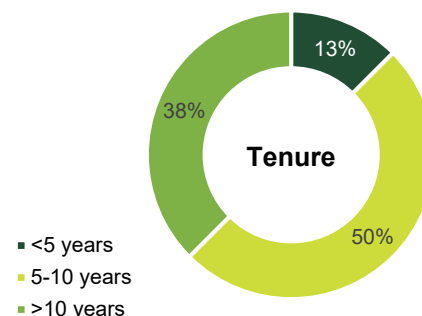
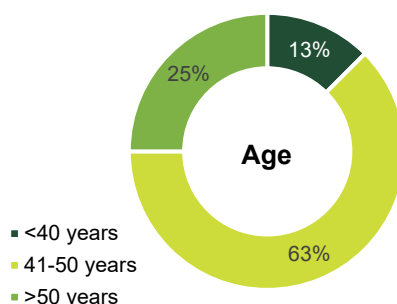
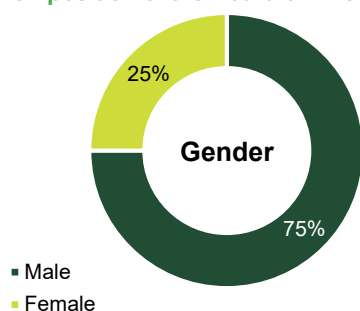
Board composition

The Board is composed of eight directors, five of whom are executive (including a Chairman) and three are non-executive directors. There were no changes in the composition of the Board in FY2026.

Our non-executive directors are highly experienced and influential, with diverse backgrounds across various industries and countries. They bring a strong blend of skills and business acumen, significantly enhancing the effectiveness of the Board and its Committees.

The Chairman's mandate expires at the Annual General Meeting in December 2030, while the mandates of all other directors expire in December 2026. The N&R Committee has considered the timing of Board mandates as part of its governance and succession planning review. The Board considers the renewal of directors' mandates at the AGM to be consistent with the Company's Articles of Association and to provide shareholders with a regular opportunity to confirm or change the Board's composition. The N&R Committee has also assessed succession planning for key Board positions and is satisfied that continuity of governance can be maintained through this process. The N&R Committee regularly reviews the Board's composition to ensure a diverse, balanced mix of competencies, skills, experience, and knowledge of the Company's affairs. Key principles for the nomination, appointment, and re-election of Directors are outlined in the Corporate Governance

Composition of the Board of Directors as of 02 October 2026



Corporate Governance **continued**

Effective and experienced leadership

Kernel Holding S.A. is governed by the Board of Directors composing of eight members, including three non-executive directors, two of whom are independent. Key information on Directors is as follows (with further details available on the Company's [website](#)).

Andrii Verevskyi, 52  Tenure: 19 years Skills and experience: Founded the Group's business in 1995, holding various executive positions within the Group. Presently, he oversees the strategic development and overall management of the Group. Board Committee: Nomination & Remuneration Committee	Chairman of the Board, Founder	Andrii Miski-Oglu, 49  Tenure: 5 years Skills and experience: Mr. Miski-Oglu has 21 years of experience in public accounting and audit at EY, involved in major EY Global audit-related initiatives. He holds CPA in the US since 2011 and is a member of the American Institute of Certified Public Accountants (AICPA). Board Committee: Chairman of the Audit Committee, Nomination & Remuneration Committee	Independent non-executive director
Daria Danilczuk, 39  Tenure: 5 years Skills and experience: Agricultural commodity broker, specialized in Black Sea commodity markets, experienced in international trade and biofuels trade and regulatory framework. Board Committee: Chairwoman of the Sustainability Committee, Audit Committee	Non-executive director	Michael Mishov, 44  Tenure: 5 years Skills and experience: Mr. Mishov has over 18 years' experience in consulting, including Ernst & Young, Deloitte and KPMG, leading numerous strategy and performance improvement projects for agribusiness clients. Board Committee: Chairman of the Nomination & Remuneration Committee, Audit Committee, and Sustainability Committee	Independent non-executive director
Sergiy Volkov, 46  Tenure: 3 years Skills and experience: Mr. Volkov is responsible for the overall financial management of Kernel. He holds CPA certification. Board Committee: None	Chief Financial Officer	Yevgen Osypov, 50  Tenure: 9 years Skills and experience: Mr. Osypov is responsible for the day-to-day management of the Company's subsidiaries, execution of strategy, budgets, and Board decisions. He completed several educational programs in Harvard Business School. Board Committee: Sustainability Committee	Chief Executive Officer
Anastasiia Usachova, 55  Tenure: 19 years Skills and experience: Mrs. Usachova is responsible for the overall financial oversight of Kernel. She holds an MBA degree from IMD (Switzerland). Board Committee: Sustainability Committee	Executive Director	Yuriy Kovalchuk, 45  Tenure: 15 years Skills and experience: Mr. Kovalchuk contributes to strategy formulation and is responsible for the execution of investment projects. Yuriy has been a Fellow with the Association of Chartered Certified Accountants (FCCA) since September 2013. Board Committee: None	Corporate Investment Director

Corporate Governance **continued**

Charter, available on [Kernel's website](#).

Board diversity

Diversity among Directors enhances the Board's performance and efficiency, serving the Company's best interests. The Board's diversity is supported by [Kernel's Diversity, Equality, and Inclusion Policy](#), adopted by management in 2018 and approved by the AGM on 10 December 2021. The policy is consistently applied by the N&R Committee and the Executive Management Team in employee and management appointments.

The Company benefits from diversity in:

- **gender**;
- **age and tenure**;
- **professional experience** (industry and operations expertise, soft commodities trading, finance and audit, banking and investments, and sustainability);
- **nationality and culture** (the Board includes one Luxembourg resident, one Polish citizen, and two U.S. citizens, along with citizens of Ukraine).

As of 30 June 2026, women represented 25% of the Board of Directors, comprising one of five executive directors and one of three non-executive directors. Accordingly, the Company had not yet achieved the quantitative objective established by the Luxembourg Law of 19 December 2025 on gender balance among directors of listed companies, which, for an eight-member Board, corresponds to at least three members of the under-represented sex.

As the composition of the Board remained unchanged during FY2026, the quantitative objective was not reached during the reporting period. The N&R Committee will take the requirements of the Law into account in future Board nomination and re-election processes.

Directors consider diversity when evaluating the Board's effectiveness. In the FY2026 annual self-evaluation, all Directors acknowledged the Board's sufficient range of expertise, attitudes, and external relationships.

Directors' independence

Each independent director annually submits a statement confirming compliance with the independence criteria outlined in Annex II of the European Commission Recommendation of 15 February 2005. These statements are published on the Company's website.

According to statements received in 2026, two of the three non-executive directors met the independence criteria. None of the three non-executive directors has any material relations with a shareholder holding at least 5% of the Company's total voting rights.

Conflict of interest

A [Corporate Governance Charter](#) adopted in May 2018 emphasized the disclosure of conflicts of interest among Directors. Any Director having a direct or indirect conflict of interest must inform the Board thereof and shall refrain from deliberating or voting on the relevant item on the agenda. Any conflict of interest should

be properly declared and documented.

Members of the Board shall refrain from professional or other activities which might cause a conflict of interest or adversely affect their reputation as members of the governing bodies of the Company, and where a conflict of interest arises, immediately disclose it. The following non-exhaustive list is an example of the duties that shall be followed by the Directors:

- duty not to accept any benefits from third parties, which may give rise to personal financial interest and/or gain;
- duty to disclose any interest in a proposed transaction or arrangement with the Company and a separate and independent duty to disclose any arrangement with the Company; and
- duty to avoid conflicts of interest unless authorized.

In FY2026, one conflict of interest was declared by Directors: Mr. Andrii Verevskyi declared a material conflict of interest regarding the acquisition of the farming entities, being the Ultimate Beneficial Owner (UBO) of the target entities, and withdrew from the meeting for the duration of the Board's deliberations on the transaction during the Board meeting held on 30 March 2026.

As of October 2026, non-executive directors occupied the following positions in companies outside Kernel:

- Mrs. Daria Danilczuk is a commodities

Board skills matrix

Name	Andrii Verevskyi	Andrii Miski-Oglu	Daria Danilczuk	Michael Mishov	Sergiy Volkov	Yevgen Osypov	Anastasiia Usachova	Yuriy Kovalchuk
Role	Chairman	Non-executive Director	Non-executive Director	Non-executive Director	CFO	CEO		
COMMITTEE MEMBERSHIP								
Audit Committee		•	•	•				
Nomination & Remuneration Committee	•	•		•				
Sustainability Committee			•	•		•	•	
SKILLS AND EXPERIENCE								
Agribusiness and Commodity Markets	•		•	•		•		
Logistics, Infrastructure and Supply Chain	•		•	•		•		
Finance, Audit and Financial Reporting	•	•			•		•	•
Strategy, Investment and M&A	•			•	•	•	•	•
Risk Management and Internal Controls		•			•	•	•	
Capital Markets and Stakeholder Relations	•				•			•
Legal, Regulatory and Corporate Governance	•	•	•	•				•
Sustainability, Climate and Responsible Business			•	•		•	•	

Corporate Governance **continued**

broker and trading expert at JDI Brokers, Switzerland.

- Mr. Michael Mishov is Supply Chain Strategy Lead at SC Johnson, Chicago, United States.
- Mr. Andrii Miski-Oglu does not occupy positions in companies outside Kernel as of the date of publication of this report.

Board committees

The Board has established three committees:

- Audit Committee;
- Nomination & Remuneration Committee (hereinafter “**N&R Committee**”);
- Sustainability Committee.

This structure ensures efficient performance, as specific matters are first discussed by specialized bodies with relevant expertise before being presented to the Board.

The Board regularly reviews the need for new committees to adapt to changing business needs. Following the annual review in May 2025, it was concluded that no new committees are needed at this time.

Board self-evaluation

In line with good corporate governance practices, the Board conducts a formal self-evaluation of its performance, effectiveness, operating efficiency, composition, organizational structure, compliance with governance rules, and interaction with executive management and stakeholders.

The 2026 self-evaluation did not identify any material concerns. The Board positively assessed the quality and timeliness of information provided to Directors, the effectiveness of Board practices and meetings, the appropriateness of its composition, the clarity of roles and responsibilities, and the established practices of its committees.

During the year, the non-executive directors also convened without the participation of executive directors to assess the performance of the executive directors and the Executive Management Team, review progress against strategic objectives, and evaluate the Group's position within the sector and the broader market environment. This practice forms an integral part of the Board's governance framework, enabling non-executive directors to exercise independent judgment, provide constructive challenge to executive leadership, and ensure robust oversight of management performance.

Independent advice

All directors can consult the corporate secretary for assistance with governance, corporate administration, and legal matters. Directors

may also seek advice from independent professional advisors on governance or business-related issues pertinent to their duties, at the Company's expense.

Board activity report

The Board held fifteen meetings in FY2026, including two in-person meetings in Luxembourg and thirteen via teleconference. The average attendance rate for all directors was 89% during this period.

Typically, at each meeting, the Chairman of the Board and other executive directors report on the strategy implementation and recent developments, along with management accounts. The Board's work plan (minutes and circular resolutions) for FY2026 included, among others, the following items:

- review of the impact of the Russia-Ukraine war on operations;
- review of the Company's strategy and budget approval;
- review and approval of annual, semi-annual, and quarterly accounts;
- review of operations updates and management accounts;
- convening annual general meetings of shareholders;
- review of corporate-governance-related questions;
- oversight of risk management: approval of top risks for the Company and mitigation plan, review of reports on top risks mitigation activities; update on implementing the risk management system; review of risk limits;
- review of outstanding legal cases;
- updates from Audit Committee, N&R Committee, and Sustainability Committee;
- review of the performance of the Group sustainability function;
- review and approval of financing and investment transactions;
- various ad-hoc items and other corporate decisions.

Executive Management Team

The Executive Management Team is responsible for the overall financial and operating results of the Company's subsidiaries, heading operating segments and providing support functions on a daily basis. The Executive Management Team focuses on strategy implementation, financial and competitive performance, commercial and technological developments, succession planning, and organizational development.

The Executive Management Team is headed by the Chief Executive Officer (the “**CEO**”), who is appointed and removed by the Board and reports directly to it. The CEO is responsible for the day-to-day management of the

Company's subsidiaries, execution of strategy, budgets, and Board decisions. The CEO delegates his/her responsibilities to the other members of the Executive Management Team.

The Executive Management Team consists of 15 professionals, including the CEO, benefiting from the diversity among its members. All the members of the Executive Management Team other than the CEO are appointed and removed, as applicable, by the Board upon proposal by the N&R Committee after prior consultation with the CEO, save where he is subject to the procedure. As such, in FY2026, the Board:

- acknowledged the transition of Mr. Yuriy Puhach from his mandate as Director, Production Assets Management (as a member of the Executive Management Team) to Project Manager (a role outside the Executive Management Team) with effect as of 19 August 2025;
- acknowledged the transition of Mr. Oleg Tkachenko from his mandate as Director, Security (as a member of the Executive Management Team) to a new role responsible for Capital Construction (a role outside the Executive Management Team) with effect as of 26 August 2025;
- acknowledged the resignation of Mrs. Kateryna Spivakova from her mandate as Head of Communications, PR, and GR (as a member of the Executive Management Team) with effect as of 09 January 2026;
- resolved to appoint Mr. Hryhorii Kapustian as a new Director, Production Assets Management (as a member of the Executive Management Team) with effect as of 19 August 2025;
- resolved to appoint Mr. Aibiek Toktomushev as the new Director, Security (as a member of the Executive Management Team) with effect as of 26 August 2025.
- resolved to appoint Mrs. Olena Plakhova as the new Head of Communications, PR, and GR (as a member of the Executive Management Team) with effect as of 12 January 2026.

The full list of the members of the Executive Management Team, including short biographies for each member, is available on the [Company's website](#). Responsibilities of the Executive Management Team are described in more detail in the Company's Corporate Governance Charter, available on the [Company's website](#).

Various committees are operating at the Executive Management Team level, including the Strategy Committee, the Investment Committee, the Trade Committee, and the Risk Committee.

Corporate Governance **continued**

Remuneration report

This remuneration report is published in accordance with article 7ter of the Luxembourg law of 24 May 2011 on the exercise of certain rights of shareholders at general meetings, as amended.

The compensation principles for the Board and the Executive Management Team are specified in the [Remuneration Policy](#) of the Company. The Group pays remuneration to the Board and the Executive Management Team only in accordance with the Remuneration Policy. The Remuneration Policy must be submitted to a vote by the general meeting at every material change and, in any case, at least every four years.

The most recent approval of the Remuneration Policy took place at the annual general meeting held on 11 December 2023, where shareholders:

- approved an amendment to the long-term management incentive plan in the form of share put option agreements; and
- approved the [Remuneration Policy](#), following the requirements of Article 7bis of the Luxembourg law of 24 May 2011 on the exercise of certain rights of shareholders at general meetings, as amended.

Remuneration of the Board

The compensation of the Company's Directors solely consists of the fixed fees paid for the services rendered in their capacity as members of the Board of Directors. No performance-based variable component, pension, retirement, or similar benefits are provided by the Company. This ensures a certain degree of independence when it comes to fulfilling the Board's duties towards the Executive Management Team. On top of that, Directors are reimbursed for certain travel, hotel, and other expenses related to the exercise of their duties.

The fees paid to the independent directors and the fees paid to executive directors are approved at the annual general shareholders' meeting. Further details on the remuneration of the Board are available in the Company's [Remuneration Policy](#). Non-executive Directors are reimbursed for educational expenses related to enhancing the competencies necessary for their duties.

Three executive Directors in their capacity as members of the Executive Management Team also receive compensation for their services provided to subsidiaries of the Company, with such compensation being paid by the subsidiaries of the Company. One other executive Director, not being a member of the Executive Management Team, also receives

Remuneration of the Board of Directors

USD thousands

	FY2022	FY2023	FY2024	FY2025	FY2026
Chairman of the Board	200	200	200	200	200
Other executive Directors	40	40	40	40	40
Non-executive Directors	275	240	240	232	248
Total Board of Directors	515	480	480	472	488

Excluding reimbursement of travelling expenses incurred by Directors in performing their duties.

Remuneration of the Executive Management Team

USD thousands

	FY2022	FY2023	FY2024	FY2025	FY2026
Total remuneration	8,492	20,585	27,074	23,812	21,983
Base salary	2,949	2,683	3,074	2,620	2,552
Short-term variable bonus	5,543	17,902	24,000	21,192	19,431
Number of executive managers	15	15	15	15	15

compensation as an employee of the Company.

Remuneration of the Executive Management Team

Compensation of the members of the Executive Management Team (15 people in total) is based on a pay-for-performance principle, rewarding sustainable growth and long-term value creation for shareholders of the Company. A significant portion of the remuneration comes from a variable part depending on the Group's consolidated financial performance.

For details, please see the figure above.

The principles of the remuneration of the Executive Management Team are specified in the [Remuneration Policy](#).

Members of the Executive Management Team are not granted any pension, retirement, or similar benefits provided by the Company, apart from those required by law.

The Company believes that the Remuneration Policy strongly contributes to the long-term shareholder value creation and the Company's stability.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee (the "**N&R Committee**") is a continuously operating collective body of the Board. It is established from among the members of the Board and consists of three members, including a chairman elected by the members of the N&R Committee amongst themselves. The majority of the members of the N&R Committee (including the chairman) are non-executive independent Directors.

The role of the N&R Committee is to assist the Board in fulfilling its responsibilities by reviewing, advising, and making recommendations to the Board, the Chairman, and the CEO on the nomination to the Board and Executive

Management Team and their remuneration. The N&R Committee assists the Board in nominating and assessing candidates for both directorship and managerial positions, establishing and reviewing the compensation principles specified in the Remuneration Policy. The N&R Committee ensures that only persons with adequate competencies, experience, and skills are appointed to the Board. The N&R Committee also supports the Board in preparing the Board's remuneration proposals for the shareholders' general meeting. A detailed list of N&R Committee responsibilities is available in the Corporate Governance Charter, published on the [Company's website](#).

Nomination and Remuneration Committee's activity report

The Nomination and Remuneration Committee held three meetings during the reporting period, with an average attendance rate of 100%. During these meetings, the Committee reviewed the performance of the CEO and the Executive Management Team, considered matters related to executive remuneration, and discussed the nomination of new members to the Executive Management Team.

At the additional meeting held in October 2026, the N&R Committee settled on the Executive Management Team compensation for FY2026, standing at USD 21,983 thousand (including a bonus of USD 19,431 thousand) for 15 key executives, as compared to the total compensation of USD 23,812 thousand (including a bonus of USD 21,192 thousand) for 15 key executives a year ago.

Corporate Governance **continued**

Compensation structure of the Executive Management Team

Fixed remuneration	Members of the Executive Management Team receive a base salary determined at the discretion of the Board, commensurate with the respective position and the individual profile of the relevant members in terms of qualifications, skill set, and experience. All amounts are fixed and shall be paid monthly. In FY2026, the aggregated base salary for 15 members of the Executive Management Team amounted to USD 2,552 thousand paid by the subsidiaries of the Company.
Variable remuneration	An annual variable monetary bonus (if applicable) is paid as well. Such a bonus is determined by the formula approved by the Board of Directors upon the recommendation of the N&R Committee. The bonus shall reward the members of the Executive Management team for the financial performance of the Group, which derives from the financial performance of each of its subsidiaries where each respective member of the Executive Management Team is employed or has contractual obligations. The structure of the variable remuneration is as follows: - The bonus pool for 13 members of the Executive Management Team (the "Bonus Pool") is expressed as a percentage of the consolidated EBITDA of the Group less the consolidated financial costs of the Group normalized for the effect of certain one-off and nonrecurring transactions ("EBITDA Less Finance Costs"), with a minimum threshold level of USD 123 million required to activate the pay-out. The Bonus Pool as a percentage of EBITDA Less Finance Costs is gradually increasing starting from 0.46% of EBITDA Less Finance Costs in case EBITDA Less Finance Costs exceeds USD 123 million and reaching 3.66% of EBITDA Less Finance Costs in case EBITDA Less Finance Costs exceeds USD 443 million. The exact allocation of the Bonus Pool between the relevant members of the Executive Management Team is determined by the N&R Committee. - Two members of the Executive Management Team have different metrics determining their variable remuneration, including the financial results of the business divisions they lead, the Group EBITDA and personal key performance indicators. The variable remuneration is paid by the subsidiaries of the Company for duties and services provided by members of the Executive Management Team to subsidiaries of the Company. In FY2026, the aggregated variable remuneration for 15 members of the Executive Management Team amounted to USD 19,431 thousand to be paid by the subsidiaries of the Company.
Long-term management incentive plan	Seven beneficiaries are subject to the long-term management incentive plan, of whom four currently hold positions within the Executive Management Team and the remaining three occupy other roles within the Company, having been members of the Executive Management Team when the plan was introduced. The plan was designed to reward such members of the Executive Management Team for accomplishing individual performance goals related to the duties and services provided by such individuals to subsidiaries of the Company, altogether contributing to the better financial and non-financial results of the group of companies to which the Company belongs over the long-term period and aligning the interests of the Executive Management Team with those of the shareholders of the Company. The long-term management incentive plan was duly reviewed by the N&R Committee and approved by the Board of Directors after the generic terms thereof having been approved by the general meeting of shareholders. Seven beneficiaries were granted put options providing the right but not the obligation to sell a fixed number of the Company's shares owned by management at the moment at the Put Price during the exercise period: - The exercise period shall commence on 1 November 2030 and end on 31 December 2031 (or, in certain cases, 31 December 2032). The exercise period was extended by six years (from its original commencement date of 1 November 2024) following the beneficiaries' agreement to preserve the Company's liquidity in light of its debt obligations, anticipated financing needs, and the prolonged legal proceedings initiated by a group of minority shareholders. These proceedings have consumed considerable management time and resources, delayed certain strategic initiatives, and contributed to continued uncertainty for the Company and its stakeholders. If no put options are exercised during the exercise period, they shall lapse. Put option also provides for acceleration events which dictate that the put options may be exercised before the commencement of the exercise period if the following events occur: 1) the cessation of trading of Company's shares at the Warsaw Stock Exchange or any other recognized stock exchange; or 2) a change of control event where the shareholding of Namsen Limited or its ultimate beneficial owner in Kernel's total votes falls below twenty five percent (25%). In such cases, put options may be exercised only after 12 months following the occurrence of the relevant events. - The Put Price is determined as lower of (1) USD 23.80; or (2) operating profit before working capital changes minus interest paid plus interest received minus interest tax paid, minus maintenance capital expenditures in the fixed amount of USD 155,000,000, where all amounts, except for the maintenance capital expenditures, are specified in USD in the relevant paragraph of the consolidated statement of cash flows of the audited annual consolidated accounts of the Company and its subsidiaries for the Financial Years 2022-2024, divided by 3, divided by 12%, and divided by 84,031,230.

Corporate Governance **continued**

Accountability and audit Going concern

The Group's business activities, together with the factors affecting its performance, position, and future development, are set out in the management report on pages 1-38. The financials of the Group, its liquidity position, borrowing facilities, and applicable terms are described in the financial statement's accounts.

Current economic conditions have fostered the development of several risks and uncertainties for the Company, in particular, related to the war in Ukraine (see details in the [Risks and Uncertainties](#) section of this report).

The Directors have reviewed the current and projected financial position of the Company, making reasonable assumptions about the future trading and production performance, as well as the debt requirements. The results show that the **Company should be able to operate within the levels of its available capital**. Therefore, the Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Board continues to adopt the going concern basis in preparing the annual report and accounts.

Takeover disclosure

The Company's shares are in electronic form (77,429,230 shares) and registered form (216,000,000 shares) and are freely transferable, subject only to the provisions of law and the Company's Articles of Association. There are no agreements between the Company and its employees or directors providing compensation for the loss of office or employment (whether through resignation, purported redundancy, or otherwise) that would occur because of a takeover bid. Put options granted under management incentive plans incorporate accelerated vesting in the event of a takeover.

The Group, in the ordinary course of business, has entered into various agreements with customers and suppliers around the world. Some of the Company's borrowing agreements, which either by their nature or value may represent significant agreements, do provide for the right of termination upon a change of control of the Company. The commercial sensitivity of these agreements prevents their details from being disclosed.

Except for the preceding disclosure, there are no other significant agreements to which the Company is a party that take effect, alter, or terminate upon a change of control following a takeover of the Company.

Audit Committee

The Audit Committee is a continuously operating collective body of the Board. It consists of three members, including a chairman, all of whom are non-executive directors and two of whom meet the independence criteria. The members have competence in accounting and audit, and competence relevant to the sector in which the company is operating. The Audit Committee is fully capable of overseeing the affairs of the Company in the areas of adequacy and effectiveness of the Kernel's system of financial reporting, corporate governance, internal controls, and risk management.

The functioning and key responsibilities of the Audit Committee are described in the [Articles of Association](#) and further specified in the [Corporate Governance Charter](#).

Audit Committee activity report

The Audit Committee had eight meetings in FY2026, including two in-person meetings in Luxembourg and the rest via teleconference. The average attendance rate of Committee members was 100% for the reporting period.

The Chief Financial Officer attended all meetings of the Audit Committee by invitation. The Committee also regularly invited members of executive management and key control functions to present on matters within their respective areas of responsibility, including the Chief Executive Officer, Head of Internal Audit, Compliance Officer, Head of Reporting and Controls, Chief Information Security Officer, and Head of Business Continuity. Representatives of the external auditor, PwC, attended three meetings during the financial year.

During its meetings, the Audit Committee had one closed session with the external auditor and one session with the head of internal audit to communicate without the presence of executives.

Additionally, the decisions of the Audit Committee were taken via one circular resolution signed throughout FY2026.

To support the Board of Directors in fulfilling its oversight responsibilities, the Audit Committee continued to oversee the integrity of the Group's financial reporting, the effectiveness of internal control, risk management, cybersecurity, compliance, and the performance and independence of the internal and external audit functions, in accordance with the [Corporate Governance Charter](#). During FY2026, the Audit Committee:

- **reviewed the integrity of financial reporting**, including the Group's quarterly, semi-annual, and annual consolidated financial statements, the Company's standalone

annual accounts, and Avere's financial statements, as well as significant accounting policies, management judgments, and critical accounting estimates;

- **oversaw the internal audit function**, reviewing the annual internal audit plan, audit reports, key findings, remediation actions, and the overall effectiveness of internal audit activities. The Committee also held one private session with the Head of Internal Audit without executive management present;
- **supervised the external audit process**, including reviewing the audit plan, key areas of focus, audit findings, the management letter, and additional reports prepared by the external auditor. The Committee assessed the auditor's independence, monitored compliance with the non-audit services fee cap, reviewed the audit engagement (including expected audit and non-audit fees), and held one private session with the external auditor without executive management present;
- **monitored the effectiveness of the Group's risk management and internal control framework**, reviewing the principal business risks, mitigation measures, risk management procedures, internal control systems, commodity trading risk management activities, and climate-related physical and transition risks relevant to the Group's operations;
- **oversaw the compliance function**, including implementation of the Corporate Governance Charter, compliance with applicable corporate governance standards, and progress in strengthening the Group's compliance framework, based on regular reports presented by the Compliance Officer;
- **oversaw the Group's cybersecurity and information security framework**, reviewing cyber risk assessments, the effectiveness of cybersecurity controls, incident response and recovery capabilities, key cybersecurity initiatives, and management's actions to strengthen the Group's cyber resilience;
- **considered other matters** within its remit as required during the year.

Following each meeting, the Chair of the Audit Committee reported to the Board of Directors on the Committee's deliberations, key findings, and recommendations on matters requiring Board approval.

In line with good corporate governance practices, the Audit Committee also carried out its annual self-assessment during FY2026, evaluating its effectiveness, composition, and working practices. The review identified opportunities to further enhance the Committee's effectiveness and resulted in a structured action plan for continuous improvement.

In addition, the Audit Committee performed its

Corporate Governance **continued**

annual assessment of the effectiveness of the Group's internal control, risk management, compliance, and internal audit systems. Based on this assessment, the Committee concluded that the internal control and risk management system was generally effective, while both the compliance function and the internal audit function were assessed as effective.

Internal audit

The Company has established an independent internal audit function headed by an experienced Chief Audit Executive. The Chief Audit Executive reports functionally to the Board of Directors through the Audit Committee and administratively to the CEO of the Company. The internal audit function is positioned as a separate independent unit within the Group's organizational structure and has unrestricted access to the Audit Committee, the Board of Directors, senior management, records, personnel, and physical properties relevant to the performance of its responsibilities.

Internal auditing strengthens the Company's ability to create, protect, and sustain value by providing the Board of Directors, the Audit Committee, and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

Internal auditing supports the Company in enhancing:

- the successful achievement of its objectives;
- governance, risk management, and control processes;
- decision-making and oversight;
- reputation and credibility with stakeholders; and
- the ability to serve the public interest.

The internal audit function operates in accordance with the Global Internal Audit Standards issued by the Institute of Internal Auditors. Its mandate, authority, responsibilities, organizational independence, and reporting relationships are defined in the Internal Audit Charter approved by the Audit Committee.

The main responsibilities of internal audit include:

- providing independent and objective assurance on the adequacy and effectiveness of governance, risk management, and internal control processes;
- performing risk-based audits, regular and ad hoc reviews, and advisory engagements focused on key risks, operational efficiency, compliance, and value protection;
- supporting the Board of Directors, the Audit Committee, and management through timely communication of significant risks, control weaknesses, root causes,

recommendations, and agreed management action plans;

- assisting management in improving risk identification, control design, process effectiveness, and operational resilience, while not assuming management responsibility for decisions, controls, or business outcomes; and
- facilitating effective coordination and communication among internal audit, external auditors, management, personnel, the Audit Committee, and the Board of Directors.

The Chief Audit Executive regularly reports to the Audit Committee on the results of internal audit activities, progress against the audit plan, significant findings, implementation of management action plans, resource sufficiency, and matters affecting the independence or effectiveness of the internal audit function. The Chief Audit Executive also meets periodically with the Audit Committee without executive management present.

The internal audit function maintains a quality assurance and improvement program designed to assess conformance with the Global Internal Audit Standards, achievement of performance objectives, and continuous improvement of the function.

External audit

PricewaterhouseCoopers Assurance *Société coopérative* ("PwC"), with its registered office at 2, rue Gerhard Mercator, L-2182 Luxembourg and register number B 294 273 with the Luxembourg Trade and Companies Register, acts as an external auditor of Kernel's consolidated and standalone accounts since FY2022.

Representatives of PwC attended three Audit Committee meetings during FY2026, presenting the Additional Report to the Audit Committee following completion of the statutory audit, the Management Letter, together with management's action plan to implement the auditor's recommendations, and the audit plan. The Audit Committee also reviewed the external auditor's independence, monitored audit and non-audit fees, pre-approved permissible non-audit services, and oversaw compliance with the Company's policy on non-audit services, including the applicable fee cap.

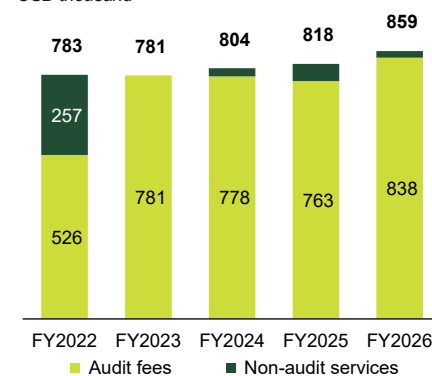
Remuneration to auditors in FY2026 amounted to USD 859 thousand (including USD 21 thousand non-audit services), as compared to USD 818 thousand (including USD 55 thousand non-audit services) in FY2025.

GOV-2

Sustainable development

External auditor's fees

USD thousand



Sustainability Committee

The sustainability function at Kernel is governed by the Board through the Sustainability Committee. The Committee is responsible for:

- overseeing the overall performance of the sustainability function across the Company and the Group;
- supporting the implementation of environmental, social, and sustainability governance agendas across business operations; and
- ensuring alignment of these agendas with the Group's strategy, business objectives, and capital allocation decisions.

The Sustainability Committee held three meetings in FY2026. Members of management attended meetings by invitation to present on matters within their respective areas of responsibility.

To support the Board of Directors in fulfilling its oversight responsibilities, the Sustainability Committee continued to oversee the development of the Group's sustainability agenda, including sustainability reporting, ESG strategy, climate-related opportunities, and social impact initiatives, in accordance with the Corporate Governance Charter. During FY2026, the Sustainability Committee:

- reviewed the structure and content of the Sustainability section of the Annual Report, prepared in line with the Corporate Sustainability Reporting Directive and the European Sustainability Reporting Standards;
- reviewed the Group's ESG Strategy and recommended it to the Board of Directors for consideration and approval;
- considered management updates on sustainability- and climate-related business opportunities, including the development of carbon market initiatives and low-carbon product opportunities;
- reviewed the implementation of the Group's social impact strategy and community engagement initiatives, including investments in community development, energy resilience, healthcare, rehabilitation, veteran

Corporate Governance **continued**

support, and education across 12 regions of Ukraine;

- monitored progress in key social impact programs, including the expansion of community grant initiatives, implementation of solar energy projects for public infrastructure, development of rehabilitation initiatives with measurable social impact, and fundraising and partner co-financing activities.

Following each meeting, the Chair of the Sustainability Committee reported to the Board of Directors on the Committee's deliberations, key findings, and recommendations on matters requiring Board consideration or approval.

Business ethics and compliance

At Kernel, integrity, accountability, and respect are fundamental principles that guide our decisions, relationships, and business practices. These principles are reflected in the Company's Code of Conduct, which serves as the foundation of our ethical culture and establishes the standards of behavior expected from employees, management, and business partners. Through a comprehensive compliance and ethics framework, we continue to foster a culture where responsible conduct, transparency, equal opportunities, and ethical decision-making are embedded across all levels of the organization.

We believe that sustainable growth is built on trust. Therefore, we continuously strengthen our compliance standards, governance mechanisms, and employee engagement initiatives to support long-term value creation and responsible business operations.

In 2021, Kernel adopted [the Diversity, Equality and Inclusion Policy](#), reaffirming its commitment to fostering an inclusive, respectful, and fair working environment for all employees. In 2025, the Company further strengthened its commitment to responsible business conduct through the adoption of [the Human Rights Policy](#), which formalizes Kernel's approach to respecting, protecting, and promoting fundamental human rights across its operations and value chain. Together, these documents form a comprehensive framework that guides our interactions with employees, business partners, local communities, and other stakeholders, while reinforcing a culture of integrity, respect, and accountability throughout the organization.

Kernel has implemented a Corporate Compliance Program designed to align the Company's practices with international standards and best practices. The program combines internal and external control mechanisms, ensuring continuous monitoring, evaluation, and

improvement of compliance processes across the Group. The compliance function is led by a dedicated Compliance Officer, who reports to the CEO and the Board of Directors through the Audit Committee. The Compliance Officer participates in all Audit Committee meetings and provides regular updates on the effectiveness of the compliance framework and internal controls.

A significant milestone of FY2026 was the establishment of the Ethics Committee, bringing together senior representatives from executive management, finance, legal, human resources, security, and internal audit functions. The Committee introduced a structured governance framework for overseeing ethics and compliance matters, whistleblowing reports, and investigations. Meeting on a quarterly basis, the Ethics Committee promotes transparent decision-making, accountability, and the consistent application of ethical standards throughout the Group. Its activities have strengthened the Company's ethical culture, enhanced stakeholder engagement, and further embedded compliance considerations into strategic and operational processes.

We prioritize responsible and transparent relationships with counterparties, assessing risks related to integrity, corruption, sanctions, money laundering, and other compliance matters in line with the Group's risk appetite. Anti-corruption and anti-sanctions provisions are included in contracts with counterparties and reflect both national and international regulatory requirements, including those arising from Russia's ongoing war against Ukraine.

During FY2026, Kernel further strengthened its approach to responsible supply chain management through the development and implementation of [the Supplier Interaction Policy](#) aligned with EBRD requirements. The Policy establishes clear principles of ethical, transparent, and fair engagement with suppliers and reinforces compliance expectations throughout the supply chain.

Kernel is a member of the Ukrainian Network of Integrity and Compliance (UNIC) and a signatory to the United Nations Global Compact and the Memorandum of Collective Action to Combat Corruption. These initiatives provide a valuable platform for sharing best practices, promoting business integrity, and advancing ethical standards across the agricultural sector.

During FY2026, Kernel further strengthened its engagement with international sustainability and governance initiatives by successfully completing the UN Global Compact Human Rights Accelerator Programme. The program

enhanced the Company's human rights due diligence practices and reinforced its commitment to responsible business conduct throughout the value chain.

During 2025–2026, the Compliance function continued to evolve as a strategic business partner, supporting operational excellence, responsible decision-making, and sustainable growth. Compliance considerations were increasingly integrated into business processes, contributing to stronger governance, enhanced transparency, and greater stakeholder trust across the Group.

Key actions undertaken during FY2026 included:

- expansion of the compliance framework to newly integrated assets, ensuring consistent application of compliance policies, controls, and ethical standards across the Group;
- update of the Compliance Risk Matrix for 2026–2027, reflecting emerging risks, changing business conditions, and evolving regulatory expectations;
- implementation of the [AML/CFT/WMD Policy](#), strengthening the Group's framework for identifying, assessing, and mitigating financial crime risks;
- organization of awareness initiatives marking International Anti-Corruption Day and the global "16 Days of Activism Against Gender-Based Violence" campaign, promoting a culture of integrity, respect, inclusion, and accountability.

External Recognition

In FY2026, Kernel received international recognition for its commitment to ethical governance and corporate integrity by becoming a finalist at the ICA Europe Awards 2026. The recognition highlights the Company's ongoing efforts to strengthen its compliance framework, promote ethical business conduct, and align with leading international compliance and governance standards.

Audit report

To the Shareholders of
Kernel Holding S.A.

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of Kernel Holding S.A. (the “Company”) and its subsidiaries (the “Group”) as at 30 June 2026, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

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

What we have audited

The Group’s consolidated financial statements comprise:

- the consolidated statement of financial position as at 30 June 2026;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

Basis for opinion

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

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

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

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

The non-audit services that we have provided to the Company and its controlled undertakings, if applicable, for the year then ended, are disclosed in Note 27 to the consolidated financial statements.

Material uncertainty related to going concern

We draw attention to Note 4 to the consolidated financial statements, which indicates 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 these circumstances, are uncertain. 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 opinion is not modified in respect of this matter.

Key audit matters

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

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

Key audit matter	How our audit addressed the key audit matter
Accounting for business combination As disclosed in Notes 5, 8 and 30, during the year ended 30 June 2026 the Group acquired ordinary shares of Enselco Holding Limited from a related party. The Group accounted for this transaction as a business combination in accordance with the requirements of IFRS 3 Business Combinations and applied the acquisition method of accounting. Considering the significant management judgements applied in assessing whether the fair value of the acquired business was on terms equivalent to those prevailing in the arm's length transactions and the fair value of its identifiable intangible assets, the magnitude of the respective amounts and given that it is a material related party transaction, we considered this to be a key audit matter. Refer to Notes 5, 8 and 30 to the consolidated financial statements for the related disclosures.	Our audit procedures included the following: - Inspecting the signed Share Purchase Agreement and other documentation supporting the acquisition; - Analysing the minutes of the Board of Directors on the appropriate transaction approval; - Assessing whether IFRS 3 acquisition accounting is appropriate; - Evaluating management's assumptions made and judgements applied in determining the fair value of the identifiable intangible assets and the acquired business; - Engaging our internal valuation experts to assess the appropriateness of the methodology applied by the external independent appraiser in determination of the fair value of the identifiable intangible assets and the acquired business, and to assess the reasonableness of the discount rate used; - Validating the purchase price allocation prepared by management; - Verifying mathematical accuracy and integrity of calculations and assessing the adequacy of the Group's disclosures in the Notes 5, 8 and 30 to the consolidated financial statements, including disclosures regarding the business combination, the accounting policy selected and the related-party nature of the transaction.
Valuation of current biological assets The Group measures biological assets at fair value less costs to sell in accordance with IAS 41 Agriculture and IFRS 13 Fair Value Measurement. As of 30 June 2026, the Group had current biological assets comprising mainly winter and spring crops for the 2025/26 season, which were not yet harvested in the amount of USD 406 million. The Group calculates the fair value less costs to sell on the basis of discounted cash flow	Our audit procedures included the following: - Gaining an understanding of management's process for the development of significant assumptions used in the valuation and assessing the appropriateness of the valuation methodology applied. - Evaluating and challenging significant assumptions used in the valuation, such as crop yields and crop sales prices net of transportation costs, based on the internal and external data which supports these assumptions. - Checking the sensitivity analysis over significant assumptions used. - Verifying the mathematical accuracy and integrity of calculations and the adequacy of the Group's disclosures in Notes 5 and 13 to the consolidated financial statements.

forecasts, applying the following significant assumptions:

- crop yields;
- crop sales prices net of transportation costs.

Considering significant management judgements and the magnitude of the amounts involved, we considered this to be a key audit matter.

Refer to Notes 5 and 13 to the consolidated financial statements for the related disclosure.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the annual report including the Management Report and the Corporate Governance Statement but does not include the consolidated financial statements and our audit report thereon.

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

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

Responsibilities of the Board of Directors and those charged with governance for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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.

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

The Board of Directors is responsible for presenting and marking up the consolidated financial statements in compliance with the requirements set out in the Delegated Regulation 2019/815 on European Single Electronic Format ("ESEF Regulation").

Responsibilities of the “Réviseur d'entreprises agréé” for the audit of the consolidated financial statements

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

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

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities and business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Report on other legal and regulatory requirements

The Management Report is consistent with the consolidated financial statements and has been prepared in accordance with applicable legal requirements.

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

We have been appointed as “Réviseur d’Entreprises Agréé” by the General Meeting of the Shareholders on 10 December 2025 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 5 years.

We have checked the compliance of the consolidated financial statements of the Group as at 30 June 2026 with relevant statutory requirements set out in the ESEF Regulation that are applicable to consolidated financial statements.

For the Group it relates to the requirement that:

- the consolidated financial statements are prepared in a valid XHTML format;
- the XBRL markup of the consolidated financial statements uses the core taxonomy and the common rules on markups specified in the ESEF Regulation.



In our opinion, the consolidated financial statements of the Group as at 30 June 2026 have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

Luxembourg, 2 October 2026

PricewaterhouseCoopers Assurance, Société coopérative

Represented by

A handwritten signature in black ink, reading 'Andrei Chizhov'.

Andrei Chizhov

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

for the year ended 30 June 2026

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

In preparing the consolidated 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 consolidated financial statements of Kernel Holding S.A. (the "Company") presented in this Annual Report and established in conformity with International Financial Reporting Standards as adopted by the European Union give a true and fair view of the consolidated statements of comprehensive income, changes in equity and cash flows for the year that ended, and notes to the consolidated financial statements, including a summary of significant accounting policies; and
- 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.

02 October 2026

On behalf of the Board of Directors



Andrii Verevskyi
Chairman of the Board of Directors



Sergiy Volkov
Director, Chief Financial Officer

Selected Financial Data

as of 30 June 2026 (in thousands of US dollars, unless otherwise stated)

		USD ¹		PLN		EUR	
		30 June 2026	30 June 2025	30 June 2026	30 June 2025	30 June 2026	30 June 2025
I.	Revenue	4,404,335	4,115,042	16,038,386	16,142,075	3,774,075	3,785,016
II.	Profit from operating activities	441,339	361,046	1,607,136	1,416,275	378,183	332,090
III.	Profit before income tax	382,035	287,243	1,391,180	1,126,768	327,366	264,206
IV.	Profit for the period	321,891	237,596	1,172,166	932,018	275,828	218,541
V.	Net cash generated by operating activities	142,376	241,664	518,462	947,975	122,002	222,283
VI.	Net cash used in investing activities	(441,533)	(40,343)	(1,607,842)	(158,253)	(378,350)	(37,107)
VII.	Net cash generated by/(used in) financing activities ²	38,379	(393,392)	139,758	(1,543,159)	32,887	(361,843)
VIII.	Total net cash flow	(260,778)	(192,071)	(949,622)	(753,437)	(223,461)	(176,667)
IX.	Total assets	3,891,649	3,320,426	14,674,630	12,007,989	3,415,699	2,830,663
X.	Current liabilities	1,194,387	666,854	4,503,794	2,411,611	1,048,313	568,492
XI.	Non-current liabilities	379,154	574,586	1,429,714	2,077,933	332,783	489,835
XII.	Issued capital	7,749	7,749	29,220	28,023	6,801	6,606
XIII.	Total equity	2,318,108	2,078,986	8,741,122	7,518,445	2,034,603	1,772,336
XIV.	Weighted average number of shares	293,129,230	293,276,353	293,129,230	293,276,353	293,129,230	293,276,353
XV.	Profit per ordinary share (in USD/PLN/EUR)	1.10	0.81	4.00	3.19	0.94	0.75
XVI.	Diluted number of shares	293,129,230	293,276,353	293,129,230	293,276,353	293,129,230	293,276,353
XVII.	Diluted profit per ordinary share (in USD/PLN/EUR)	1.10	0.81	4.00	3.19	0.94	0.75
XVIII.	Book value per share (in USD/PLN/EUR)	7.91	7.09	29.83	25.64	6.94	6.04
XIX.	Diluted book value per share (in USD/PLN/EUR)	7.91	7.09	29.83	25.64	6.94	6.04

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

² The amount includes the effect of exchange rate changes on cash held in foreign currencies, as presented separately in the statement of cash flows.

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

Consolidated Statement of Financial Position

as of 30 June 2026 (in thousands of US dollars, unless otherwise stated)

	Notes	As of 30 June 2026	As of 30 June 2025
Assets			
Current assets			
Cash and cash equivalents	9, 33	356,732	617,511
Trade accounts receivable	10, 33	251,317	252,660
Prepayments to suppliers		95,130	91,804
Corporate income tax prepaid		662	6,434
Taxes recoverable and prepaid	11	132,230	125,837
Inventories	12	371,531	363,467
Biological assets	13	406,292	230,669
Other financial assets	14, 33	415,663	315,913
Total current assets		2,029,557	2,004,295
Non-current assets			
Property, plant and equipment	15	1,065,253	946,342
Right-of-use assets	16	438,386	245,611
Intangible assets	17	217,968	34,788
Goodwill		18,582	13,196
Deferred tax assets	24	45,750	51,698
Non-current financial assets		9,597	6,025
Other non-current assets	18	66,556	18,471
Total non-current assets		1,862,092	1,316,131
Total assets		3,891,649	3,320,426
Liabilities and equity			
Current liabilities			
Trade accounts payable	33	105,310	108,348
Contract and other current liabilities	19	198,588	257,285
Corporate income tax liabilities		25,818	39,664
Short-term borrowings	9, 21	360,617	148,887
Current portion of long-term borrowings	9, 21	33,273	22,239
Current portion of lease liabilities	9, 23	39,257	34,021
Current bonds issued	9, 22, 33	298,233	—
Interest on bonds issued	9, 22, 33	3,555	3,616
Other financial liabilities	20, 33	129,736	52,794
Total current liabilities		1,194,387	666,854
Non-current liabilities			
Long-term borrowings	9, 21	38,727	82,307
Bonds issued	9, 22, 33	—	298,487
Lease liabilities	9, 23	319,513	171,234
Deferred tax liabilities	24	19,842	19,194
Other non-current liabilities	33	1,072	3,364
Total non-current liabilities		379,154	574,586
Equity attributable to Kernel Holding S.A. equity holders			
Issued capital		7,749	7,749
Share premium reserve		457,935	457,935
Additional paid-in capital		39,944	39,944
Revaluation reserve		101,526	103,766
Translation reserve		(1,133,738)	(1,055,011)
Retained earnings		2,843,869	2,523,546
Total equity attributable to Kernel Holding S.A. equity holders		2,317,285	2,077,929
Non-controlling interests		823	1,057
Total equity		2,318,108	2,078,986
Total liabilities and equity		3,891,649	3,320,426
Book value		2,317,285	2,077,929
Number of shares	2, 34	293,129,230	293,129,230
Book value per share (in USD)		7.91	7.09
Diluted number of shares	34	293,129,230	293,129,230
Diluted book value per share (in USD)		7.91	7.09

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 financial statements.

Consolidated Statement of Profit or Loss

for the year ended 30 June 2026 (in thousands of US dollars, unless otherwise stated)

	Notes	For the year ended 30 June 2026	For the year ended 30 June 2025
Revenue	7	4,404,335	4,115,042
Net change in fair value of biological assets and agricultural produce	13	44,074	6,590
Cost of sales	25	(3,944,016)	(3,752,162)
Gross profit		504,393	369,470
Other operating income	26	196,188	266,797
Other operating expenses	26	(28,875)	(46,414)
General and administrative expenses	27	(221,715)	(235,268)
Net reversal/(expected credit loss) charge		212	(2,485)
Net impairment (losses)/reversal on non-financial assets		(8,864)	8,946
Profit from operating activities		441,339	361,046
Finance costs	28	(86,765)	(77,668)
Finance income	28	31,974	45,395
Foreign exchange gain/(loss), net		3,088	(5,249)
Other expenses, net	29	(7,601)	(36,281)
Profit before income tax		382,035	287,243
Income tax expenses	24	(60,144)	(49,647)
Profit for the period		321,891	237,596
Profit for the period attributable to:			
Equity holders of Kernel Holding S.A.		322,030	238,161
Non-controlling interests		(139)	(565)
Earnings per share			
Weighted average number of shares	34	293,129,230	293,276,353
Profit per ordinary share (in USD)		1.10	0.81
Diluted number of shares	34	293,129,230	293,276,353
Diluted profit per ordinary share (in USD)		1.10	0.81

On behalf of the Board of Directors

Andrii Verevskyi

Chairman of the Board of Directors



Sergiy Volkov

Director, Chief Financial Officer



Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2026 (in thousands of US dollars, unless otherwise stated)

	Notes	For the year ended 30 June 2026	For the year ended 30 June 2025
Profit for the period		321,891	237,596
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Revaluation of property, plant and equipment		(2,732)	9,252
Income tax related to components of other comprehensive income	24	492	(1,664)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations ¹		(80,529)	(25,926)
Other comprehensive loss		(82,769)	(18,338)
Total comprehensive income for the period		239,122	219,258
Total comprehensive income attributable to:			
Equity holders of Kernel Holding S.A.		239,356	219,852
Non-controlling interests		(234)	(594)

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 decreased mostly as a result of foreign exchange rate change.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2026 (in thousands of US dollars, unless otherwise stated)

	Attributable to Kernel Holding S.A. shareholders							Non-controlling interests	Total equity
	Issued capital	Share premium reserve	Additional paid-in capital	Revaluation reserve	Translation reserve	Retained earnings	Total		
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	—	—	—	—	—	238,161	238,161	(565)	237,596
Other comprehensive income/(loss)	—	—	—	7,588	(25,897)	—	(18,309)	(29)	(18,338)
Total comprehensive income for the period	—	—	—	7,588	(25,897)	238,161	219,852	(594)	219,258
Other (Note 2)	—	—	—	—	—	(6,566)	(6,566)	—	(6,566)
Balance as of 30 June 2025	7,749	457,935	39,944	103,766	(1,055,011)	2,523,546	2,077,929	1,057	2,078,986
Profit for the period	—	—	—	—	—	322,030	322,030	(139)	321,891
Other comprehensive loss	—	—	—	(2,240)	(78,727)	(1,707)	(82,674)	(95)	(82,769)
Total comprehensive income for the period	—	—	—	(2,240)	(78,727)	320,323	239,356	(234)	239,122
Balance as of 30 June 2026	7,749	457,935	39,944	101,526	(1,133,738)	2,843,869	2,317,285	823	2,318,108

On behalf of the Board of Directors

Andrii Verevskyi
Chairman of the Board of Directors



Sergiy Volkov
Director, Chief Financial Officer



Consolidated Statement of Cash Flows

for the year ended 30 June 2026 (in thousands of US dollars, unless otherwise stated)

	Notes	For the year ended 30 June 2026	For the year ended 30 June 2025
Operating activities:			
Profit before income tax		382,035	287,243
Adjustments for:			
Amortization and depreciation		116,994	105,283
Finance costs	28	86,765	77,668
Finance income	28	(31,974)	(45,395)
Net (reversal)/expected credit loss charge		(212)	2,485
(Gain)/loss on disposal of property, plant and equipment	29	(6,633)	394
Foreign exchange (gain)/loss, net		(3,323)	6,169
Net impairment losses/(reversal) on non-financial assets		8,864	(8,946)
Write-downs of inventories to net realizable value	12	2,014	685
Net change in fair value of biological assets and agricultural produce	13	(44,074)	(6,590)
(Gain)/loss on disposal of subsidiaries	29	(23,140)	5,232
Net loss arising on financial instruments	20	120,197	4,680
Other accruals		2,769	5,473
Operating profit before working capital changes		610,282	434,381
Changes in working capital:			
Change in trade accounts receivable		45,525	53,001
Change in other financial assets		(187,872)	(49,422)
Change in prepayments and other current assets		2,964	36,872
Change in taxes recoverable and prepaid		6,896	(10,455)
Change in biological assets		(38,023)	17,010
Change in inventories		16,532	(143,493)
Change in trade accounts payable		(19,843)	(7,203)
Change in contract, other current and financial liabilities		(187,130)	1,109
Cash generated from operations		249,331	331,800
Interest paid		(81,256)	(78,198)
Interest received		28,694	32,070
Income tax paid		(54,393)	(44,008)
Net cash generated by operating activities		142,376	241,664
Investing activities:			
Purchase of property, plant and equipment		(139,464)	(72,956)
Proceeds from disposal of property, plant and equipment		17,774	4,841
Payment for lease agreements		(2,522)	(1,426)
Purchase of intangible and other non-current assets		(16,249)	(11,902)
Proceeds from disposal of intangible and other non-current assets		12	947
Acquisition of subsidiaries, net of cash acquired	8	(338,343)	(4,029)
Disposal of subsidiaries	8	24,919	40
Release of pledge deposits		—	1,303
Proceeds from disposal of financial assets		12,340	42,839
Net cash used in investing activities		(441,533)	(40,343)
Financing activities:			
Net proceeds from credit lines		111,363	14,310
Proceeds from short-term and long-term borrowings		145,600	149,607
Repayment of short-term and long-term borrowings		(169,014)	(223,489)
Repayment of lease liabilities		(37,705)	(34,171)
Corporate bonds repaid		—	(300,000)
Net cash generated by/(used in) financing activities		50,244	(393,743)
Effects of exchange rate changes on the balance of cash held in foreign currencies		(11,865)	351
Net decrease in cash and cash equivalents		(260,778)	(192,071)
Cash and cash equivalents, at the beginning of the year	9	617,508	809,579
Cash and cash equivalents, at the end of the year	9	356,730	617,508

For non-cash financing activities please see Note 9.

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 financial statements.

Notes to the Consolidated Statements

for the year ended 30 June 2026 (in thousands of US dollars, unless otherwise stated)

1. Corporate Information

Kernel Holding S.A. (hereinafter referred to as the “Holding” or the “Company”) was 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”). The Group’s principal place of production facilities is in Ukraine.

Kernel Holding S.A. has been a publicly traded company since 2007. Kernel Holding S.A. made an announcement 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, as of 30 June 2026, and as of the date of these consolidated financial statements issue the delisting process has not been completed and it is expected to be finalized upon resolution of legal proceedings disclosed in Note 31.

The Group’s principal business activities comprise the production and export of sunflower oil and sunflower meal in bulk, the production and sale of bottled sunflower oil, the wholesale trade of grain, primarily corn, soybean, wheat, and barley, as well as farming operations, the provision of logistics and transshipment services, and renewable energy generation. As of 30 June 2026, the Group employed 14,484 people (30 June 2025: 10,760 people).

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

As of 30 June, the primary Subsidiaries of the Group and their principal activities were as follows:

Subsidiary	Principal activity	Country of incorporation	Group’s effective ownership interest and voting rights as of	
			30 June 2026	30 June 2025
Inerco Trade SA	Trading in sunflower oil, meal and grain.	Switzerland	100.0%	100.0%
Kernel-Trade, LLC		Ukraine	100.0%	100.0%
Avere Commodities SA		Switzerland	75.0% ¹	75.0% ¹
Estron Corporation Ltd	The holding ownership interests in subsidiaries, their financing and strategic management.	Cyprus	100.0%	100.0%
Poltavsky VOEP, PJSC	Oilseed crushing plants. Production of sunflower oil and meals.	Ukraine	99.7%	99.7%
Bandursky VOEP, LLC		Ukraine	100.0%	100.0%
Kropyvnytskyi OEP, PJSC		Ukraine	99.2%	99.2%
Black Sea Industries Ukraina Limited, LLC		Ukraine	100.0%	100.0%
Prydniprovskyi OEP, LLC		Ukraine	100.0%	100.0%
Starokostiantynivskyi OEP, LLC		Ukraine	100.0%	100.0%
Transbulkterminal, JV LLC	Provision of grain, oil, and meals handling and transshipment services.	Ukraine	100.0%	100.0%
Transgrainterminal, LLC		Ukraine	100.0%	100.0%
Oilexportterminal, LLC		Ukraine	100.0%	100.0%
Kononivsky Elevator, LLC	Grain elevators. Provision of grain and oilseed cleaning, drying, and storage services.	Ukraine	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%
Prydniprovskyi Krai, ALLC		Ukraine	100.0%	100.0%
Enselco Agro, LLC		Ukraine	100.0% ²	—
Druzhba-Nova, ALLC		Ukraine	100.0%	100.0%
Druzhba 6, PE		Ukraine	100.0%	100.0%
Semerenny Agrofarm, LLC		Ukraine	100.0%	100.0%
Hovtva, ALLC		Ukraine	100.0%	100.0%

These consolidated financial statements were authorized for release by the board of directors of Kernel Holding S.A. on 2 October 2026.

¹ As of 30 June 2026 and 2025, legal ownership of Avere Commodities SA was 75.0% and economic ownership was 100.0%, out of which 37.5% are distributed under the employee profit-sharing arrangement.

² The company was acquired on 2 April 2026 (Note 8).

Notes to the Consolidated Statements continued

for the year ended 30 June 2026 (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). As of 30 June 2026 and 2025, the issued capital of the Holding, consisted of 293,429,230 ordinary shares without indication of the nominal value. Ordinary shares have equal voting rights and rights to receive dividends (except for own shares purchased).

The shares were distributed as follows:

	As of 30 June 2026		As of 30 June 2025	
	Shares allotted and fully paid	Share owned	Shares allotted and fully paid	Share Owned
Equity holders				
Namsen Limited	278,947,016	95.16%	278,947,016	95.16%
Free float	14,182,214	4.84%	14,182,214	4.84%
Total	293,129,230	100.00%	293,129,230	100.00%

As of 30 June 2026 and 2025, the Company's immediate majority shareholder was Namsen Limited ("Namsen Ltd") and the Group was ultimately controlled by Mr. Andrii Verevskyi, who held 100% of the beneficial interest in Namsen Ltd.

In December 2024, the Group purchased 300,000 of its own shares (0.10% of total share capital) for USD 6,566 thousand. Treasury shares are excluded from the weighted average number of shares used to calculate earnings per share and book value per share.

Luxembourg companies are required to allocate to a legal reserve at least 5% of the annual net income until this reserve equals 10% of the subscribed issued capital. This reserve, in the amount of USD 775 thousand as of 30 June 2026 and 2025, 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 consolidated 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 are currently under occupation, while Russia conducts sporadic bombardments throughout the whole Ukrainian territory.

Ukraine continues to face challenging conditions during Russia's war of aggression, which has caused widespread destruction and deeply impacted its economy. Ukraine's financial system and corporate sector have remained resilient in the face of extraordinary challenges.

Inflationary pressures remained elevated, driven by war-related supply constraints, energy and logistics costs, labor market imbalances and exchange rate developments. Annual inflation increased from 7.2% in June 2026 to 7.7% in July 2026, while core inflation remained at 8.1%. According to the National Bank of Ukraine ("NBU") forecast, inflation is expected to reach approximately 10.0% by the end of 2026 and gradually decline to 6.9% in 2027, returning to the NBU's 5.0% target by the end of 2028.

During the period from 1 July 2025 to 29 January 2026, the NBU key policy rate was 15.5% per annum, after which it was reduced to 15.0% per annum effective from 30 January 2026. Subsequent to the reporting date, in July 2026, the NBU increased the key policy rate from 15.0% to 15.5% per annum in response to renewed inflationary risks and persistent underlying price pressures. The decision was aimed at maintaining the attractiveness of hryvnia-denominated assets, supporting exchange rate stability and keeping inflation expectations under control.

Ukraine's external financing remained a key factor supporting macroeconomic and financial stability. Continued support from international partners, including the EU, IMF, EBRD, World Bank and individual governments, remained critical for covering budgetary needs, maintaining international reserves, supporting reconstruction and stabilizing expectations.

The agricultural sector continued to operate in a volatile environment affected by security risks, changing export logistics and global commodity price movements. In July 2026, risks around maritime exports increased following attacks and heightened security concerns in the Black Sea region. Vessel calls to Ukrainian ports were temporarily paused by shipowners; however, the Ukrainian authorities indicated that this did not constitute a full blockade and that no state restrictions on vessel movements had been introduced. The situation affected market sentiment and prices, while the longer-term impact on export volumes depends on the duration of the disruption.

In addition to risks to seaborne exports, alternative land routes also came under pressure. In August 2026, reports indicated that Russian forces targeted infrastructure used for alternative grain export routes, including the Odesa-Reni corridor connecting southern Ukraine with Moldova and Romania. Such attacks increase uncertainty around logistics costs, timing of deliveries and export capacity. The Group's operations in Ukraine remained exposed to these risks, particularly in relation to production, storage, processing and export infrastructure. The Group continued to adapt its operations and logistics routes where possible; however, further attacks on port, storage, energy or transport infrastructure could adversely affect export flows, operating costs, margins and the timing of sales.

The future course of the war, the scale and duration of attacks on infrastructure, availability of maritime and alternative export routes, commodity price developments, exchange rate dynamics and the timing and volume of international financial support remain subject to significant uncertainty. Accordingly, it remains difficult to estimate the scale and direction of possible future developments, either negative or positive, in the operating environment in Ukraine. Management's assessment of these risks and uncertainties and their impact on the Group's ability to continue as a going concern is set out in Note 4.

Notes to the Consolidated Statements **continued**

for the year ended 30 June 2026 (in thousands of US dollars, unless otherwise stated)

4. Material Accounting Policy Information

Basis of Preparation and Accounting

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union.

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

The Group's Subsidiaries maintain their accounting records in local currencies in accordance with the accounting and reporting regulations of the countries of their incorporation. Local statutory accounting principles and procedures may differ from those generally accepted under IFRS Accounting Standards. Accordingly, the consolidated financial statements, which have been prepared from the Group's Subsidiaries' accounts under local accounting regulations, reflect adjustments necessary for such financial statements to be presented in accordance with IFRS Accounting Standards.

Going concern

The Group continues to operate in a challenging environment resulting from the Russian Federation's full-scale invasion of Ukraine, which began on 24 February 2022. Management continues to implement measures to safeguard employees and assets and to maintain continuity of operations, and the Group has demonstrated resilience and operational adaptability throughout the conflict.

In assessing the going concern assumption, management considered the significant events, conditions and results for the year ended 30 June 2026 and up to the date of authorization of these consolidated financial statements for issue.

Ukraine's grain export corridors remained operational throughout the financial year. However, since July 2026, intensified attacks on port infrastructure, terminals and commercial vessels in the Black Sea ports have significantly disrupted the operation of the export routes, materially reducing the volumes the Group is able to ship by sea and increasing freight and insurance costs. Core operations continued at the levels limited by export constraints.

The Group maintained a stable liquidity position, holding USD 356,732 thousand of cash and cash equivalents and USD 415,663 thousand of other financial assets as of 30 June 2026. During the year ended 30 June 2026, the Group generated revenue of USD 4,404,335 thousand (2025: USD 4,115,042 thousand), profit before tax of USD 382,035 thousand (2025: USD 287,243 thousand) and net cash inflows from operating activities of USD 142,376 thousand (2025: USD 241,664 thousand). In the fourth quarter of the reporting period, the Group signed new CAPEX financing deals with EBRD and EIFO, securing committed funds of up to USD 45,000 thousand and USD 114,000 thousand, respectively.

Management has prepared cash flow forecast scenario covering a period until October 2027. The scenario assumes that export capacity through Black Sea routes is not restored at any point during the forecast period and remains at current constrained levels throughout. The key assumptions applied by management are as follows:

- no further significant advance of Russian troops into Ukrainian territory and no escalation of military actions that could severely affect the Group's assets;
- no critical damage to the Group's infrastructure or to Ukraine's transport and energy infrastructure;
- Ukraine's deep-water ports remain open and continue to operate with significant disruption, allowing the Group to export minimum volumes until October 2027;
- postponement of operating and capital expenditure that is not essential to operations and is not contractually committed;
- the Group's existing credit lines remain available throughout the forecast period and are not withdrawn or cancelled, and the Group retains access to the undrawn portion of those facilities;
- the Group settles the bank borrowings and bonds according to their initial maturity dates.

The forecast indicates that the Group has sufficient resources to continue its operations and to meet its obligations as they fall due. Accordingly, management believes that it is appropriate to prepare these consolidated financial statements on a going concern basis.

Management acknowledges that the future development and duration of military actions represent a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, may result in the Group being unable to realize its assets and discharge its liabilities in the normal course of business. Despite this material uncertainty related to the war in Ukraine, management continues to take actions to minimize its impact on the Group and therefore believes that the application of the going concern assumption in the preparation of these consolidated financial statements remains appropriate.

Adoption of New and Revised Standards

The Group has adopted all new and amended IFRS Accounting Standards that became effective for the annual period beginning 1 July 2025.

Lack of Foreign Currency Exchangeability (Amendments to IAS 21): The amendments provide guidance for determining when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments also require the disclosure of additional information when a currency is not exchangeable.

Notes to the Consolidated Statements **continued**

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Standards and Interpretations Issued but not Effective

At the date of authorization of these consolidated financial statements, the following standards, interpretations and amendments to the standards had been issued but were not yet effective:

Standards and Interpretations	Effective for annual periods beginning on or after
Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)	1 January 2026
Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	1 January 2026
Annual Improvements to IFRS Accounting Standards (Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7)	1 January 2026
Presentation and Disclosure in Financial Statements (IFRS 18)	1 January 2027
Subsidiaries without Public Accountability: Disclosures (IFRS 19)	1 January 2027
Regulatory Assets and Regulatory Liabilities (IFRS 20)	1 January 2029

Key areas of expected impact include the following:

- **Structure of the statement of profit or loss.** IFRS 18 requires all items of income and expense to be classified into one of three new categories: operating, investing, financing. Two new mandatory subtotals will be introduced in the statement of profit or loss: profit or loss before financing and investing. The Group currently presents an operating profit subtotal; however, Management is performing a detailed assessment to determine the appropriate classification of income and expense items to ensure that this subtotal will comply with the requirements of IFRS 18. Items previously presented within a single line may require reclassification into the investing or financing category.
- **Management-defined performance measures ("MPMs").** IFRS 18 introduces mandatory disclosure requirements for any subtotal of income and expenses that an entity uses in public communications outside its financial statements to communicate management's view of the entity's financial performance. The Group regularly communicates EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) in its public reporting. Management is assessing whether EBITDA and any other measures used in public communications meet the definition of management-defined performance measures under IFRS 18. For measures that qualify as MPMs, the Group will be required to include in the notes to the financial statements a description of the measure, an explanation of why it provides useful information, and a reconciliation to the most directly comparable IFRS-defined subtotal, together with the income tax effect and the effect on non-controlling interests of each reconciling item.
- **Aggregation and disaggregation.** IFRS 18 introduces revised principles for aggregating and disaggregating financial information to ensure that material items are not obscured. The Group is currently reviewing the structure and labelling of line items in its primary statements and notes considering these requirements.
- **Statement of cash flows.** IFRS 18 amends IAS 7 Statement of Cash Flows in respect of the classification of interest paid, interest received, and dividends. For entities that do not have a specified main business activity of investing in assets or providing financing to customers — which applies to the Group — interest paid will be classified as a cash flow from financing activities and interest received will be classified as a cash flow from investing activities. This will result in the reclassification of interest paid and interest received, which are currently presented within operating activities, into financing and investing activities respectively in the comparative statement of cash flows.

The Group continues to evaluate the full extent of the effects of IFRS 18 on its consolidated financial statements and will provide further updates in subsequent reporting periods as its assessment progresses.

The Group has not early adopted these standards, interpretations and amendments. Management is in the process of evaluating the impact of these standards, interpretations and amendments on the Group's consolidated financial statements in future periods.

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 Subsidiaries is their local currency, except for businesses engaged in the production and sale of sunflower oil and the operation of 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 that are measured at fair value in a foreign currency are translated 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 Consolidated Statement of Profit or Loss and Other Comprehensive Income and accumulated in the translation reserve within equity.

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

Currency	Closing rate as of 30 June 2026	Average rate for the year ended 30 June 2026	Closing rate as of 30 June 2025	Average rate for the year ended 30 June 2025
USD/UAH	44.8478	42.7378	41.6409	41.4619
USD/EUR	0.8777	0.8569	0.8525	0.9198
USD/PLN	3.7708	3.6415	3.6164	3.9227

Notes to the Consolidated Statements continued

for the year ended 30 June 2026 (in thousands of US dollars, unless otherwise stated)

Rates established by the NBU may differ from commercial rates. Therefore, these rates may not be the ones at which the assets could be realized, or liabilities could be settled. Additionally, certain restrictions of the NBU on foreign currency transactions remained in place, although they were gradually eased during the financial year ended 30 June 2026.

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

All foreign exchange gains or losses that occur on retranslation of monetary balances, denominated in foreign currencies are presented as a separate line in the Consolidated Statement of Profit or Loss.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and all entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders, or other parties;
- rights arising from other contractual arrangements;
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a Subsidiary begins when the Company obtains control over the Subsidiary and ceases when the Company loses control of the Subsidiary. Specifically, income and expenses of a Subsidiary acquired or disposed of during the year are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income from the date the Company obtains control until the date when the Company ceases to control the Subsidiary.

All inter-company transactions and balances between the Group's entities are eliminated for consolidation purposes. Unrealized gains and losses resulting from inter-company transactions are also eliminated, unless the unrealized losses provide evidence of impairment of the transferred assets.

Non-controlling interests in Subsidiaries are identified separately from the Group's equity therein. Non-controlling interests as of the reporting date represent the non-controlling equity holders' portion of the fair values of the identifiable assets and liabilities of the Subsidiary at the acquisition date and the non-controlling equity holders' portion of movements in equity since the date of acquisition. Profit or loss and each component of the other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. The total comprehensive income of Subsidiaries is attributed to the equity holders of the Company and to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Business Combinations

Acquisitions of businesses, including those from parties under common control where there is economic substance, are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are expensed when incurred and included in general and administrative expenses.

As part of the purchase price allocation, the Group assesses the fair value of acquired property, plant and equipment and other identifiable assets and liabilities, using appropriate valuation techniques and, where relevant, with the assistance of independent external appraisers. For acquired lease arrangements in which the acquiree is the lessee, the Group recognizes lease liabilities based on the present value of the remaining lease payments as if the leases were newly entered into at the acquisition date, with corresponding right-of-use assets recognized in accordance with IFRS 3 and IFRS 16.

The identifiable assets acquired and the liabilities assumed are recognized at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-Based Payments at the acquisition date

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

Notes to the Consolidated Statements continued

for the year ended 30 June 2026 (in thousands of US dollars, unless otherwise stated)

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard

For each business combination, the Group measures the non-controlling interests in the acquiree either at fair value or at a proportionate share of the acquiree's identifiable net assets.

If the acquisition-date amounts for identifiable assets acquired and liabilities assumed can only be determined provisionally by the end of the reporting period in which the business combination occurs, provisional amounts are reported and adjusted during the measurement period, which may not exceed 12 months from the acquisition date, to reflect new information about facts and circumstances that existed as of the acquisition date. When a business combination is achieved in stages, the previously held equity interest in the acquiree is remeasured at its acquisition-date fair value, and any resulting gain or loss is recognized in profit or loss.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control are accounted for as equity transactions. Any difference between the adjustment to non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity and attributed to the equity holders of the Holding.

Goodwill

Goodwill arising from a business combination is recognized as an asset at the acquisition date and measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previously held equity interest over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed. If that net amount exceeds the aggregate of the consideration transferred, any non-controlling interest and any previously held interest, the excess is recognized immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortized but is tested for impairment at least annually, or more frequently when events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. If the recoverable amount of the cash-generating units ("CGU") is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period.

For impairment testing purposes, goodwill is allocated to CGUs or groups of CGUs at the lowest level at which the Group monitors goodwill for internal management purposes, which level is not larger than an operating segment as defined by IFRS 8. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the synergies of the business combination. Goodwill is monitored at the level of the legal entity representing a production site of the Group, except for the Farming segment, where the segment as a whole constitutes a single CGU, and for the two grain export terminals, which together represent a single CGU.

On disposal of a subsidiary, the attributable carrying amount of goodwill is included in the determination of the gain or loss on disposal.

Fair Value Measurement

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the transactions and activities in financial instruments, the Group could conclude enforceable master netting or similar arrangements, each agreement between the Group and the counterparty allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis (Note 33). In the absence of such an election, financial assets and liabilities may be settled on a gross basis, however, each party to the master netting or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party.

Notes to the Consolidated Statements continued

for the year ended 30 June 2026 (in thousands of US dollars, unless otherwise stated)

Per the terms of each agreement, an event of default includes failure by a party to make payment when due, failure by a party to perform any obligation required by the agreement (other than payment) if such failure is not remedied within periods of 30 to 60 days after notice of such failure is given to the party or bankruptcy.

Inventories

Inventories are stated at a lower cost or net realizable value. Cost comprises direct materials and, where applicable, direct labor costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the first-in, first-out ("FIFO") method. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Biological Assets and Agricultural Produce

The Group classifies crops in fields and cattle as biological assets.

Biological assets are stated at fair value, less estimated costs to sell at both initial recognition and as of the reporting date, with any resulting gain or loss recognized in the Consolidated Statement of Profit or Loss. Costs of selling include all costs that would be necessary to sell the assets, including costs necessary to get the assets to the market.

Agricultural produce harvested from biological assets is measured at its fair value less costs to sell estimated at the point of harvest. A gain or loss arising from the initial recognition of agricultural produce at fair value less costs to sell is included in the Consolidated Statement of Profit or Loss. The Group presents gain/(loss) on revaluation attributable to the agricultural produce sold during the year in the Net change in fair value of biological assets and agricultural produce.

Biological assets for which quoted market prices are not available are measured using the present value of expected net cash flows from the sale of an asset discounted at a current market-determined rate. The objective of a calculation of the present value of expected net cash flows is to determine the fair value of a biological asset in its present location and condition.

The cost of agricultural preparation of fields before seeding is recorded as work-in-progress in inventories. After seeding, the cost of field preparation is recognized as biological assets held at fair value less costs to sell.

The Group classifies biological assets as current or non-current depending upon the average useful life of the group of biological assets. All of the Group's biological assets except non-current cattle were classified as current, as their average useful life is less than one year.

Property, Plant and Equipment

Buildings and constructions, production machinery and equipment (Oilseed Processing segment) are accounted for at revalued amounts, being the fair value, which is determined using external professional expert evaluation. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

If the asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to other comprehensive income and accumulated in the revaluation reserve in equity. However, such an increase is recognized in the Consolidated Statement of Profit or Loss to the extent that it reverses an impairment of the same asset previously recognized in the Consolidated Statement of Profit or Loss. If the asset's carrying amount is decreased as a result of a revaluation, the decrease is recognized in the Consolidated Statement of Profit or Loss. However, such a decrease is debited directly to the Other Comprehensive Income or Loss to the extent of any credit balance existing in the revaluation surplus with respect to that asset.

Depreciation on revalued assets is charged to the Consolidated Statement of Profit or Loss. On the subsequent sale or retirement of revalued assets, the revaluation surplus remaining in the revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognized. Property, plant and equipment are depreciated over the estimated useful economic lives of assets under the straight-line method.

Useful lives of property, plant and equipment are as follows:

Buildings and constructions	20 - 50 years
Production machinery and equipment	10 - 20 years
Agricultural equipment and vehicles	5 - 30 years
Other fixed assets	5 - 20 years
Construction in progress ("CIP") and uninstalled equipment	not depreciated

Except for land, buildings and constructions and production machinery and equipment of the Oilseed Processing segment, all other property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. Land is carried at cost less accumulated impairment losses and is not depreciated.

Capitalized costs include major expenditures for improvements and replacements that extend the useful lives of assets or increase their revenue-generating capacity. Repairs and maintenance expenditures that do not meet the foregoing criteria for capitalization are presented in the Consolidated Statement of Profit or Loss as incurred.

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

Notes to the Consolidated Statements continued

for the year ended 30 June 2026 (in thousands of US dollars, unless otherwise stated)

Construction in progress consists of costs directly related to the construction of property, plant and equipment including an appropriate allocation of directly attributable variable overhead incurred during construction. Depreciation of these assets commences when the assets are put into operation.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising from the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Consolidated Statement of Profit or Loss.

Leases

The Group assesses whether a contract is, or contains, a lease at the inception of the contract. The Group recognizes right-of-use assets and corresponding lease liabilities with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets.

For the short-term leases and low-value assets leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases of the Group, the Group's incremental borrowing rate is used, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, collateral, and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the Group as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- considers observable market interest rates, including yields on corporate bonds denominated in currencies consistent with the lease payments;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk; and
- adjusts specific to the lease, e.g., term, country, currency, and collateral.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, any lease incentives received, and any initial direct costs. Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis from the lease commencement date.

The commencement date is the date on which a lessor makes an underlying asset available for use by a lessee.

Finance costs, which represent the difference between the total lease payments included in the measurement of the lease liability and the initial amount of the lease liability, are charged to profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is primarily recognized within "Cost of Sales" on a straight-line basis over their estimated useful lives. The amortization method and estimated useful life are reviewed annually with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately shall not be amortized and are carried at cost less accumulated impairment loss.

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

Notes to the Consolidated Statements **continued**

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Trademarks

The “Schedry Dar”, “Stozhar”, “Zolota” and “Domashnya” are separately acquired trademarks that have indefinite useful lives and are not amortized but tested for impairment by comparing their recoverable amount with their carrying amount annually on 30 June and whenever there is an indication that the trademarks may be impaired.

Leasehold land bank portfolio

The leasehold land bank portfolio represents the acquisition-date fair value of the Group's access to an assembled portfolio of agricultural land plots held under lease agreements acquired in a business combination. It does not include the right to use the land over the lease term, which is recognized as a right-of-use asset in accordance with IFRS 16.

The leasehold land bank portfolio acquired in a business combination is recognized separately from goodwill at its fair value at the acquisition date, which is accounted for as its cost, and is subsequently carried at cost less accumulated amortization and accumulated impairment losses. The weighted average of the amortization period is approximately 10 years.

Impairment of Non-Financial Assets, except Goodwill

On each reporting date, the Group reviews the carrying amounts of the Group's non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the CGU to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The cash generating unit represents the lowest level within the Group at which the goodwill is monitored by management, and which is not larger than a segment. An impairment loss is recognized immediately in the Consolidated Statement of Profit or Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a CGU) is increased to the revised estimate of its recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is recognized immediately in the Consolidated Statement of Profit or Loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at banks and short-term highly liquid deposits with original maturities of three months or less that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Cash and cash equivalents are measured at amortized cost because: (i) they are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest on the principal amount outstanding (“SPPI”); and (ii) they are not designated at fair value through profit or loss (“FVTPL”).

Financial Instruments

Financial assets and financial liabilities are recognized in the Group's Consolidated Statement of Financial Position when, and only when, the Group entity becomes a party to the contractual provisions of the instrument.

Financial assets are classified into the following categories: financial assets at amortized cost or at FVTPL. The classification depends on the business model and contractual cash flow characteristics of the financial assets or financial liabilities and is determined at the time of initial recognition.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables and trade payables that do not have a significant financing component which are measured at transaction price. All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets. All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, other than financial assets and financial liabilities at FVTPL, are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

The government bonds held by the Group are measured at FVTPL in accordance with IFRS 9. This classification reflects the Group's business model for managing these instruments, as they are not held solely to collect contractual cash flows and are not held both to collect contractual cash flows and to sell. Cash flows arising from trading in government bonds are presented on a net basis within investing activities, as these transactions are not related to the Group's principal revenue-generating activities and are managed as a separate investment activity.

Amortized cost and effective interest method

The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective of holding financial assets in order to collect contractual cash flows; and

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

Notes to the Consolidated Statements continued

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- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The effective interest method calculates the amortized cost of a debt instrument and allocates interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at fair value through profit or loss. The effect of initial recognition of financial assets and liabilities obtained/incurred at terms below the market is recognized net of the tax effect as an income or expense, except for financial assets and liabilities with shareholders or entities under control of the Beneficial Owner, whereby the effect is recognized through equity.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL on initial recognition;
- Debt instruments that do not meet the amortized cost criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortized cost criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called "accounting mismatch") that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset.

Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and all the risks and rewards to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes collateralized borrowing for the proceeds received.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset or retains a residual interest that does not result in the retention of substantially all the risks and rewards of ownership and the Group retains control), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes based on the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in the Consolidated Statement of Profit or Loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized based on the relative fair values of those parts.

Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses ("ECL") on a financial asset, other than those at FVTPL, at the end of each reporting period. The amount of ECL and other current assets is updated at each reporting date to reflect changes in credit risk since the initial recognition of the respective financial instrument.

The Group applies a simplified approach permitted by IFRS Accounting Standards to measuring ECL, which uses a lifetime expected loss allowance for trade receivables. The ECL on trade receivables and other current assets is estimated using a provision matrix, based on historical credit loss experience and credit rating of customers, adjusted on observable and reasonable information.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12-months after the reporting date.

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered bankruptcy proceedings, or when the amounts are over three years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, considering legal advice where appropriate. Any recoveries made are recognized in profit or loss.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group,

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

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in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a lagging default criterion is more appropriate.

Financial liabilities measured subsequently at amortized cost

Financial liabilities that are not contingent consideration of an acquirer in a business combination, held for trading or designated as at FVTPL are measured subsequently at amortized cost using the effective interest method.

Financial liabilities measured at amortized cost include balances of bank loans and credit lines. Cash movements from bank loans and credit lines that meet the IAS 7 requirements for net presentations are presented in the consolidated statements of cash flows in line "Net proceeds from/(re-payment of) credit lines". Other related cash movements that do not meet requirements for net presentation are presented on gross basis in lines "Proceeds from short-term and long-term borrowings" and "Repayment of short-term and long-term borrowings".

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when they are contingent consideration of an acquirer in a business combination, held for trading or designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed, and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with gains or losses arising from changes in fair value recognized in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognized in profit or loss incorporates any interest paid on financial liability.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that is recognized in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

When the Group exchanges one debt instrument with the existing lender for another instrument with substantially different terms, the exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of the terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between:

- the carrying amount of the liability before the modification; and
- the present value of the cash flows after modification is recognized in the consolidated statement of profit or loss as the modification gain or loss within Other operating income and expenses.

Derivative Financial Instruments

The Group enters into a variety of derivative financial instruments, including futures, options and physical contracts to buy or sell commodities, which do not qualify for the own-use exemption under IFRS 9. These instruments are used primarily for economic risk management and pricing purposes. All derivatives are initially recognized at fair value on the date the contract is entered into and are subsequently remeasured at fair value at each reporting date.

Gains and losses from purchase-related commodity derivatives and sales-related derivatives are presented within other Operating income or

Notes to the Consolidated Statements **continued**

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expenses. Fair value is determined using quoted market prices, third-party broker quotations or appropriate valuation techniques when observable inputs are not available. All changes in the fair value of derivative financial instruments are recognized immediately in the profit or loss. Derivatives expected to be settled within one year after the reporting date are classified as current assets or current liabilities. If settlement is expected beyond one year, the instrument is classified as non-current.

Provisions

A provision is recognized in the Consolidated Statement of Financial Position when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the obligation amount can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, considering the risks and uncertainties surrounding the obligation.

Revenue recognition

Revenue is derived principally from the sale of goods and finished products, farming operations and rendering services. Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The point of revenue recognition for the sale of commodity goods depends on the contractual sales terms ("Incoterms"). When goods are sold on a Cost and Freight ("CFR") or Cost, Insurance, and Freight ("CIF") basis, the Group is responsible for providing services such as carriage and freight to the customer. The Group recognizes revenue from each separate performance obligation and allocates part of the transaction price to carriage and freight services incorporated in certain contracts that the Group undertakes to perform. The Group allocates the transaction price based on the relative stand-alone selling prices of the commodities and supporting services. Revenue from these carriage and freight services is recognized over time.

A receivable is recognized by the Group when the control over goods is transferred to the customer, as this represents the point of time at which the right to consideration becomes unconditional, with only the passage of time required before payment is due. The timing of billing is generally close to the timing of satisfaction of the related performance obligation and, accordingly, the amount of contract assets and contract liabilities is not material. When the Group obtains a contract from a customer, the Group enters into a contract with one of the service providers, directing the service provider to render freight and other services for the customer. The Group is obliged to pay the service provider even if the customer fails to pay.

Revenue derived from freight, storage and other services is recognized over time, as the customers simultaneously receive and consume the benefits provided by the Group in respect of the related services. This recognition method is consistent with the revenue disclosures presented for each reportable segment.

Revenue, as well as other transactions and balances with other related parties, are incurred with legal entities that are associated with close family members of the ultimate controlling party of the Group and members of the Group's management.

Employee benefits

Wages, salaries, pension and social security contributions, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the year in which the associated services are rendered by the employees of the Group. The Group recognizes a liability and an expense for short-term bonuses and other short-term profit-sharing arrangements when the Group has a present legal or constructive obligation to make payments as a result of past events and a reliable estimate can be made of the amount payable.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in the Consolidated Statement of Profit or Loss in the period in which they are incurred.

Taxation

Income taxes are recognized in the consolidated financial statements in accordance with legislation currently enacted in the legal jurisdictions in which the Group entities operate. Income tax expense comprises the sum of the current tax expenses and deferred tax expense or benefit.

Current and deferred tax for the year

Current and deferred tax are recognized in the Consolidated Statement of Profit or Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Current income tax

The current income tax is the amount expected to be paid to, or recovered from, taxation authorities in respect of taxable profit or losses for the current or previous periods. It is calculated using tax rates that have been enacted or substantially enacted by the reporting date in the countries where the Holding and its Subsidiaries operate and generate taxable income. Taxable profit differs from profit before tax because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Taxes other than income tax are recorded within operating expenses. Some of the Group's companies that are involved in agricultural production are exempt from income taxes.

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

Notes to the Consolidated Statements **continued**

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and pay the Unified Agricultural Tax instead.

Deferred tax

Deferred income tax is recognized on temporary differences arising between the carrying amount of assets and liabilities in the financial statements and their corresponding tax bases used in the computation of taxable profit. Deferred tax balances are measured at tax rates enacted or substantively enacted at the end of the reporting period that are expected to apply to the period when the temporary differences will reverse or the tax loss carried forward will be utilized. Deferred tax assets for deductible temporary differences and tax losses carried forward are recognized only to the extent that it is probable that future taxable profit will be available against which the deductions can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax liabilities for taxable temporary differences associated with investments in Subsidiaries and joint ventures are recognized, except when the Group can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. In addition, a deferred tax liability is not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax assets and liabilities are offset when:

- the Group has a legally enforceable right to set off the recognized amounts of current tax assets and current tax liabilities;
- the Group has the intention to settle on a net basis, or to realize the asset and settle the liability simultaneously;
- the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority in each future period in which significant amounts of deferred tax liabilities and assets are expected to be settled or recovered.

Corrections and reclassifications

In accordance with IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the Group has made reclassifications in the comparative financial information as of 30 June 2025 presented in these consolidated financial statements for the year ended 30 June 2026.

To conform comparative information to the current year's presentation in the consolidated statement of profit or loss, the Group reclassified USD 198,989 thousand of net gains on operating derivatives for the year ended 30 June 2025 from cost of sales to other operating income. The revised presentation better reflects the economic nature of these derivatives like operating risk management activities related to commodity trading positions and provides more relevant information on the Group's cost of sales and gross profit. As a result, other operating income and cost of sales increased by the same amount, while gross profit decreased by USD 198,989 thousand, as the net gains are now presented below the gross profit line.

The Group changed the presentation of comparative information in the note on cash and cash equivalents. Cash and cash equivalents previously presented by currency (USD, UAH, and other currencies) are now presented by instrument type (current bank accounts, short-term deposits, and cash on hand), which Management believes provides more relevant information for assessing the Group's liquidity. The definition and composition of cash and cash equivalents have not changed, and these reclassifications had no effect on previously reported total amount of cash and cash equivalents or on any amounts presented in these consolidated financial statements.

5. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

The application of IFRS Accounting Standards requires management to make reasonable 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 consolidated financial statements. The estimates are based on the information available as of the reporting date. Actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. 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.

Critical Judgments in Applying Accounting Policies

The following are the critical judgments, apart from those involving estimations (see below), that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

Revaluation of Property, Plant and Equipment

As described in Note 4, buildings, constructions, production machinery and equipment used in the Oilseed Processing segment are measured under the revaluation model and carried at fair value. IAS 16 requires that revaluations be performed with sufficient regularity such that the carrying amount does not differ materially from fair value at the reporting date.

The most recent formal revaluation by an independent external appraiser was performed as of 30 June 2025 in accordance with International Valuation Standards. The following valuation techniques were used: the cost approach (depreciated replacement cost), which is within Level 3 of the fair value hierarchy, and the income approach (discounted cash flow models). The depreciated replacement cost was calculated as either the cost to reproduce the asset, adjusted by the observable inflation rate and change in currency exchange rates, or the cost of a new market analogue, in both cases adjusted by the unobservable index of physical depreciation. The higher the cost to reproduce the asset or the cost of a new market analogue, the higher the resulting depreciated replacement cost. The results of the depreciated replacement cost approach were then compared

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with the results of the income approach (Level 3 of unobservable inputs) for corresponding assets to test whether economic obsolescence exists. During the year ended 30 June 2026, Management exercised judgement in determining that a new external revaluation was not required. This assessment was based on internal indicators including changes in inflation, exchange rates, indices of physical and functional depreciation, and market conditions in the Oilseed Processing sector, as well as the Group's latest cash flow forecasts.

Management concluded that the carrying amounts of the revalued assets do not differ materially from their fair values as of 30 June 2026, other than those for which an impairment loss was recognized, as disclosed in Note 15 and that the requirement of sufficient regularity under International accounting standard continues to be met.

Functional currencies of different entities of the Group

Different entities within the Group have different functional currencies, based on the underlying economic conditions in which they operate. This determination of what the specific underlying economic conditions requires judgment. In making this judgment, the Group evaluates, among other factors, the location of activities, the sources of revenue, risks associated with activities, the currency denomination of operations of different entities and the degree of independence of subsidiaries' business models. In determining the functional currency of Kernel-Trade LLC, the Group based its judgement on the fact that the company operates internationally in markets that are mainly influenced by the USD (not Ukrainian hryvnia) and its major activities include the sale of goods to foreign customers. Moreover, most of its operations are denominated in USD, and USD is the currency in which its business risks and exposures are managed and the performance of its business is measured. In determining the functional currency of the oil-processing plants and transshipment terminals, the Group based its judgement on the degree of independence of those companies' business models from Kernel-Trade LLC.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future and other key sources of estimating uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of Property, Plant and Equipment

The Group assesses non-financial assets for indicators of impairment at each reporting date. Where such indicators exist, or where there are indications that a previously recognized impairment may no longer exist or may have decreased, management performs a detailed impairment review of the Group's non-current assets.

Management makes key assumptions regarding factors that have been materially influenced by the full-scale Russian invasion of Ukraine. These assumptions reflect events and conditions that may indicate impairment, including:

- temporary suspension of operations;
- breaches of supply and purchase contracts;
- restrictions on market access for product deliveries;
- limitations on export routes;
- declines in profitability and physical damage to assets resulting from the invasion; and
- volatility in commodity prices, including consideration of future pricing trends, where fluctuations are common in the industry.

The Group tested its non-current assets for impairment by comparing their carrying amounts with their recoverable amounts, defined as the higher of value in use and fair value less costs of disposal.

Impairment testing was performed at the CGU level for all segments, covering property, plant and equipment, intangible assets, right-of-use assets, and goodwill. Where impairment was identified, the loss was allocated first to goodwill and then to other intangible assets, property, plant and equipment, and right-of-use assets on a pro rata basis.

In assessing impairment, assets that do not generate independent cash flows are allocated to the appropriate CGU.

The recoverable amount was determined primarily on a value-in-use basis, using discounted cash flow projections. Future cash flows were estimated from financial budgets approved by management covering a five-year period, and extrapolated beyond this period using growth rates consistent with industry forecasts. The cash flows were discounted to present value using pre-tax discount rates that reflect the specific risks associated with the relevant CGUs, their functional currency, and the country of operation. Key assumptions and sensitivities are disclosed in Note 15.

For previously impaired assets or CGUs, if the recoverable amount exceeds the carrying amount, the impairment loss is reversed in the consolidated statement of profit or loss.

Impairment of Right-of-Use Assets

The Group allocated the right-of-use assets to a cash generating unit, for impairment test within the respective CGU. The majority of the Group's right-of-use assets relate to leasehold land for agricultural purposes, being part of the Farming segment.

Details of the management assumptions used to assess the recoverable amount of CGUs in which right-of-use assets were allocated are provided in Note 5 under the Impairment of Property, Plant and Equipment section and Note 15.

Fair Value of Biological Assets and Agricultural Produce

Biological assets are recorded at fair value less costs to sell. The fair value of growing crops is determined using a discounted cash flow model based on the expected crop yields by sowing area size, market prices for the respective crops, and after allowing for harvesting costs, contributory

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asset charges for the land and sowing areas and other costs yet to be incurred in getting the harvest to maturity.

The Group estimates the fair values of biological assets and agricultural produce based on the following assumptions:

- expected crop yields (for crops in fields);
- estimated future sales prices;
- projected production costs and costs to sell; and
- discount rate.

Although some of these assumptions are obtained from published market data, a majority of these assumptions are estimated based on the Group's historical and projected results (Note 13).

Fair value measurement of the acquired business and the respective assets acquired and liabilities assumed in the business combination

Assets acquired and liabilities assumed in a business combination are recorded at their acquisition-date fair values. Determining the fair value of the acquired business and its identifiable assets and liabilities requires the use of valuation techniques, which may include the market, cost or income approach applied (based on certain assumptions, including discount rate) with the assistance of an independent external appraiser, and which may affect the allocation of the amount of consideration transferred to the assets and liabilities acquired and goodwill recognized as part of the business combination (Note 8).

6. Operating Segments

Operating segments are reported in a manner consistent with the internal reporting as provided to the chief operating decision maker for the purpose of allocating resources and assessing performance. The executive management, who are members of the Board of Directors of the Company, are identified as chief operating decision maker.

For the purposes of the consolidated financial statements, operating segments are defined based on the nature of activities, products sold, or services provided. The segmentation presented consists of the structure of financial information regularly reviewed by the Group's executive management, including the Chief Executive Officer. Segment performance is evaluated primarily on the basis of "EBITDA" (Earnings Before Interest, Taxes, Depreciation, and Amortization). EBITDA is calculated as the profit from operating activities adding back amortization and depreciation.

The Group presents its results of activities within three operating segments:

- the Oilseed Processing segment combines oilseed origination, edible oil production and sales of bottled sunflower oil. Sunflower oil in bulk is mostly sold further to the Infrastructure and Trading segment for global marketing.
- the Infrastructure and Trading segment, the Group combines results of Avere's global physical and proprietary trading operations, silo services, transportation and logistics assets, export terminals, vessels, grain origination, and export operations in Ukraine. This segment comprises interconnected business units that together form an integrated supply chain linking Ukrainian farmers to global markets. Management treats export terminals and grain storage facilities as production assets that support the grain merchandising business.
- in the Farming segment, the Group reports result 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.

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. Segment data is calculated as follows:

- Intersegment sales reflect transactions between operating segments 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.

The "Other" column reflects income and expenses not allocated to segments, which are related to the administration function of the Group.

Since the financial management of the Group's companies is carried out centrally, borrowings, bonds, deferred taxes, and some other assets and liabilities are not allocated directly to the respective operating segments and are presented in the "Other" column. Consequently, the assets and liabilities shown for individual segments do not include borrowings, bonds, deferred taxes, and some other assets and liabilities.

Seasonality of operations

The Oilseed Processing segment typically experiences seasonally lower sales in the first quarter of the financial year, corresponding to the end of the crushing season and reduced production levels. The Farming segment reflects seasonality associated with seeding and harvesting campaigns, which generally occur from November to May and from June to November, respectively. The Infrastructure and Trading segment usually records higher volumes in the months following the start of the harvesting campaign, which begins in July for early grains and in September for autumn-harvested crops.

In addition, the Farming segment is generally subject to a greater impact from IAS 41 valuation of biological assets in the last quarter of the financial year, when more acreage is revalued at fair value less costs to sell. A significant effect from IAS 41 valuation of agricultural produce is also typically observed in the first half of the financial year, following the completion of the harvesting campaign.

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

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7. Revenue and Key Data by Operating Segment

Key data by operating segment for the year ended 30 June 2026:

	Oilseeds processing	Infrastructure and Trading	Farming	Other	Reconciliation	Total
Revenue (external)	2,384,161	1,951,773	68,401	—	—	4,404,335
Intersegment sales	—	148,703	476,556	—	(625,259)	—
Total revenue	2,384,161	2,100,476	544,957	—	(625,259)	4,404,335
Net change in fair value of biological assets and agricultural produce	—	—	44,074	—	—	44,074
Cost of sales	(2,254,186)	(1,956,098)	(358,991)	—	625,259	(3,944,016)
Other operating income	17,375	161,435	2,378	15,000	—	196,188
Other operating expenses	—	(1,282)	—	(27,593)	—	(28,875)
General, administrative and selling expenses	(28,309)	(110,110)	(36,726)	(46,570)	—	(221,715)
Net reversal/(expected credit loss) charge	181	1,174	(180)	(963)	—	212
Net impairment (losses)/reversal on non-financial assets	(1,322)	(8,901)	45	1,314	—	(8,864)
Profit/(loss) from operating activities	117,900	186,694	195,557	(58,812)	—	441,339
Amortization and depreciation	38,379	29,848	45,263	3,504	—	116,994
EBITDA	156,279	216,542	240,820	(55,308)	—	558,333
Reconciliation:						
Finance costs						(86,765)
Finance income						31,974
Foreign exchange gain, net						3,088
Other expenses, net						(7,601)
Income tax expenses						(60,144)
Profit for the period						321,891
Total assets	1,028,518	1,356,501	1,350,081	156,549	—	3,891,649
Capital expenditures	19,546	33,271	21,527	9,064	—	83,408
Total liabilities	49,456	325,926	384,177	813,982	—	1,573,541

Key data by operating segment for the year ended 30 June 2025:

	Oilseeds processing	Infrastructure and Trading	Farming	Other	Reconciliation	Total
Revenue (external)	2,047,930	2,021,729	45,383	—	—	4,115,042
Intersegment sales	58,719	147,079	422,822	—	(628,620)	—
Total revenue	2,106,649	2,168,808	468,205	—	(628,620)	4,115,042
Net change in fair value of biological assets and agricultural produce	—	—	6,590	—	—	6,590
Cost of sales	(2,003,675)	(2,074,564)	(302,543)	—	628,620	(3,752,162)
Other operating income	14,437	212,560	5,841	33,959	—	266,797
Other operating expenses	—	—	(2,673)	(43,741)	—	(46,414)
General, administrative and selling expenses	(12,993)	(117,683)	(27,709)	(76,883)	—	(235,268)
Net reversal/(expected credit loss) charge	486	(1,917)	(950)	(104)	—	(2,485)
Reversal/(impairment losses) on non-financial assets	8,022	1,894	50	(1,020)	—	8,946
Profit/(loss) from operating activities	112,926	189,098	146,811	(87,789)	—	361,046
Amortization and depreciation	34,821	29,034	37,581	3,847	—	105,283
EBITDA	147,747	218,132	184,392	(83,942)	—	466,329
Reconciliation:						
Finance costs						(77,668)
Finance income						45,395
Foreign exchange loss, net						(5,249)
Other expenses, net						(36,281)
Income tax expenses						(49,647)
Profit for the period						237,596
Total assets	1,297,037	1,125,336	608,700	289,353	—	3,320,426
Capital expenditures	20,239	24,773	23,902	2,409	—	71,323
Total liabilities	110,522	232,630	230,417	667,871	—	1,241,440

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

Notes to the Consolidated Statements continued

for the year ended 30 June 2026 (in thousands of US dollars, unless otherwise stated)

The Group revenue by category was as follows:

	For the year ended 30 June 2026				For the year ended 30 June 2025			
	Oilseed Processing	Infrastructure and Trading	Farming	Total	Oilseed Processing	Infrastructure and Trading	Farming	Total
Revenue from:								
- edible oils sold in bulk and meal	2,114,876	309,742	2,748	2,427,366	1,791,083	580,758	5,424	2,377,265
- agriculture commodities merchandising	—	1,505,030	6,089	1,511,119	—	1,287,182	9,672	1,296,854
- freight and other services	122,351	137,001	—	259,352	111,369	153,789	—	265,158
- bottled sunflower oil	123,022	—	259	123,281	113,817	—	77	113,894
- farming	—	—	59,305	59,305	—	—	30,210	30,210
- electricity	23,912	—	—	23,912	31,661	—	—	31,661
Total	2,384,161	1,951,773	68,401	4,404,335	2,047,930	2,021,729	45,383	4,115,042

The Group recognized revenue principally from the sale of commodities upon transfer of control of the goods 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.

The transaction price allocated to outstanding performance obligations as of 30 June 2026 is USD 5,038 thousand (30 June 2025: USD 4,737 thousand). This amount represents revenue from carriage, freight, and insurance services under CIF/CFR Incoterms contracts which are to be executed in July 2026, 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 30 June 2026.

Timing of revenue recognition allocated by the operating segment under requirements of IFRS 15 was as follows:

	For the year ended 30 June 2026				For the year ended 30 June 2025			
	Oilseed Processing	Infrastructure and Trading	Farming	Total	Oilseed Processing	Infrastructure and Trading	Farming	Total
At a point in time	2,261,810	1,814,772	68,401	4,144,983	1,936,059	1,868,442	45,383	3,849,884
Over time	122,351	137,001	—	259,352	111,871	153,287	—	265,158
Total	2,384,161	1,951,773	68,401	4,404,335	2,047,930	2,021,729	45,383	4,115,042

During the year ended 30 June 2026, revenues of approximately USD 248,162 thousand (2025: USD 341,897 thousand) were derived from a single external customer. These revenues are attributed to Oilseed processing and Infrastructure and Trading segments. Export sales accounted for 94.02% of total external sales during the year ended 30 June 2026 (2025: 94.93%).

For the year ended 30 June 2026, revenue from the Group's five largest customers represented approximately 23.83% of total revenue (2025: 28.63%).

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			Non-current assets		
	For the year ended 30 June 2026	For the year ended 30 June 2025		As of 30 June 2026	As of 30 June 2025
Europe	2,119,794	2,157,006	Ukraine	1,787,264	1,243,233
of which Switzerland	630,928	547,229	Other locations	19,481	15,175
Asia	2,109,994	1,816,426			
of which India	510,869	584,325			
Other locations	174,547	141,610			
Total	4,404,335	4,115,042	Total	1,806,745	1,258,408

No other individual country represented more than 10% of the Group's total revenue from external customers or non-current assets.

8. Acquisition and Disposal of Subsidiaries

On 2 April 2026, Kernel Holding S.A. acquired 100% of the issued shares of Enselco Holding Limited, the holding company for a group of entities engaged in a farming business managing approximately 190 thousand hectares of leasehold agricultural land, a proprietary network of grain silos, agricultural machinery and equipment, and a fleet of grain railcars, which prior to the acquisition was ultimately controlled by Mr. Andrii Verevskyi, Chairman of the Board of Directors of the Company and managed separately from the Group. The acquisition was effected through a share purchase agreement and was settled in full in cash. The acquisition expanded the Group's land bank and agricultural infrastructure, strengthened its position in the Farming segment and is expected to generate synergies through integration with the Group's existing crop production operations.

The consideration transferred amounted to USD 348,000 thousand, representing a 5% discount to the independent fair market value of equity of USD 365,521 thousand, as determined by an independent professional appraiser engaged at the request of the Company's independent Directors and under their oversight. The acquisition was accounted for using the acquisition method under IFRS 3.

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

Notes to the Consolidated Statements **continued**

for the year ended 30 June 2026 (in thousands of US dollars, unless otherwise stated)

The assets and liabilities recognized at their acquisition-date fair values are as follows:

	As of 2 April 2026
Current assets	
Cash and cash equivalents	9,660
Trade accounts receivable	41,686
Prepayments to suppliers	1,279
Taxes recoverable and prepaid	15,193
Inventories	120,881
Biological assets	34,214
Other financial assets	5,463
Total current assets	228,376
Non-current assets	
Property, plant and equipment	168,176
Right-of-use assets	126,484
Intangible assets	177,244
Non-current financial assets	303
Other non-current assets	211
Total non-current assets	472,418
Total assets	700,794
Current liabilities	
Trade and other accounts payable	66,550
Advances from customers and other current liabilities	18,521
Corporate income tax liabilities	1,207
Short-term borrowings	27,176
Current portion of lease liabilities	4,303
Other financial liabilities	49,604
Total current liabilities	167,361
Non-current liabilities	
Long-term borrowings	70,286
Lease liabilities	120,533
Total non-current liabilities	190,819
Net assets	342,614
Goodwill arising on acquisition	5,386
Total consideration transferred	348,000
Less: cash and cash equivalents acquired	(9,660)
Net cash outflow arising on acquisition	338,340

As a part of the purchase price allocation, the Group recognized the leasehold land bank portfolio as an identifiable intangible asset, the fair value of which was determined using the market approach and amounted to USD 176,438 thousand.

The fair value of acquired trade accounts receivable is USD 41,686 thousand. The gross contractual amount for trade accounts receivable due is USD 42,263 thousand.

The acquired business contributed revenues of USD 19,531 thousand and net profit of USD 42,903 thousand to the Group for the period from 2 April to 30 June 2026. If the acquisition had occurred on 1 July 2025, consolidated pro forma revenue and profit for the year ended 30 June 2026 would have been USD 4,587,339 thousand and USD 277,868 thousand, respectively.

In May 2026, as part of the Group's portfolio optimization initiative, aimed at focusing on core operational regions, the Group disposed of a farming entity managing approximately 14,3 thousand hectares of leasehold farmland in the Kharkiv region. The net assets of the disposed entity as at the date of disposal amounted to USD 2,129 thousand. The gain on disposal of USD 22,802 thousand is recognized within Other expenses (Note 29). No interest was retained in the disposed entity following completion of the transaction. The net cash inflow from the disposal, presented within investing activities in the consolidated statement of cash flows, amounted to USD 24,919 thousand, representing the cash consideration received of USD 24,931 thousand less cash and cash equivalents disposed of USD 12 thousand.

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

Notes to the Consolidated Statements continued

for the year ended 30 June 2026 (in thousands of US dollars, unless otherwise stated)

9. Cash and Cash Equivalents

The balances of cash and cash equivalents were as follows:

	As of 30 June 2026	As of 30 June 2025
Cash on current bank accounts	348,876	379,412
Short-term deposits (maturity up to 3 months)	7,850	238,093
Cash on hand	6	6
Total	356,732	617,511
Less bank overdrafts (Note 21)	(2)	(3)
Cash and cash equivalents, net of bank overdrafts	356,730	617,508

The loss allowance for expected credit losses on cash and cash equivalents was immaterial as of 30 June 2026 and 2025.

The table below analyses cash and cash equivalents by the Fitch credit rating of the counterparty bank:

	As of 30 June 2026	As of 30 June 2025
International bank with F1+ rating	50,186	219,833
International bank with F1 rating	125,165	220,861
International bank with F2 rating	11,481	6,816
Banks with lower than F2 rating	148,178	135,973
Banks without international ratings	21,722	34,028
Total	356,732	617,511

As of 30 June 2026, the balances held in Ukrainian subsidiaries of international banks without international ratings amounted to USD 8,064 thousand (30 June 2025: USD 9,601 thousand). The parent institutions of these subsidiaries were predominantly rated F2 or higher by Fitch or by other equivalent international rating agencies.

The Group manages credit risk arising from cash and cash equivalents by monitoring the financial position and external credit ratings of counterparty banks and their parent institutions, in accordance with the Group's treasury policy. Further information on the Group's exposure to credit risk from cash and cash equivalents is provided in Note 32.

The table below reconciles changes in the Group's liabilities arising from financing activities for the years ended 30 June 2026 and 2025.

	Borrowings (Note 21)	Lease liabilities (Note 23)	Bonds issued (Note 22)	Total
As of 30 June 2024	315,166	169,740	605,192	1,090,098
Cash flow from repayments, including interest paid	(89,524)	(48,313)	(330,000)	(467,837)
Non-cash movements				
Additions and change of terms of lease liabilities	—	74,472	—	74,472
Termination of lease agreements	—	(5,868)	—	(5,868)
Non-cash settlement of lease liabilities	—	(1,567)	—	(1,567)
Amortization of one-off and transaction costs	—	—	907	907
Interest expense accrued (Note 28)	28,587	21,196	26,006	75,789
Interest expense capitalized	395	—	—	395
Foreign exchange movements	(1,142)	(251)	—	(1,393)
Translation difference	—	(4,084)	—	(4,084)
Other changes	(49)	(70)	(2)	(121)
As of 30 June 2025	253,433	205,255	302,103	760,791
Cash flow from proceeds/(repayments), including interest paid	63,908	(76,461)	(20,216)	(32,769)
Acquisition of subsidiaries (Note 8)	97,462	124,836	—	222,298
Disposal of subsidiaries	—	(7,931)	—	(7,931)
Non-cash movements				
Additions and change of terms of lease liabilities	—	111,182	—	111,182
Termination of lease agreements	—	(16,523)	—	(16,523)
Non-cash settlement of lease liabilities	—	(1,328)	—	(1,328)
Interest expense accrued (Note 28)	24,557	39,615	20,183	84,355
Interest expense capitalized	225	—	—	225
Foreign exchange movements	(5,431)	(446)	—	(5,877)
Translation difference	—	(19,366)	—	(19,366)
Other changes	(1,537)	(63)	(282)	(1,882)
As of 30 June 2026	432,617	358,770	301,788	1,093,175

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

Notes to the Consolidated Statements continued

for the year ended 30 June 2026 (in thousands of US dollars, unless otherwise stated)

10. Trade Accounts Receivable

The balances of trade accounts receivable were as follows:

	As of 30 June 2026	As of 30 June 2025
Trade accounts receivable	262,289	265,820
Allowance for expected credit losses	(10,972)	(13,160)
Total	251,317	252,660

The average credit period on sales of goods for the year ended 30 June 2026 is 21 days (2025: 25 days). The carrying value of trade accounts receivable approximates the fair value.

As of 30 June 2026, a receivable balance of USD 245,410 thousand was due from international customers and the remaining USD 5,907 thousand was receivable from Ukrainian buyers (30 June 2025: USD 242,306 thousand and USD 10,354 thousand respectively).

Information on credit risk exposure in respect of trade accounts receivable is disclosed in Note 32.

The Group applies the simplified approach under IFRS 9 to measure expected credit losses on trade receivables. The expected credit losses are estimated based on past default experience, ageing of outstanding balances, current conditions and equivalent credit rating, adjusted as appropriate for current observable data and forward-looking information.

The changes in expected credit loss provisions are recognized in the line Net reversal/(expected credit loss) charge. For the year ended 30 June 2026, a decrease in the loss allowance of USD 918 thousand was recognized (2025: USD 2,262 thousand). Subsequent recoveries of amounts previously written off are credited against the same line item.

The ageing profile of trade accounts receivable and the related loss allowance were as follows:

	As of 30 June 2026				As of 30 June 2025			
	Days past due				Days past due			
	Not past due	<90	>90	Total	Not past due	<90	>90	Total
Expected loss rate ¹	0.01%	0.72%	70.23%		0.34%	0.71%	80.86%	
Gross carrying amount	230,820	16,039	15,430	262,289	199,359	51,479	14,982	265,820
Loss allowance	(21)	(115)	(10,836)	(10,972)	(680)	(365)	(12,115)	(13,160)
Total	230,799	15,924	4,594	251,317	198,679	51,114	2,867	252,660

The movements in allowance for credit loss relating to trade accounts receivable are presented below:

	Trade accounts receivables		
	Lifetime ECL	Individually assessed	Total
Loss allowance as of 30 June 2024	12,913	3,583	16,496
Decrease in loss allowance recognized in profit or loss during the year	(2,092)	(170)	(2,262)
Unused amount reversed	—	(1,074)	(1,074)
Loss allowance as of 30 June 2025	10,821	2,339	13,160
(Decrease)/increase in loss allowance recognized in profit or loss during the year	(3,085)	2,167	(918)
Unused amount reversed	—	(1,270)	(1,270)
Loss allowance as of 30 June 2026	7,736	3,236	10,972

During the years ended 30 June 2026 and 2025, the Group did not write off any trade accounts receivable.

11. Taxes Recoverable and Prepaid

The balances of taxes recoverable and prepaid were as follows:

	As of 30 June 2026	As of 30 June 2025
Value-added tax recoverable and prepaid	131,907	125,686
Other taxes recoverable and prepaid	323	151
Total	132,230	125,837

Value-added tax ("VAT") recoverable and prepaid is recognized when the Group is entitled to recover VAT paid from the tax authorities or to offset such amounts against VAT liabilities arising in subsequent periods. The recoverability of VAT balances is reviewed by management at each reporting date based on historical refund experience, subsequent refunds received, expected taxable transactions and available VAT liabilities for offset. VAT recoverable is reduced to the extent that the related amounts are no longer considered recoverable through cash refund or offset against VAT liabilities.

¹ Differences in expected loss rate are possible due to rounding.

Notes to the Consolidated Statements continued

for the year ended 30 June 2026 (in thousands of US dollars, unless otherwise stated)

VAT recoverable and prepaid primarily relates to VAT credits on purchases of agricultural products in the domestic market of Ukraine. The Group expects these balances to be fully recovered within 12 months after the reporting date either through the cash refund or offsetting against corresponding VAT liabilities. For the year ended 30 June 2026, the amount of VAT refunded by the government in cash was 360,639 thousand (2025: USD 257,360 thousand).

12. Inventories

The balances of inventories were as follows:

	As of 30 June 2026	As of 30 June 2025
Goods for resale	111,244	80,803
Finished products	103,517	186,698
Raw materials	89,026	69,318
Products of agriculture	32,253	2,248
Fuel	10,004	5,644
Work in progress	6,467	2,362
Other inventories	19,020	16,394
Total	371,531	363,467

As of 30 June 2026, no inventories were pledged as security for borrowings (Note 21) (30 June 2025: USD 143,930 thousand).

The cost of inventories recognized as an expense during the year ended 30 June 2026 was USD 3,362,103 thousand (2025: USD 3,150,597 thousand) and is included in Cost of sales.

During the year ended 30 June 2026, the Group recognized write-downs of inventories to net realizable value of USD 2,014 thousand (2025: USD 685 thousand). Write-downs are included in Cost of sales.

13. Biological Assets

The balances of biological assets were as follows:

	As of 30 June 2026		As of 30 June 2025	
	Units	Carrying amount	Units	Carrying amount
Non-current assets				
Non-current cattle, heads	—	—	3,683	4,957
Total		—		4,957
Current assets				
Crops in fields, hectares	507,004	406,292	341,942	229,200
Current cattle, heads	—	—	3,360	1,469
Total		406,292		230,669

For the year ended 30 June 2026, the Group recognized a gain of USD 44,074 thousand due to changes in the fair value of biological assets (2025: gain of USD 6,590 thousand). For the year ended 30 June 2026, the Group incurred a revaluation loss of USD 57,967 thousand on agricultural products at the point of harvest (2025: loss of USD 47,736 thousand), and a revaluation gain of USD 104,618 thousand on crop-bearing fields (2025: gain of USD 56,808 thousand), and a revaluation loss of USD 2,577 thousand on cattle (2025: loss of USD 2,482 thousand).

The balances of crops in fields were as follows:

	As of 30 June 2026		As of 30 June 2025	
	Hectares	Value	Hectares	Value
Corn	254,634	188,503	171,875	124,774
Sunflower	88,454	89,894	46,336	34,788
Wheat	107,190	68,515	94,690	55,831
Rapeseed	44,519	50,261	3,975	2,577
Soybean	9,746	6,145	23,836	10,713
Other	2,461	2,974	1,230	517
Total	507,004	406,292	341,942	229,200

Notes to the Consolidated Statements continued

for the year ended 30 June 2026 (in thousands of US dollars, unless otherwise stated)

The following table represents the changes in the carrying amounts of crops in fields during the years ended 30 June 2026 and 2025:

	Capitalized expenditures	Fair value movement	Business combinations	Fair value of biological assets
As of 30 June 2024	144,179	41,872	—	186,051
Expenditures capitalized in biological assets (harvest 2024)	84,855	—	—	84,855
Decrease due to harvest (harvest 2024)	(229,018)	(41,872)	—	(270,890)
Expenditures capitalized in biological assets (harvest 2025)	172,131	—	—	172,131
Gain arising from changes in fair value of biological assets (sowing under harvest 2025)	—	57,053	—	57,053
Translation difference	245	(245)	—	—
As of 30 June 2025	172,392	56,808	—	229,200
Expenditures capitalized in biological assets (harvest 2025)	125,058	—	—	125,058
Decrease due to harvest (harvest 2025)	(297,450)	(56,808)	—	(354,258)
Expenditures capitalized in biological assets (harvest 2026)	267,620	—	—	267,620
Increases resulting from acquisitions through business combinations (Note 8)	—	—	34,214	34,214
Gain arising from changes in fair value of biological assets (sowing under harvest 2026)	—	108,740	—	108,740
Translation difference	834	(5,116)	—	(4,282)
As of 30 June 2026	268,454	103,624	34,214	406,292

The fair value of agricultural produce at the point of harvest is estimated based on quoted prices observed in active markets and is classified within Level 2 of the fair value hierarchy. Crops in fields represent biological assets under IAS 41 and are measured at fair value using a discounted cash flow approach, incorporating region-specific crop prices, expected yields, and a UAH-denominated discount rate. These biological assets are classified within Level 3 of the fair value hierarchy, as their valuation relies on significant unobservable inputs.

Biological assets comprised cattle, which were measured at fair value less costs to sell in accordance with IAS 41. Fair value was determined using significant unobservable inputs (Level 3 of the fair value hierarchy), primarily the animals' live weight and quality grade and the remaining productive life of dairy cows. During the year ended 30 June 2026, the Group disposed of its entire cattle herd.

The table below presents the Group's biological assets classified according to the fair value hierarchy:

	As of 30 June 2026			As of 30 June 2025		
	Level 2	Level 3	Total	Level 2	Level 3	Total
Crops in fields	—	406,292	406,292	—	229,200	229,200
Cattle	—	—	—	1,469	4,957	6,426
Total	—	406,292	406,292	1,469	234,157	235,626

There have been no changes in the valuation techniques applied and any transfers between fair value hierarchy levels during the year.

The following table shows the valuation techniques used in measuring, as well as unobservable inputs of the crops in fields.

Description	Valuation techniques	Unobservable inputs	As of 30 June 2026	As of 30 June 2025	Sensitivity of the input to fair value increase/(decrease)			
					As of 30 June 2026		As of 30 June 2025	
					Input 5% higher	Input 5% lower	Input 5% higher	Input 5% lower
Crops in fields	Discounted cash flows	Crop yield	2.50 – 9.00 tons per hectare	2.24 – 8.41 tons per hectare	33,899	(33,900)	19,306	(19,299)
		Crop prices	175 – 569 USD per ton	180 – 485 USD per ton	33,899	(33,900)	19,306	(19,299)
		Discount rate	20.10% (in UAH, short-term)	24.80% (in UAH, short-term)	(899)	909	(628)	636

The discount rate applied in the discounted cash flow model decreased from 24.80% to 20.10% for short-term UAH-denominated cash flows, primarily reflecting current market conditions and changes in the respective weights of debt and equity used in determining the weighted average cost of capital.

The Group's crops in fields are exposed to climate-related risks, including droughts, heatwaves, irregular precipitation and other extreme weather events, which may affect expected yields, crop quality and harvesting conditions. These factors are considered by management when estimating the fair value of biological assets. The Group mitigates these risks through soil fertility monitoring, precision farming technologies and diversified crop rotation. Management's approach to addressing these risks is described further in the Risk Management section of the Annual Report. However, climate variability remains a source of estimation uncertainty in forecasting yields and determining the fair value of biological assets.

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14. Other Financial Assets

The balances of other financial assets were as follows:

	As of 30 June 2026	As of 30 June 2025
Financial assets at amortized cost		
Margin account with brokers	234,772	67,491
Loans granted	31,856	46,437
Short-term bank deposits	201	12,000
Other financial assets	11,378	19,467
Total amount of financial assets at amortized cost	278,207	145,395
Financial assets at fair value through profit and loss		
Government bonds	129,946	144,402
Derivative financial instruments	7,510	26,116
Total amount of financial assets at fair value through profit and loss	137,456	170,518
Total	415,663	315,913

Margin accounts with brokers represent cash collateral deposited with commodity exchanges and brokers in connection with the Group's trading in commodity derivatives.

The Group's exposure to credit risks associated with other financial assets is disclosed in Note 32.

Only short-term bank deposits with original maturities of more than three months that do not meet the definition of cash equivalents are presented within other financial assets.

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15. Property, Plant and Equipment

The following table represents movements in property, plant and equipment for the year ended 30 June 2026:

	Oilseed Processing	Infrastructure and Trading	Farming	Other	Total
Net Book Value as of 30 June 2025	506,170	361,714	58,951	19,507	946,342
Land	186	3,241	41	1,048	4,516
Buildings and constructions	274,040	153,748	11,145	15,409	454,342
Production machinery and equipment	207,099	63,663	2,814	252	273,828
Agricultural equipment and vehicles	7,258	102,330	40,818	1,460	151,866
Other fixed assets	3,043	2,512	3,220	934	9,709
CIP and uninstalled equipment	14,544	36,220	913	404	52,081
Additions in CIP and uninstalled equipment	19,493	33,265	20,670	8,686	82,114
Reclassification	(3,620)	4,587	(21)	(946)	—
Land	—	2	(4)	—	(2)
Buildings and constructions	(378)	(119)	229	174	(94)
Production machinery and equipment	(57)	(1,656)	(1,124)	—	(2,837)
Agricultural equipment and vehicles	(4,883)	4,685	2,379	31	2,212
Other fixed assets	(75)	23	(309)	9	(352)
CIP and uninstalled equipment	1,773	1,652	(1,192)	(1,160)	1,073
Additions from acquisition of subsidiaries	205	59,319	108,642	10	168,176
Land	106	118	174	—	398
Buildings and constructions	—	44,386	30,705	—	75,091
Production machinery and equipment	—	14,688	51,412	3	66,103
Agricultural equipment and vehicles	—	69	18,655	—	18,724
Other fixed assets	—	58	6,822	—	6,880
CIP and uninstalled equipment	99	—	874	7	980
Transfers	—	—	—	—	—
Land	45	374	36	—	455
Buildings and constructions	8,339	10,849	1,253	1,407	21,848
Production machinery and equipment	13,444	3,498	352	1	17,295
Agricultural equipment and vehicles	258	8,143	13,710	1,116	23,227
Other fixed assets	1,302	1,543	2,042	809	5,696
CIP and uninstalled equipment	(23,388)	(24,407)	(17,393)	(3,333)	(68,521)
Disposals (at NBV)	(374)	(12,926)	(531)	(42)	(13,873)
Buildings and constructions	(5)	(1,140)	(93)	—	(1,238)
Production machinery and equipment	(45)	(180)	(54)	—	(279)
Agricultural equipment and vehicles	—	(11,326)	(265)	(15)	(11,606)
Other fixed assets	(18)	(15)	(26)	(5)	(64)
CIP and uninstalled equipment	(306)	(265)	(93)	(22)	(686)
Disposal of Subsidiaries (at NBV)	—	—	(1,828)	—	(1,828)
Land	—	—	3	—	3
Buildings and Constructions	—	—	(386)	—	(386)
Production machinery and equipment	—	—	(549)	—	(549)
Agricultural equipment and vehicles	—	—	(321)	—	(321)
Other fixed assets	—	—	(512)	—	(512)
CIP and uninstalled equipment	—	—	(63)	—	(63)
Depreciation expense	(37,684)	(28,960)	(19,510)	(1,898)	(88,052)
Buildings and constructions	(14,225)	(6,682)	(1,770)	(754)	(23,431)
Production machinery and equipment	(22,013)	(6,848)	(2,734)	(184)	(31,779)
Agricultural equipment and vehicles	(425)	(14,428)	(13,724)	(567)	(29,144)
Other fixed assets	(1,021)	(1,002)	(1,282)	(393)	(3,698)
Impairment of property, plant and equipment	(4,911)	(8,566)	—	—	(13,477)
Land	—	(234)	—	—	(234)
Buildings and constructions	(3,562)	(5,259)	—	—	(8,821)
Production machinery and equipment	(1,303)	(1,008)	—	—	(2,311)
Agricultural equipment and vehicles	(26)	(223)	—	—	(249)
Other fixed assets	(20)	(308)	—	—	(328)
CIP and uninstalled equipment	—	(1,534)	—	—	(1,534)
Translation difference	(23)	(7,101)	(6,766)	(259)	(14,149)
Land	(2)	(101)	(16)	—	(119)
Buildings and constructions	(1)	(4,764)	(1,443)	(92)	(6,300)
Production machinery and equipment	(14)	(1,220)	(1,101)	(2)	(2,337)
Agricultural equipment and vehicles	—	(448)	(3,609)	1	(4,056)
Other fixed assets	1	(91)	(421)	(9)	(520)
CIP and uninstalled equipment	(7)	(477)	(176)	(157)	(817)
Net Book Value as of 30 June 2026	479,256	401,332	159,607	25,058	1,065,253
Land	335	3,400	234	1,048	5,017
Buildings and constructions	264,208	191,019	39,640	16,144	511,011
Production machinery and equipment	197,111	70,937	49,016	70	317,134
Agricultural equipment and vehicles	2,182	88,802	57,643	2,026	150,653
Other fixed assets	3,212	2,720	9,534	1,345	16,811
CIP and uninstalled equipment	12,208	44,454	3,540	4,425	64,627

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

Notes to the Consolidated Statements continued

for the year ended 30 June 2026 (in thousands of US dollars, unless otherwise stated)

The following table represents movements in property, plant and equipment for the year ended 30 June 2025:

	Oilseed Processing	Infrastructure and Trading	Farming	Other	Total
Net Book Value as of 30 June 2024	505,611	368,880	49,279	20,334	944,104
Land	172	3,497	23	1,048	4,740
Buildings and constructions	289,500	159,524	11,079	16,405	476,508
Production machinery and equipment	185,096	67,067	1,032	523	253,718
Agricultural equipment and vehicles	7,813	111,255	33,757	1,272	154,097
Other fixed assets	2,955	1,511	2,624	1,071	8,161
CIP and uninstalled equipment	20,075	26,026	764	15	46,880
Additions in CIP and uninstalled equipment	20,007	22,509	22,784	3,475	68,775
Reclassification	724	50	113	(887)	—
Land	1	(240)	23	—	(216)
Buildings and constructions	487	(2,087)	86	(425)	(1,939)
Production machinery and equipment	(656)	(233)	(125)	(2)	(1,016)
Agricultural equipment and vehicles	(16)	(33)	(88)	(28)	(165)
Other fixed assets	5	451	(41)	(466)	(51)
CIP and uninstalled equipment	903	2,192	258	34	3,387
Additions from acquisition of subsidiaries	—	3,419	2,866	8,981	15,266
Land	—	—	—	144	144
Buildings and constructions	—	2,672	5	2,613	5,290
Production machinery and equipment	—	13	2,016	1,190	3,219
Agricultural equipment and vehicles	—	88	770	987	1,845
Other fixed assets	—	44	75	2,114	2,233
CIP and uninstalled equipment	—	602	—	1,933	2,535
Transfers	—	—	—	—	—
Land	27	110	—	166	303
Buildings and constructions	5,669	4,081	1,546	1,483	12,779
Production machinery and equipment	17,598	4,578	624	—	22,800
Agricultural equipment and vehicles	1,234	4,572	18,874	807	25,487
Other fixed assets	1,120	1,444	1,811	642	5,017
CIP and uninstalled equipment	(25,648)	(14,785)	(22,855)	(3,098)	(66,386)
Revaluation	9,252	—	—	—	9,252
Buildings and constructions	(6,379)	—	—	—	(6,379)
Production machinery and equipment	15,634	—	—	—	15,634
Other fixed assets	(3)	—	—	—	(3)
Disposals (at NBV)	(622)	(201)	(382)	(4,029)	(5,234)
Land	(14)	—	—	—	(14)
Buildings and constructions	(49)	(37)	(44)	—	(130)
Production machinery and equipment	(26)	(14)	(9)	(870)	(919)
Agricultural equipment and vehicles	(37)	(18)	(275)	(963)	(1,293)
Other fixed assets	(6)	(3)	(42)	(2,107)	(2,158)
CIP and uninstalled equipment	(490)	(129)	(12)	(89)	(720)
Disposal of Subsidiaries (at NBV)	—	—	—	(6,602)	(6,602)
Transfers from right-of-use assets	—	—	—	(99)	(99)
Depreciation expense	(34,129)	(27,850)	(14,369)	(1,632)	(77,980)
Buildings and constructions	(14,097)	(6,501)	(1,234)	(566)	(22,398)
Production machinery and equipment	(17,453)	(6,996)	(716)	(266)	(25,431)
Agricultural equipment and vehicles	(1,575)	(13,503)	(11,282)	(489)	(26,849)
Other fixed assets	(1,004)	(850)	(1,137)	(311)	(3,302)
Impairment and reversal of impairment of property, plant and equipment	5,473	(3,094)	—	—	2,379
Land	—	(100)	—	—	(100)
Buildings and constructions	(1,089)	(2,518)	—	—	(3,607)
Production machinery and equipment	6,906	(345)	—	—	6,561
Agricultural equipment and vehicles	(19)	(8)	—	—	(27)
Other fixed assets	(22)	(65)	—	—	(87)
CIP and uninstalled equipment	(303)	(58)	—	—	(361)
Translation difference	(146)	(1,999)	(1,340)	(34)	(3,519)
Land	—	(26)	(5)	—	(31)
Buildings and constructions	(2)	(1,386)	(293)	(29)	(1,710)
Production machinery and equipment	—	(407)	(8)	(1)	(416)
Agricultural equipment and vehicles	(142)	(23)	(938)	(3)	(1,106)
Other fixed assets	(2)	(20)	(70)	(1)	(93)
CIP and uninstalled equipment	—	(137)	(26)	—	(163)
Net Book Value as of 30 June 2025	506,170	361,714	58,951	19,507	946,342
Land	186	3,241	41	1,048	4,516
Buildings and constructions	274,040	153,748	11,145	15,409	454,342
Production machinery and equipment	207,099	63,663	2,814	252	273,828
Agricultural equipment and vehicles	7,258	102,330	40,818	1,460	151,866
Other fixed assets	3,043	2,512	3,220	934	9,709
CIP and uninstalled equipment	14,544	36,220	913	404	52,081

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

Notes to the Consolidated Statements **continued**

for the year ended 30 June 2026 (in thousands of US dollars, unless otherwise stated)

The total cost of property, plant and equipment and total accumulated depreciation and impairment losses as of 30 June 2026 and 2025 were as follows:

	Cost as of 30 June 2026 ¹	Accumulated depreciation and impairment losses as of 30 June 2026 ¹	Cost as of 30 June 2025	Accumulated depreciation and impairment losses as of 30 June 2025
Land	5,017	—	4,516	—
Buildings and constructions	641,696	(130,685)	551,822	(97,480)
Production machinery and equipment	471,361	(154,227)	381,552	(107,724)
Agricultural equipment and vehicles	355,958	(205,305)	328,169	(176,303)
Other fixed assets	47,154	(30,343)	31,086	(21,377)
CIP and uninstalled equipment	64,627	—	52,081	—
Total	1,585,813	(520,560)	1,349,226	(402,884)

The Group's buildings and constructions and production machinery and equipment (Oilseed Processing segment) had been measured on a historical cost basis, their carrying amount would have been as follows:

	As of 30 June 2026	As of 30 June 2025
Buildings and constructions	251,678	263,082
Production machinery and equipment	224,426	231,933
Total	476,104	495,015

During the year ended 30 June 2026, fixed assets with a carrying amount of USD 3,591 thousand (30 June 2025: USD 341 thousand) were damaged as a result of shelling related to the ongoing military conflict in Ukraine. The losses are included in impairment losses recognized in the consolidated statement of profit or loss.

Refer to Note 21 for information on property, plant and equipment pledged by the Group as security.

The recoverable amount of each CGU in which impairment was identified was determined using discounted cash flow projections based on reliable estimates of future cash flows. Management estimated the budgeted gross margin with reference to expected market developments. The weighted average growth rates applied were consistent with forecasts published in industry reports. The discount rates used were pre-tax and reflected the specific risks associated with the relevant segments.

Oilseed Processing segment

The key assumptions applied in the value-in-use and income approach calculations, for the purpose of economic obsolescence test (Note 5), by the group of CGUs in the Oilseed Processing segment across all forecasted periods are as follows:

Oilseed processing	Processing volume, thousand ton	Sales price of sunflower oil, USD per ton	Purchase price of sun- flower seeds, USD per ton
As of 30 June 2026	3,261	1,170 – 1,229	554 – 581
As of 30 June 2025	3,498	1,020 – 1,065	476 – 493

As of 30 June 2026, a discount rate of 16.50% was applied (30 June 2025: 16.90%).

As of 30 June 2026, the growth rate, used for extrapolating the cash flows for periods over 5 years was set at the level of 2.20% (30 June 2025: 2.19%).

¹ Impairment losses related to property, plant and equipment of Oilseed processing segment are included to the Cost as of 30 June 2026. Impairment losses related to property, plant and equipment of other segments are included to the Accumulated depreciation.

Notes to the Consolidated Statements continued

for the year ended 30 June 2026 (in thousands of US dollars, unless otherwise stated)

As of 30 June 2026, the sensitivity analysis to the mentioned above key assumptions of the CGUs in the Oilseed Processing segment are disclosed in the table below.

CGU	Inputs	Change in input by:	Change in value-in-use and income approach calculations results:
Poltavsky VOEP PJSC	Sales price of sunflower oil, USD per ton	Decrease by 3.00%	USD 10,378 thousand decrease
	Purchase price of sunflower seeds, USD per ton	Increase by 3.00%	USD 12,459 thousand decrease
	Transportation costs, USD per ton	Increase by 30.11 USD per ton	USD 5,283 thousand decrease
Bandursky VOEP LLC	Sales price of sunflower oil, USD per ton	Decrease by 3.00%	USD 48,897 thousand decrease
	Purchase price of sunflower seeds, USD per ton	Increase by 3.00%	USD 51,323 thousand decrease
	Discount rates	Increase by 15.00%	USD 14,746 thousand decrease
	Processing volume, thousand tons	Decrease by 30.00%	USD 31,865 thousand decrease
BSI LLC	Transportation costs, USD per ton	Increase by 26.90 USD per ton	USD 36,118 thousand decrease
	Sales price of sunflower oil, USD per ton	Decrease by 3.00%	USD 25,641 thousand decrease
	Purchase price of sunflower seeds, USD per ton	Increase by 3.00%	USD 28,307 thousand decrease
	Processing volume, thousand tons	Decrease by 30.00%	USD 25,631 thousand decrease
Kropyvnytskyi OEP PJSC	Sales price of sunflower oil, USD per ton	Decrease by 3.00%	USD 28,281 thousand decrease
	Purchase price of sunflower seeds, USD per ton	Increase by 3.00%	USD 30,149 thousand decrease
	Processing volume, thousand tons	Decrease by 30.00%	USD 12,673 thousand decrease
	Transportation costs, USD per ton	Increase by 24.41 USD per ton	USD 18,821 thousand decrease
Prydniprovskyi OEZ LLC	Sales price of sunflower oil, USD per ton	Decrease by 3.00%	USD 60,852 thousand decrease
	Purchase price of sunflower seeds, USD per ton	Increase by 3.00%	USD 64,555 thousand decrease
	Discount rates	Increase by 15.00%	USD 8,855 thousand decrease
	Processing volume, thousand tons	Decrease by 30.00%	USD 30,720 thousand decrease
Starokostiantynivskyi OEZ LLC	Transportation costs, USD per ton	Increase by 24.29 USD per ton	USD 39,107 thousand decrease
	Sales price of sunflower oil, USD per ton	Decrease by 3.00%	USD 61,349 thousand decrease
	Purchase price of sunflower seeds, USD per ton	Increase by 3.00%	USD 64,893 thousand decrease
	Discount rates	Increase by 15.00%	USD 7,616 thousand decrease
	Processing volume, thousand tons	Decrease by 30.00%	USD 13,076 thousand decrease
	Transportation costs, USD per ton	Increase by 26.61 USD per ton	USD 13,441 thousand decrease

As of 30 June 2026, the sensitivity analysis did not identify the recoverable amount as being sensitive to the reasonably possible changes of assumptions other than disclosed above.

Infrastructure and Trading segment

As of 30 June 2026 and 2025, the Infrastructure and Trading segment's CGUs assumptions rely on transshipment rates and suggested proceeds volumes. The key assumptions applied in the value-in-use and income approach calculations by the Group of CGUs in the Infrastructure and Trading segment are as follows:

Infrastructure and Trading	Transshipment rate, USD per ton	Transshipment volume, thousand ton
As of 30 June 2026	9 – 10	9,100 – 9,400
As of 30 June 2025	8 – 10	9,190 – 10,000

As of 30 June 2026, a discount rate of 16.50% was applied (30 June 2025: 16.90%).

As of 30 June 2026, the growth rate, used for extrapolating of the cash flows for periods over 5 years was set at the level of 2.20% (30 June 2025: 2.19%).

As of 30 June 2026, the sensitivity analysis indicated that the recoverable amount of the Infrastructure and Trading segments is not sensitive to reasonably possible changes in any assumptions.

Farming segment

As of 30 June 2026, the market selling prices of agricultural commodities have been taken into consideration while determining the assumptions for Farming CGU. The key assumptions applied in the value-in-use approach calculations by segment are as follows:

Farming	Crop yields, tons per hectare	Sales price of crops, USD per ton	Transportation cost, USD per ton
As of 30 June 2026	2.1 – 10.0	215 – 581	13 – 24
As of 30 June 2025	2.7 – 9.6	215 – 494	10 – 22

As of 30 June 2026, a discount rate of 21.10% was applied (30 June 2025: 24.80%).

As of 30 June 2026, the growth rate, used for extrapolating of the cash flows for periods over 5 years was set at the level of 5.20% (30 June 2025: 4.53%).

Notes to the Consolidated Statements continued

for the year ended 30 June 2026 (in thousands of US dollars, unless otherwise stated)

As of 30 June 2026, the sensitivity analysis indicated that the recoverable amount of the Farming CGU is not sensitive to any reasonably possible changes in any assumptions.

16. Right-of-Use Assets

The following table represents movements in right-of-use assets for the year ended 30 June 2026:

	Agricultural equip- ment and vehicles		Buildings	Total
Cost as of 30 June 2025	324,305	4,021	8,555	336,881
Additions and modifications	133,387	4,651	293	138,331
Acquisition of subsidiaries (Note 8)	122,085	4,398	1	126,484
Disposals	(26,751)	(3,352)	(2)	(30,105)
Disposals of subsidiaries (Note 8)	(11,983)	—	—	(11,983)
Translation difference	(26,990)	(319)	(38)	(27,347)
Cost as of 30 June 2026	514,053	9,399	8,809	532,261
Accumulated depreciation and impairment as of 30 June 2025	(85,313)	(3,089)	(2,868)	(91,270)
Amortization charge	(25,792)	(711)	(600)	(27,103)
Disposals	10,857	3,097	—	13,954
Disposals of subsidiaries	3,513	—	—	3,513
Impairment loss	(726)	—	—	(726)
Translation difference	7,816	(52)	(7)	7,757
Accumulated depreciation as of 30 June 2026	(89,645)	(755)	(3,475)	(93,875)
Net book value as of 30 June 2026	424,408	8,644	5,334	438,386

The following table represents movements in right-of-use assets for the year ended 30 June 2025:

	Agricultural equip- ment and vehicles		Buildings	Total
Cost as of 30 June 2024	240,429	5,483	7,892	253,804
Additions	111,639	2,325	871	114,835
Acquisition of subsidiaries	1,810	—	—	1,810
Disposals	(23,947)	(4,893)	(180)	(29,020)
Reclassification	—	1,212	—	1,212
Translation difference	(5,626)	(106)	(28)	(5,760)
Cost as of 30 June 2025	324,305	4,021	8,555	336,881
Accumulated depreciation and impairment as of 30 June 2024	(73,464)	(5,172)	(2,237)	(80,873)
Depreciation	(26,961)	(778)	(752)	(28,491)
Disposals	14,083	4,109	(202)	17,990
Impairment loss	(90)	—	—	(90)
Reclassification	—	(1,212)	—	(1,212)
Translation difference	1,119	(36)	323	1,406
Accumulated depreciation and impairment as of 30 June 2025	(85,313)	(3,089)	(2,868)	(91,270)
Net book value as of 30 June 2025	238,992	932	5,687	245,611

The Group leases agricultural land, primarily located in Ukraine, from individual landowners. The lease term is determined in accordance with IFRS 16 as the non-cancellable period of the lease, together with any extension option that the Group is reasonably certain to exercise and any termination option that the Group is reasonably certain not to exercise. Accordingly, the average lease term of 20 years has been determined on the basis of the full contractual term of the underlying lease agreements for financial year 2026 and 2025.

The impairment testing of right-of-use assets was conducted using assumptions consistent with those applied to property, plant and equipment of the Farming segment (Note 15). There were losses recognized in respect of impairment testing performed as of 30 June 2026 in the amount of USD 726 thousand (2025: USD 90 thousand).

Notes to the Consolidated Statements continued

for the year ended 30 June 2026 (in thousands of US dollars, unless otherwise stated)

17. Intangible Assets

The following table represents movements in intangible assets for the year ended 30 June 2026:

	Trademarks	Leasehold land bank portfolio	Other intangible assets	Total
Cost as of 30 June 2025	22,036	70,794	23,431	116,261
Additions	—	—	15,465	15,465
Additions from acquisition of subsidiaries (Note 8)	—	176,438	806	177,244
Disposals	—	—	(227)	(227)
Disposal of subsidiaries	—	(1,775)	(54)	(1,829)
Translation difference	—	(8,607)	(1,200)	(9,807)
Cost as of 30 June 2026	22,036	236,850	38,221	297,107
Accumulated amortization and impairment losses as of 30 June 2025	(8,851)	(62,602)	(10,020)	(81,473)
Amortization charge	—	(1,632)	(2,745)	(4,377)
Disposals	—	—	215	215
Disposal of subsidiaries	—	1,761	13	1,774
Impairment of intangible assets	—	—	(472)	(472)
Translation difference	—	4,110	1,084	5,194
Accumulated amortization and impairment losses as of 30 June 2026	(8,851)	(58,363)	(11,925)	(79,139)
Net book value as of 30 June 2026	13,185	178,487	26,296	217,968

The following table represents movements in intangible assets for the year ended 30 June 2025:

	Trademarks	Leasehold land bank portfolio	Other intangible assets	Total
Cost as of 30 June 2024	22,036	73,503	50,605	146,144
Additions	—	12	3,288	3,300
Disposals	—	—	(975)	(975)
Disposal of subsidiaries	—	—	(23,329)	(23,329)
Translation difference	—	(2,721)	(6,158)	(8,879)
Cost as of 30 June 2025	22,036	70,794	23,431	116,261
Accumulated amortization and impairment losses as of 30 June 2024	(8,851)	(64,489)	(36,410)	(109,750)
Amortization charge	—	(683)	(2,379)	(3,062)
Disposals	—	—	28	28
Disposal of subsidiaries	—	—	23,300	23,300
Impairment of intangible assets	—	—	(676)	(676)
Translation difference	—	2,570	6,117	8,687
Accumulated amortization and impairment losses as of 30 June 2025	(8,851)	(62,602)	(10,020)	(81,473)
Net book value as of 30 June 2025	13,185	8,192	13,411	34,788

As of 30 June 2026, the Group's subsidiaries held the following trademarks: "Schedry Dar", "Stozhar", "Zolota" and "Domashnya" with net book values of USD 4,567 thousand, USD 5,459 thousand, USD 2,980 thousand, and USD 179 thousand, respectively, in 2026 and 2025. These trademarks are used by the Group for the sale of bottled sunflower oil mostly in the Ukrainian market.

The impairment testing of the value of intangible assets as of 30 June 2026 and 2025 was performed using assumptions consistent with those applied in the impairment test for property, plant and equipment as disclosed in Note 15. As a result of impairment testing performed as of 30 June 2026 and 2025, no impairment loss was recognized in respect of trademarks. The Group's accounting policies for intangible assets, including amortization methods and useful lives applied to each class, are described in Note 4.

18. Other Non-Current Assets

The balance of other non-current assets were as follows:

	As of 30 June 2026	As of 30 June 2025
Prepayments for property, plant and equipment	66,542	13,505
Non-current biological assets	—	4,957
Other non-current assets	14	9
Total	66,556	18,471

Other non-current assets primarily comprise prepayments for property, plant and equipment. As of 30 June 2026, such prepayments amounted to USD 66,542 thousand (30 June 2025: USD 13,505 thousand) and mainly represented advances paid for equipment related to the Group's energy infrastructure projects.

Notes to the Consolidated Statements continued

for the year ended 30 June 2026 (in thousands of US dollars, unless otherwise stated)

19. Contract and Other Current Liabilities

The balance of contract and other current liabilities were as follows:

	As of 30 June 2026	As of 30 June 2025
Accrued payroll, payroll-related taxes, and bonuses	161,320	172,378
Provision for unused vacations and other provisions	14,221	10,615
Contract liabilities	10,125	7,484
Taxes payable and provision for tax liabilities	6,988	11,479
Liabilities under commission agreements	—	34,532
Provision for legal claims	—	16,502
Other current liabilities	5,934	4,295
Total	198,588	257,285

20. Other Financial Liabilities

The balances of other financial liabilities were as follows:

	As of 30 June 2026	As of 30 June 2025
Derivative financial instruments	109,372	11,547
Share-based options (Note 30)	4,643	29,940
Accounts payable for property, plant and equipment	4,050	5,650
Other current liabilities	11,671	5,657
Total	129,736	52,794

21. Borrowings

The balance of borrowings was as follows:

	As of 30 June 2026	As of 30 June 2025
Current liabilities		
Short-term borrowings	358,066	146,745
Current portion of long-term borrowings	33,273	22,239
Accrued interest on borrowings	2,549	2,139
Bank overdrafts (Note 9)	2	3
Total	393,890	171,126
Non-current liabilities		
Long-term bank borrowings	38,727	82,307
Total	38,727	82,307

The balance of bank credit lines included in short-term borrowings in details by tranches was as follows:

	Interest rate	Currency	Outstanding amount as of 30 June 2026	Outstanding amount as of 30 June 2025
Ukrainian subsidiary of European bank	from 12.75% to 12.95%	UAH	53,589	57,720
Ukrainian bank	5.19% plus UIRD ¹	USD	46,000	—
European bank	2.50% plus SOFR ²	USD	34,441	—
Ukrainian bank	from 4.75% to 4.95%	USD	32,279	10,000
Ukrainian bank	5.25%	USD	30,000	—
Ukrainian subsidiary of European bank	from 12.50% to 13.00%	UAH	28,572	36,022
European bank	2.80% plus COF ³	USD	21,050	—
Ukrainian bank	6.00%	USD	15,000	—
Ukrainian subsidiary of European bank	from 4.85% to 6.00%	USD	10,000	15,000
Ukrainian subsidiary of European bank	5.25%	USD	8,000	—
Ukrainian bank	from 6.14% to 6.20%	USD	4,825	—
Ukrainian subsidiary of European bank	5.70%	USD	4,000	—
European bank	2.10% plus COF ³	USD	2	28,006
Total			287,758	146,748

¹ Ukrainian Index of Retail Deposit Rates ("UIRD") – is the average retail deposit rate in Ukraine published by the National Bank of Ukraine.

² The Secured Overnight Financing Rate ("SOFR") is a broad measure of the cost of borrowing cash overnight collateralized by US Treasury securities.

³ The Group's cost of funding ("COF") reflects the weighted average interest rate on its outstanding borrowings. It is used as a reference input in determining discount rates applied in fair value measurements and value-in-use calculations.

Notes to the Consolidated Statements continued

for the year ended 30 June 2026 (in thousands of US dollars, unless otherwise stated)

The balance of the borrowings with an initial contractual maturity of more than 12 months as of 30 June 2026 and 2025 is disclosed in the table below:

	Contractual maturity	Interest rate in range	Currency	Outstanding amount as of 30 June 2026	Outstanding amount as of 30 June 2025
Ukrainian bank	2029	4.60% plus UIRD	USD	60,000	—
European bank	2030	from 3.03% to 3.10% plus SOFR	USD	40,308	49,793
European bank	2029	from 3.03% to 3.10% plus SOFR	USD	30,002	39,753
Ukrainian bank	2030	4.90% plus UIRD	USD	12,000	15,000
Total				142,310	104,546

The Group's borrowings are subject to financial and non-financial covenants as specified in the respective loan agreements. These covenants are consistent with industry-standard practices for similar types of financial instruments and are monitored on a quarterly, semi-annual, or annual basis, depending on the terms of the loan agreement. Certain non-financial covenants are monitored on a continuous basis throughout the reporting period. A breach of these covenants provides lenders with the right to demand early repayment of the respective liabilities.

During the reporting period, the Group was not in compliance with a non-financial covenant related to a material adverse event resulting from the war in Ukraine under the loan agreement with a European bank for borrowings with an initial long-term contractual maturity. The respective non-compliance was waived during the reporting period and until 30 September 2026. Consequently, as of 30 June 2026, the Group did not have an unconditional right to defer settlement of the related borrowings for at least 12 months after the reporting date and classified the respective amount of USD 70,310 thousand as short-term borrowings (30 June 2025: USD 89,546 thousand, comprising long-term bank borrowings of USD 67,307 thousand and the current portion of long-term borrowings of USD 22,239 thousand). Following the reporting date, the waiver was extended until 30 September 2027.

The principal financial covenants for key bank loans include Interest Cover Ratio, Net Leverage Ratio, Adjusted Net Leverage Ratio, and Gearing Ratio. Bank loans are also subject to certain restrictions on specific transactions, such as dividend distributions, guarantees of third-party obligations, investments, or transactions with joint ventures. In addition, non-financial covenants include the occurrence of a material adverse event and require the regular submission of certain reports and other information to creditors.

Standard events of default under these agreements, subject to applicable grace periods and thresholds, include non-payment, cross-default, insolvency, and winding-up of the Group's subsidiaries, including guarantors under bonds issued.

In addition, certain loan agreements contain cross-default provisions, which may give lenders the right to demand early repayment of the related borrowings in the event of a default under other loan agreements or the bonds issued. As stated above, as of 30 June 2026, the continuing material adverse event and the related event of default were temporarily waived. The Group's management does not expect other events of default to occur within 12 months after the reporting date.

The Group continuously monitors compliance with financial and non-financial covenants. This assessment considers the Group's current financial position, historical performance, and established processes for proactively managing key financial metrics. Apart from the event described above, which was temporarily waived, the Group was in compliance with all other financial and non-financial covenants under the loan agreements and management did not anticipate any difficulties in meeting the financial or non-financial covenants during the 12 months following the reporting period.

Interest rate sensitivity analysis is provided in Note 32.

As of 30 June 2026, the undrawn amount of bank borrowings amounted to USD 496,905 thousand including available facility amounts upon bank credit lines and long-term financing (30 June 2025: USD 312,701 thousand).

Short-term borrowings from banks were secured as follows:

	As of 30 June 2026	As of 30 June 2025
Property, plant and equipment	298,430	81,927
Inventories (Note 12)	—	143,930
Future sales receipts	—	11,127
Total	298,430	236,984

Long-term bank borrowings from banks were secured as follows:

	As of 30 June 2026	As of 30 June 2025
Assets pledged		
Property, plant and equipment	89,772	192,922
Total	89,772	192,922

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

Notes to the Consolidated Statements **continued**

for the year ended 30 June 2026 (in thousands of US dollars, unless otherwise stated)

22. Bonds issued

The balances of bonds issued were as follows:

	Maturity	As of 30 June 2026	As of 30 June 2025
US 300,000 thousand 6.75% coupon bonds (issued October 2020)	October 2027	298,233	298,487
Total		298,233	298,487

As of 30 June 2026, the Group's bonds were rated CCC by S&P (30 June 2025: CCC), consistent with the Ukrainian sovereign rating.

The bonds 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 a joint and several basis to the maximum extent permitted by law.

As of 30 June 2026, the carrying amount of bonds classified as current liability in the amount of USD 298,233 thousand (30 June 2025: USD 298,487 thousand was classified as non-current liability) was subject to financial and non-financial covenants as specified in the respective bond prospectus. Financial covenants are monitored on an annual basis, while non-financial covenants are monitored continuously during the reporting period. The breach of these covenants gives the bondholders the right to demand early repayment of the respective liabilities.

The bond prospectus includes financial covenants, which are mainly based on the ratios of such financial indicators as fixed charges cover ratio, and level of total assets and EBITDA of certain subsidiaries of the Group. Bonds also impose restrictions on certain transactions, such as the incurrence of additional indebtedness, restricted payments (including dividends, loans, capital contributions, investments), asset disposals, mergers, and other investments. Also, non-financial covenants require the regular submission of certain reports and other information to the trustee.

Standard events of default typical for this type of instrument include, subject to applicable grace periods and carve-outs, non-payment, cross-default, insolvency, and judgment defaults affecting the Group's subsidiaries, including any guarantors under the bonds.

The bond prospectus contains cross-acceleration provisions in respect of certain other indebtedness of the Group.

As of 30 June 2026, although effective bank waiver relating to its loan was in place, such waiver had an expiry date within 12 months of 30 June 2026, and, accordingly, the Group did not have an unconditional right to defer settlement of its bank loans for 12 months or longer (Note 21). Accordingly, there was a risk that such loan would be accelerated and become due and payable at a future date within 12 months of the end of the reporting period, which could in turn trigger a cross-acceleration event of default under the Group's outstanding bonds. Consequently, as of 30 June 2026, the Group did not have an unconditional right, within the meaning of paragraph 69(d) of IAS 1 Presentation of Financial Statements, to defer settlement of the bonds for at least 12 months after the reporting date. Accordingly, the Group classified the bonds as current liabilities as of 30 June 2026.

Notwithstanding such classification, management notes that, in view of the effective waiver from the bank that was in place as of 30 June 2026, cross-acceleration events of default under the bonds were not triggered as at such date, and the Group remained otherwise in compliance with the terms of its bonds.

As at the reporting date, management had not identified any other events or circumstances that could trigger the cross-acceleration provisions and does not expect any such events or circumstances to occur within the twelve-month period following the reporting date.

The Group continuously monitors compliance with financial and non-financial covenants. This assessment considers the Group's current financial position, historical performance, and established processes for proactively managing key financial metrics. Apart from the event described in Note 21, which was temporary waived, the Group was in compliance with all other financial and non-financial covenants under the bond prospectus and management did not anticipate any difficulties in meeting the financial or non-financial covenants during the 12 months following the reporting period.

Interest on the coupon bonds is payable semi-annually in arrears in April and October. As of 30 June 2026, accrued interest on the bonds amounted to USD 3,555 thousand (30 June 2025: USD 3,616 thousand). Interest rate sensitivity analysis is provided in Note 32.

Notes to the Consolidated Statements continued

for the year ended 30 June 2026 (in thousands of US dollars, unless otherwise stated)

23. Lease liabilities

The following is the maturity analysis of lease payments under the lease agreements as of 30 June:

Maturity	As of 30 June 2026	As of 30 June 2025
Payable within one year	61,948	35,191
Payable in the second to fifth years	297,313	174,591
Payable after five years	480,875	270,124
Total	840,136	479,906
Less		
Future finance charges	(481,366)	(274,651)
Present value of lease obligations	358,770	205,255
Less		
Current portion	(39,257)	(34,021)
Lease obligations, long-term portion	319,513	171,234

Cash and non-cash movements in lease liabilities are presented in Note 9.

24. Income Tax

The Group operates in multiple tax jurisdictions and is subject to tax laws, regulations and treaties in those jurisdictions. The Group's principal operations are located in Ukraine and Switzerland, where the corporate income tax rates were 18% and 15%, respectively, as of 30 June 2026 and 2025.

A significant portion of the Group's subsidiaries engaged in agricultural production pay the Fixed Agricultural Tax ("FAT") in accordance with the Tax Code of Ukraine. The FAT is assessed by local authorities and is determined based on the area and valuation of the land used.

The components of income tax expenses were as follows:

	For the year ended 30 June 2026	For the year ended 30 June 2025
Current income tax charge	(47,947)	(50,107)
Withholding tax	(5,324)	(18,380)
Deferred tax (expenses)/benefit relating to the origination and reversal of temporary differences	(6,873)	18,840
Total income tax expenses recognized in the reporting period	(60,144)	(49,647)

The income tax expenses are reconciled to the profit before income tax per the Consolidated Statement of Profit or Loss as follows:

	For the year ended 30 June 2026	For the year ended 30 June 2025
Profit before income tax	382,035	287,243
Tax expenses at the Ukrainian statutory tax rate of 18%	(68,766)	(51,704)
Income generated by payers that is exempt from taxation ("FAT")	35,008	10,401
Tax effect of unused tax losses and tax offsets not recognized as deferred tax assets	1,292	5,260
Previously unrecognized tax losses used to reduce deferred tax expenses	—	13,990
Withholding tax	(5,324)	(18,380)
Non-deductible expenses in taxable profit, net	(22,354)	(9,214)
Income tax expenses	(60,144)	(49,647)

For the year ended 30 June 2026, the deferred tax recognized in other comprehensive income was USD 492 thousand (2025: loss of USD 1,664 thousand).

The main components of the deferred tax assets and deferred tax liabilities were as follows:

	As of 30 June 2026	As of 30 June 2025
Tax losses carried forward	11,418	17,207
Valuation of property, plant and equipment	30,009	27,377
Valuation of inventories	6,490	5,116
Others	6,248	8,351
Deferred tax assets	54,165	58,051
Valuation of property, plant and equipment	(26,608)	(25,814)
Valuation of intangible assets	(1,238)	568
Others	(411)	(301)
Deferred tax liabilities	(28,257)	(25,547)
Net deferred tax assets	25,908	32,504

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

Notes to the Consolidated Statements continued

for the year ended 30 June 2026 (in thousands of US dollars, unless otherwise stated)

As of 30 June 2026, deferred tax assets in the amount of USD 24,156 thousand are expected to be recovered or settled within twelve months after the reporting period (30 June 2025: USD 30,674 thousand).

As of 30 June 2026, based upon projections for future taxable income over the periods in which the taxable temporary differences are anticipated to reverse, management believes it is probable that the Group will realize the benefits of deferred tax assets of USD 11,418 thousand (30 June 2025: USD 17,207 thousand) recognized concerning tax losses carried forward by the subsidiaries. The amount of future taxable income required to be generated by the Group companies to utilize the tax benefits associated with the tax loss carried forward is approximately USD 50,914 thousand (30 June 2025: USD 95,594 thousand). However, the amount of the deferred tax asset considered realizable could be adjusted in the future if estimates of taxable income are revised.

The Group has not recognized deferred tax liability for all taxable temporary differences associated with investments in subsidiaries because the Group controls the timing of the reversal of such temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities have been offset following the Group's accounting policy. The following is an analysis of the deferred tax balances (after offset) as they are presented in the Consolidated Statement of Financial Position:

	As of 30 June 2026	As of 30 June 2025
Deferred tax assets	45,750	51,698
Deferred tax liabilities	(19,842)	(19,194)
Net deferred tax assets	25,908	32,504

25. Cost of Sales

The cost of sales was as follows:

	For the year ended 30 June 2026	For the year ended 30 June 2025
Cost of goods for resale and raw materials used	3,410,395	3,200,643
Shipping and handling costs	320,820	360,336
Amortization and depreciation	110,053	100,229
Payroll and payroll-related costs	102,748	90,954
Total	3,944,016	3,752,162

26. Other Operating Income and Expenses

Other operating income and expenses were as follows:

	For the year ended 30 June 2026	For the year ended 30 June 2025
Other operating income		
Net gain on operations with derivatives	162,128	198,989
Gain on operations with securities	14,463	26,408
Stock-take surplus	9,296	10,392
Gain on sale of foreign currency	3,112	2,015
Other dispatch fees and fines	2,732	5,383
Insurance reimbursement	1,558	3,319
Contracts wash-out (price difference settlement)	—	15,193
Other operating income	2,899	5,098
Total	196,188	266,797
Other operating expenses		
Loss on operations with other derivatives	(25,297)	(25,448)
Loss on operations with swap contracts	(2,296)	(20,966)
Contracts wash-out (price difference settlement)	(1,282)	—
Total	(28,875)	(46,414)

The Group enters wash-out contracts to reduce administrative time and costs. These contracts can be offset based on a mutual agreement with the same partners who sold or purchased commodities.

Notes to the Consolidated Statements continued

for the year ended 30 June 2026 (in thousands of US dollars, unless otherwise stated)

27. General and administrative expenses

General and administrative expenses were as follows:

	For the year ended 30 June 2026	For the year ended 30 June 2025
Payroll and payroll-related costs	169,165	189,682
Audit, legal and other professional fees	16,051	14,207
Repairs and material costs	8,984	8,134
Amortization and depreciation	6,941	5,118
Other expenses	20,574	18,127
Total	221,715	235,268

Audit, legal and other professional fees for the year ended 30 June 2026 included the auditor's remuneration in the amount of USD 838 thousand and remuneration for non-audit services was USD 21 thousand (2025: USD 763 thousand and USD 55 thousand, respectively). No consultancy services were provided by the auditors for the years ended 30 June 2026 and 2025.

During the year ended 30 June 2026, the Group recognized expenses of USD 52,925 thousand in respect of profit-sharing arrangements (2025: USD 31,309 thousand). These amounts were included within payroll and payroll-related costs. As of 30 June 2026, a liability of USD 79,133 thousand (30 June 2025: USD 49,268 thousand) was recognized in respect of these arrangements, with the liability measured by reference to the estimated portion of profits.

28. Finance Costs and Income

Finance costs and income were as follows:

	For the year ended 30 June 2026	For the year ended 30 June 2025
Finance costs		
Interest expenses on lease liabilities (Note 9)	(39,615)	(21,196)
Interest expenses on bank loans (Note 9)	(24,557)	(28,587)
Interest expenses on corporate bonds (Note 9)	(20,183)	(26,006)
Other finance costs	(2,410)	(1,879)
Total	(86,765)	(77,668)
Finance income		
Bank deposits and other financial assets	31,041	39,483
Other financial income	933	5,912
Total	31,974	45,395

29. Other Expenses, net

Other expenses, net was as follows:

	For the year ended 30 June 2026	For the year ended 30 June 2025
Social spending	(38,120)	(30,434)
Fines and penalties	(2,658)	(221)
Gain/(loss) on disposal of subsidiaries (Note 8)	23,140	(5,232)
Gain/(loss) on disposal of property, plant and equipment	6,633	(394)
Other income	3,404	—
Total	(7,601)	(36,281)

Notes to the Consolidated Statements continued

for the year ended 30 June 2026 (in thousands of US dollars, unless otherwise stated)

30. Transactions with Related Parties

As of 30 June 2026 and 2025, the Group is controlled by Namsen Ltd (Note 2).

The Group had the following balances outstanding with related parties from sales or purchases of goods and services:

Related party category	Line in the Statement of Financial Position	As of 30 June 2026	As of 30 June 2025
Entities under common control	Trade accounts receivable	8,725	5,705
	Prepayments to suppliers	34	27,270
	Other financial assets	22,978	23,618
	Non-current financial assets	5,401	—
	Trade accounts payable	968	10,360
	Contract and other current liabilities	74	34,606
	Other financial liabilities	2,886	291
Key management	Other financial assets	624	1,162
	Non-current financial assets	2,268	980
	Contract and other current liabilities	17,452	21,442
	Other financial liabilities	6,627	31,961
Entities under key management control	Non-current financial assets	1,346	1,875
Other related parties	Other financial assets	1,756	1,755

Under the long-term management incentive plan, the Group recognizes a liability in respect of the share options granted to management. As of 30 June 2026, the fair value of this liability amounted to USD 4,643 thousand (30 June 2025: USD 29,940 thousand). During the year, part of the liability was settled through set-off against advances provided to the same management, while the remaining balance was presented within Other financial liabilities.

As described in Note 8 during the year ended 30 June 2026 the Group acquired a group of companies which were ultimately controlled by Mr. Andrii Verevskyi, Chairman of the Board of Directors.

During the year ended 30 June 2026, the Group settled financing arrangements with related parties amounting to USD 69,470 thousand.

Transactions with related parties are conducted on terms equivalent to those prevailing in arm's length transactions. Outstanding balances are unsecured and will be settled in cash. No guarantees have been provided or received in respect of related party receivables or payables. Loans are provided at interest rates comparable to the average commercial rate.

Transactions with related parties were as follows:

Related party category	Line in the Statement of Profit or Loss	For the year ended 30 June 2026	For the year ended 30 June 2025
Entities under common control	Revenue	82,530	47,785
	Purchases of various goods and services	(58,407)	(54,380)
	Cost of sales	(3,227)	(11,842)
	Other expenses	(2,594)	(1,030)
	Other operating income	984	3,600
	Net (expected credit loss)/reversal charge	(1,997)	2,668
	Reversal of impairment losses on non-financial assets	3,357	1,043
Key management	General and administrative expenses	(21,262)	(18,799)
Entities under key management control	Finance income	115	1,963
	General and administrative expenses	—	(4,553)
Other related parties	Purchases of various goods and services	(25,274)	(6,640)
	Other expenses, net	(1,270)	(362)

Remeasurement of liability related to options provided to key management as of 30 June 2026 resulted in loss recognized in General and administrative expenses in the amount of USD 849 thousand (30 June 2025: a gain of USD 6,617 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 Consolidated Statement of Profit or Loss including salaries and other current employee benefits amounted to USD 22,620 thousand (for the year ended 30 June 2025: USD 24,324 thousand).

31. Commitments and Contingencies

Retirement and Other Benefit Obligations

Employees of the Group receive pension benefits from the government under the laws and regulations of Ukraine. Ukrainian subsidiaries of the Group contributions to the State Pension Fund of Ukraine for the year ended 30 June 2026 were USD 21,081 thousand (2025: USD 19,339 thousand).

As of 30 June 2026 and 2025, the Group was not liable for any significant supplementary pensions, post-retirement health care, insurance benefits, or retirement indemnities to its current or former employees.

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

Notes to the Consolidated Statements continued

for the year ended 30 June 2026 (in thousands of US dollars, unless otherwise stated)

Capital Commitments

As of 30 June 2026, the Group had commitments under contracts with suppliers for a total amount of USD 64,196 thousand, mostly for wind farm construction and facilities, modernization of the oil-crushing plant and reconstruction of the grain transshipment complex (30 June 2025: USD 15,781 thousand, mostly for reconstruction of the grain transshipment complex and for modernization of the oil-crushing plant).

Contractual Commitments on Sales

As of 30 June 2026, the Group had outstanding commercial contracts for the export of 1,579,091 tons of grain, 89,164 tons of vegetable oil, and 190,320 tons of sunflower meal and other related products, with contract values of USD 369,549 thousand, USD 125,458 thousand and USD 57,724 thousand, respectively, in contract prices as of the reporting date.

As of 30 June 2025, the Group had outstanding commercial contracts for the export of 1,348,000 tons of grain, 270,000 tons of vegetable oil, and 98,198 tons of sunflower meal and other related products, with contract values of USD 300,879 thousand, USD 290,550 thousand and USD 28,521 thousand, respectively, in contract prices as of the reporting date.

Taxation and Legal Issues

The international tax environment continues to evolve, particularly following the OECD/G20 BEPS Pillar Two initiative, which introduced a global minimum level of taxation through the Global Anti-Base Erosion ("GloBE") Rules. Kernel Holding S.A. is part of the Kernel Group, which falls within the scope of the OECD Pillar Two Model Rules.

Under the Pillar Two framework, Namsen Ltd (Cyprus) has been determined to be the Group's Ultimate Parent Entity and is therefore required to apply the Income Inclusion Rule ("IIR") from 1 July 2024, recognizing and settling at its own level any top-up tax ("TUT") arising in respect of low-taxed entities within the Group. Accordingly, TUT under the IIR has no impact on these consolidated financial statements. The only form of Pillar Two TUT capable of affecting these consolidated financial statements is a Qualified Domestic Minimum Top-Up Tax ("QDMTT") levied locally in jurisdictions where the Group operates, and which have enacted such a tax.

Transitional Safe Harbour provisions may limit the Group's exposure to TUT in the first three reporting periods starting from the year ended 30 June 2025, subject to the relevant Country-by-Country Reporting thresholds. Based on an assessment performed by Namsen Ltd as Ultimate Parent Entity, the Group is expected to meet the transitional Safe Harbour tests in the relevant jurisdictions, and the application of QDMTT has no material impact on the consolidated financial statements for the year ended 30 June 2026.

Tax risk management is integrated into the Group's overall risk management. As of 30 June 2026, companies of the Group were involved in ongoing litigation with tax authorities concerning tax matters, including claim amounting to USD 26,355 thousand (30 June 2025: USD 27,238 thousand). Based on the Group's historical experience with similar court cases, management believes it is unlikely that these proceedings will result in a significant outflow of resources, and accordingly, no provision has been recognized in the Group's financial statements as at the reporting date.

Ukraine's tax environment remains complex and is characterized by frequent changes in tax legislation and inconsistent application and interpretation by the tax authorities. This environment may result in increased fiscal pressure on taxpayers. The risk of differing interpretations of tax laws and regulations, combined with evolving administrative practices, can lead to disputes with the tax authorities and potentially result in additional tax assessments, fines and interest charges.

The transfer pricing legislation allows for additional tax assessment in respect of controlled transactions (transactions between related parties and certain transactions between unrelated parties) if such transactions are not conducted on an arm's-length basis. Management has established internal controls and documentation procedures to comply with applicable transfer pricing legislation. However, tax authorities may challenge the prices applied under these transactions, particularly as transfer pricing rules and interpretation continue to evolve. As of the reporting date, the potential impact of any such challenge is uncertain and cannot be reliably estimated. The Group assesses uncertain tax positions in accordance with IFRIC 23 and recognizes provisions where necessary.

Key aspects of the Ukrainian tax system are the following:

- Ukraine operates a classic corporate income tax system. Under this system, the taxable profit of companies, defined as accounting profit adjusted for tax differences in accordance with Ukrainian tax legislation, is subject to corporate income tax ("CIT") at a statutory rate of 18%.
- Transfer pricing regulations apply to transactions with related non-resident parties and non-resident parties located in low tax jurisdictions (i.e., jurisdictions with an effective corporate income tax rate significantly lower than Ukraine's 18% CIT rate). These rules are applicable where the company's annual income exceeds UAH 150 million and the value of transactions with each such non-resident exceeds UAH 10 million.
- The domestic supply of goods and services, as well as the import of goods and certain services, are subject to value-added tax at the standard rate of 20%. A 0% VAT rate applies to the export of goods from Ukraine. Starting from March 2021, a reduced VAT rate of 14% was applicable to the domestic supply and import of certain agricultural commodities.
- Payments of passive income (such as interest, royalties, dividends, etc.) to non-resident recipients are subject to withholding tax at the standard rate 15% unless double tax treaties or the Tax Code of Ukraine provide another tax rate.
- Agricultural producers of raw materials are eligible to apply a simplified tax regime, provided that at least 75% of their income is derived from the sale of agricultural raw materials produced by such companies. Under this regime, companies are subject to a fixed tax, which is determined based on the type, location, and monetary value of the farmland they operate.
- The "Transitional Provisions" of the Tax Code of Ukraine have been supplemented by a new subparagraph 69.38, which provides that, temporarily from 1 August 2024 until the termination or cancellation of martial law on the territory of Ukraine, taxpayers who voluntarily correct errors that resulted in an understatement of tax liabilities shall be exempt from the accrual and payment of fines and penalties.

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

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- The Diia City regime, which provides special tax and legal benefits for IT companies, has been introduced in Ukraine. Among other provisions, the regime offers protections against excessive state interference, streamlined hiring procedures for IT professionals (including the use of special "gig contracts"), and reduced income tax and payroll tax rates for qualifying IT businesses.

As of 30 June 2026, the Group was a party to three 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 as of 13 October 2023 with the objective: 1) To establish that the Group's directors acted against the Group'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 Group 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 Ltd on 30 March 2023, compared to the real value of the Group, and (ii) the economic impact of the Board of Directors' decisions, including the delisting, on the Group's corporate interests. The pleadings are scheduled for 4 November 2026.
- merits proceedings initiated on 20 February 2024 related mainly to the annulment of the Board of Directors' decisions made on 21 August and 1 September 2023, as mentioned above. Alternatively, the claimants seek compensation for damages from Namsen Ltd. These proceedings are currently pending.
- merits proceedings initiated on 26 April 2024 related mainly to the annulment of the decisions taken at the AGM held on 11 December 2023. The pleadings are scheduled for 4 November 2026.

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 Group and its majority shareholder, Namsen Ltd, were declared inadmissible and, therefore, rejected. Additionally, the claimants were ordered to pay procedural indemnities to both the Group and Namsen Ltd. On 15 May 2025, the claimants filed the appeal. On 13 March 2026, the Luxembourg Court of Appeal upheld the order dated 27 November 2024 in full, declaring the appeal unfounded on all grounds. The Court of Appeal additionally ordered the claimants to pay procedural costs.

As of 28 March 2025, the Luxembourg District Court issued a summary order declaring inadmissible and consequently rejecting the claims initiated on 20 February 2024 against the Company and its majority shareholder, Namsen Ltd. The claims sought interim relief in the form of a suspension of decisions made by the Company's Board of Directors regarding the share capital increase carried out in August–September 2023, including the issuance of 216,000,000 new shares, as previously disclosed. The Court further ordered the claimants to pay procedural indemnities to both the Group and Namsen Ltd. On 23 May 2025, the claimants filed an appeal. On 20 March 2026, the Luxembourg Court of Appeal upheld the order dated 28 March 2025 in full, declaring the appeal unfounded on all grounds. The Court of Appeal additionally ordered the claimants to pay procedural costs.

The proceedings are at an early stage, and the outcome of the litigation cannot be reliably assessed at this time. However, the Group's management believes that there has been no non-compliance with applicable laws and regulations in relation to the matters raised by the claimants and, accordingly, no outflow of economic benefits is expected.

32. Financial risk management

Capital Risk Management

The Group manages its capital, primarily attributable to equity holders. The objective is to ensure that entities in the Group continue as a going concern, providing returns to shareholders and benefits to other stakeholders, while maintaining an optimal capital structure to reduce the cost of capital. Management considers the cost of capital and the risks associated with each class of capital and balances its overall structure through dividend distributions, issuance or repurchase of shares, and the issuance or redemption of debt instruments.

The Group monitors capital based on the carrying amount of equity and borrowings less cash and cash equivalents, as presented in the consolidated statement of financial position. The Group is not subject to any externally imposed capital requirements, other than covenants imposed by external lenders in respect of bank borrowings and bonds.

There were no material changes in the Group's objectives, policies and processes for managing capital during the reporting period.

Gearing Ratio

The Group monitors its capital structure by calculating a gearing ratio, defined as net debt divided by equity. Net debt comprises lease obligations, bonds and borrowings less cash and cash equivalents, while total capital consists of equity and net debt.

Notes to the Consolidated Statements continued

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Management has not established a formal target level for the gearing ratio but considers it an important measure of financial stability and access to financing. As of 30 June 2026, the majority of the Group's debt is due within two to five years.

	As of 30 June 2026	As of 30 June 2025
Debt liabilities ¹ (Notes 21, 22)	734,405	555,536
Less cash and cash equivalents (Note 9)	(356,732)	(617,511)
Net debt/(Net cash)	377,673	(61,975)
Equity ²	2,317,285	2,077,929
Net debt to Equity	16%	-3%

Financial Risk

The Group is exposed to financial risk as the result of the normal course of business. The main risks inherent to the Group's operations are those related to:

- Credit risk
- Liquidity risk
- Market risk

Risk management policies have been established to identify, assess, and analyze the risks faced by the Group, to manage and continuously improve an effective risk management and monitoring system, spreading the culture of decision-making in terms of risks, their valuation and likelihood of occurrence. The Group coordinates roles and participants through training, management standards, and procedures.

Credit Risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt instruments carried at amortized cost, at FVOCI and at FVTPL, favorable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables.

Credit risk is mitigated through a formalized process of counterparty creditworthiness assessment prior to initial recognition, ongoing exposure monitoring and regular management reporting. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate has a less significant influence on the Group's overall credit risk profile.

The Group has established a credit policy under which each new customer is assessed individually for creditworthiness before standard payment and delivery terms are offered. The assessment includes an evaluation of the customer's financial position, payment history, transaction volume, and other relevant factors. Sales limits are set for each customer, representing the maximum exposure without requiring further management approval, and these limits are reviewed annually. Customers who do not meet the Group's creditworthiness benchmarks may only transact on a prepaid basis and are subject to additional approval requirements.

To mitigate non-payment risk in international markets, the Group presents title documents through banking channels and makes use of payment instruments such as letters of credit, insurance arrangements, and bank guarantees. In addition, the Group holds collateral against loans provided to farmers, which includes future harvests, movable and immovable property. Collateral is secured in amounts sufficient to cover the loans based on current market prices.

The Group's policy on expected credit losses for trade receivables is disclosed in Note 10. Other financial assets carried at amortized cost, including loans to related parties, key management personnel and other receivables, are assessed by management to carry low credit risk.

The Group's trade receivables are concentrated among a limited number of customers. As of 30 June 2026, trade accounts receivable from the Group's most significant customer amounted to USD 28,256 thousand, representing approximately 11% of total trade accounts receivable (30 June 2025: USD 40,869 thousand, or 16%). Trade accounts receivable from the Group's top five customers amounted to USD 110,431 thousand, or 44% of total trade accounts receivable (30 June 2025: USD 122,628 thousand, or 49%).

The Group is also exposed to credit risk on debt investments measured at FVTPL, comprising Ukrainian government bonds and U.S. Treasury bonds ("T-bonds"). Ukrainian government bonds are subject to elevated credit risk due to the downgrade of Ukraine's sovereign credit rating since the beginning of the war, while U.S. Treasury bonds are considered to carry low credit risk given the sovereign credit standing of the United States. Ukrainian government bonds in the amount of USD 117,941 thousand are rated C by Fitch (30 June 2025: USD 133,359 thousand, rated C). U.S. Treasury bonds in the amount of USD 12,005 thousand are rated F1+ by Fitch (30 June 2025: USD 11,043 thousand, rated F1+).

As of 30 June 2026, 94% of margin accounts with brokers (30 June 2025: 74%) are held with financial institutions rated F1 to B by Fitch Ratings or equivalent. The Group's exposure to credit risk on margin accounts with brokers is mitigated by placing such balances exclusively with institutions carrying a Fitch credit rating of B or above, reflecting an adequate level of creditworthiness.

¹ Debt includes short-term and long-term borrowings, bonds issued and accrued interest.

² Equity includes issued capital, share-premium reserve, additional paid-in capital, revaluation reserve, retained earnings, other reserve and translation reserve attributable to Kernel Holding S.A. shareholders.

Notes to the Consolidated Statements continued

for the year ended 30 June 2026 (in thousands of US dollars, unless otherwise stated)

Credit risk arising from cash and cash equivalents is managed in accordance with the Group's treasury policy and monitored by reference to bank and parent institution credit ratings, as further disclosed in Note 9.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk by maintaining adequate cash and cash equivalents, as well as the availability of funding through the adequacy of the banking facilities by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities. Management diversifies funding sources to ensure that sufficient liquidity is maintained to meet liquidity requirements.

All commercial contracts for the sale of products entered into in the ordinary course of business are generally short-term and are expected to be settled within 12 months after the reporting date. The Group regularly monitors its liquidity position to ensure that it has the ability to meet its short-term obligations.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods as of 30 June 2026 and 2025. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Carrying amount	Contractual cash flows	Less than 1 year	1–2 years	2–5 years	More than 5 years
30 June 2026						
Non-derivative financial liabilities						
Bonds issued (Note 22)	301,788	301,788	301,788	—	—	—
Short-term borrowings (Note 21)	360,617	360,617	360,617	—	—	—
Trade accounts payable	105,310	105,310	105,310	—	—	—
Long-term borrowings, including current portion (Note 21)	72,000	79,243	37,120	5,312	36,811	—
Lease liabilities (Note 23)	358,770	840,136	61,948	62,809	234,504	480,875
Current financial liabilities (Note 20)	20,364	20,364	20,364	—	—	—
Non-current financial liabilities	1,072	1,072	—	535	537	—
Total	1,219,921	1,708,530	887,147	68,656	271,852	480,875
Derivatives						
Open currency swap contracts						
Inflows	100,000	100,000	100,000	—	—	—
Outflows	(100,167)	(100,167)	(100,167)	—	—	—
Derivative financial instruments (Note 20)	109,372	109,372	109,372	—	—	—
Total	109,205	109,205	109,205	—	—	—
30 June 2025						
Non-derivative financial liabilities						
Bonds issued (Note 22)	302,103	350,625	20,250	20,250	310,125	—
Short-term borrowings (Note 21)	148,887	148,887	148,887	—	—	—
Trade accounts payable	108,348	108,348	108,348	—	—	—
Long-term borrowings, including current portion (Note 21)	104,546	122,834	28,429	27,929	63,125	3,351
Lease liabilities (Note 23)	205,255	479,906	35,191	39,281	135,310	270,124
Current financial liabilities (Note 20)	41,247	41,247	41,247	—	—	—
Non-current financial liabilities	3,364	3,364	—	657	2,707	—
Total	913,750	1,255,211	382,352	88,117	511,267	273,475
Derivatives						
Open currency swap contracts						
Inflows	172,000	172,000	172,000	—	—	—
Outflows	(173,251)	(173,251)	(173,251)	—	—	—
Derivative financial instruments (Note 20)	11,547	11,547	11,547	—	—	—
Total	10,296	10,296	10,296	—	—	—

The concentration of liquidity risk is limited due to different repayment terms of financial liabilities and sources of borrowing facilities.

Market Risk

The Group's activities expose it primarily to market risk which is mainly presented as the risk of loss in the value of any financial instrument due to an adverse fluctuation in market prices, interest rates, and foreign exchange rates, whether arising out of factors affecting specific instruments or the market in general. The goal of market risk management is to control and manage market risk exposures within acceptable limits while maximizing the return on those risks.

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

Notes to the Consolidated Statements continued

for the year ended 30 June 2026 (in thousands of US dollars, unless otherwise stated)

Currency Risk

Currency risk is a risk of financial impact due to exchange rate fluctuations related to transactions and balances in currencies other than functional currency. The Group enters into such transactions denominated in other currencies, which include capital expenditures, operating expenses, certain sales of goods, and recognized assets and liabilities denominated in a currency that is not the functional currency of the entity. Exposure of currency risk is managed by utilizing currency forward contracts and fulfilling comparative analysis between subsidiaries.

The Group mitigates the influence of currency risk in Ukrainian hryvnia through export sales denominated in USD and EUR. For the year ended 30 June 2026, total sales denominated in USD amounted to USD 3,960,625 thousand, and total sales denominated in EUR amounted to USD 126,246 thousand (for the year ended 30 June 2025: USD 3,834,995 thousand and USD 57,929 thousand, respectively).

The Group also utilizes currency swaps, which are derivative instruments under which principal and interest payments are exchanged in different currencies. These contracts are used to mitigate foreign exchange risks arising from exposures in currencies other than USD across various financial instruments, and they also enable the Group to optimize its overall financing costs. As of 30 June 2026, the Group's management monitors the notional amounts and fair values of these instruments on an ongoing basis.

As of 30 June 2026, the Group had open currency swap contracts, all of which are expected to settle within 12 months. The Group continuously monitors these positions to ensure sufficient liquidity is available to meet the related contractual obligations.

As of 30 June 2026, the Group's borrowings are denominated primarily in USD and UAH. Interest and principal payments on borrowings are generally matched with cash flows generated by the Group's operations, particularly from export sales denominated in USD. This provides a natural hedge against currency risk for the USD-denominated debt, while borrowings in UAH are used to finance local operating needs. Accordingly, the Group does not utilize derivative instruments to hedge such exposures.

The table below covers UAH and USD-denominated assets and liabilities carried by Subsidiaries having balances in currencies other than functional currencies.

The Group's exposure to foreign currency risk, including the balances outstanding between the Group's companies was as follows:

	As of 30 June 2026		As of 30 June 2025	
	UAH	USD	UAH	USD
Cash and cash equivalents	140,106	22,498	152,421	6,702
Trade accounts receivable	30,474	38,633	46,411	101,036
Other financial assets	184,510	190,005	246,920	—
Trade accounts payable	(72,907)	—	(93,808)	(7)
Current portion of lease liabilities	(853)	—	(1,050)	—
Lease liabilities	(6,413)	—	(7,626)	—
Short-term borrowings from Ukrainian subsidiary of European bank	(82,208)	—	(93,836)	—
Short-term borrowings from European bank	—	(7,660)	—	—
Short-term borrowings from Ukrainian bank	—	(4,895)	—	—
Long-term borrowings from European bank	—	—	—	(10,140)
Open currency swap contracts	(100,000)	—	(173,251)	—
Other financial liabilities	(213,457)	—	(226,202)	(87)
Other non-current liabilities	(4,658)	—	(2,527)	—
Net exposure	(125,406)	238,581	(152,548)	97,504

The following table details the Group's sensitivity to a 10% change of the UAH against the USD would prompt a fluctuation in the equity and profit and loss account by the amounts shown below. This sensitivity analysis assumes that all other variables, in particular interest rates, remain constant. The sensitivity analysis includes only outstanding monetary items denominated in a currency other than the functional currency.

A strengthening/depreciation of the UAH against USD on 30 June would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss before income tax by the amounts shown below:

	As of 30 June 2026		As of 30 June 2025	
	Strengthening	Depreciation	Strengthening	Depreciation
UAH (10% movement)	(34,230)	39,050	(24,119)	26,089

Interest Rate Risk

The Group's main interest rate risk arises from bank borrowings and lease liabilities with variable rates, which expose the group to cash flow interest rate risk.

The sensitivity analysis in the table below has been determined based on exposure to interest rates for financial liabilities at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. A 100-basis point ("bp") increase, or decrease, was used when reporting interest rate risk internally to key management personnel and represents management's assessment of reasonably possible changes in interest rates.

Notes to the Consolidated Statements continued

for the year ended 30 June 2026 (in thousands of US dollars, unless otherwise stated)

The interest rate profile of the Group's interest-bearing financial instruments and its sensitivity to increase or decrease of variable interest rate was as follows:

	Carrying amount as of 30 June 2026	Impact on profit before tax from change in variable rates		Carrying amount as of 30 June 2025	Impact on profit before tax from change in variable rates	
		100 bp higher	100 bp lower		100 bp higher	100 bp lower
Fixed rate	842,471			626,248		
Variable rate	250,704	(2,508)	2,508	134,543	(1,346)	1,346
UIRD	123,162	(1,232)	1,232	15,016	(150)	150
SOFR	105,533	(1,055)	1,055	90,564	(906)	906
COF	21,052	(211)	211	28,006	(280)	280
LIBOR	957	(10)	10	957	(10)	10
Total	1,093,175	(2,508)	2,508	760,791	(1,346)	1,346

The Group does not use any derivatives to manage interest rate risk exposure. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable-rate loans and borrowings.

Commodity Price Risk

The Group is exposed to changes in market prices for agricultural commodities that are not covered by forward contracts or other price risk management instruments. These exposures primarily relate to inventories of grains, oilseeds and other agricultural products held for sale or processing.

Commodity prices are inherently volatile and are influenced by a range of external factors, including global supply and demand dynamics, geopolitical developments, weather conditions, trade regulations, currency fluctuations and transportation constraints. Changes in commodity prices may have a direct impact on the Group's revenue, gross profit and operating cash flows. A significant decline in the prices of key agricultural commodities may adversely affect the Group's financial performance.

During the 2026 marketing year, the Group operated in an environment of ordinary commodity price exposures, accompanied by a number of entity-specific challenges affecting Ukrainian export flows, commodity basis levels and trading margins. Farmer selling remained subdued across the principal crops, constraining origination volumes and slowing the broader pace of export activity. As supply reached the market unevenly, forecasting became more difficult, placing additional pressure on trading-book management and day-to-day risk controls.

A further constraint arose from war-related strikes on Ukrainian Black Sea port infrastructure, which caused damage to loading equipment and stored cargo and, in isolated cases, to vessels berthed at terminals. These incidents introduced additional instability into operations at the country's Black Sea terminals, increased the complexity of cargo handling and reinforced the need for adaptable logistics and well-prepared contingency arrangements across the supply chain. This security risk remains ongoing, with further attacks disrupting Ukrainian terminals and reducing available loading capacity. The Group's ability to maintain export flows from Ukraine therefore remains exposed to developments in the security environment, including the availability of port infrastructure and the willingness of vessels to call at Ukrainian ports.

Towards the end of the financial year ended 30 June 2026, hostilities in the Middle East further increased the Group's operational and market risk profile. They affected normal operating patterns for Middle Eastern destinations and increased the relevance of energy-price-driven freight volatility for the Group's chartering activities.

Across the Group's principal crops, subdued farmer selling slowed the pace of grain and oilseed origination and kept oilseed crush coverage below historical averages. In response, the Group intensified its engagement with farmers and other suppliers, strengthened commercial relationships with established counterparties and expanded its supplier base across key origination regions.

To mitigate commodity price and margin exposure in the oilseed crushing segment, the Group continued to apply its margin-driven switching strategy across its principal oilseeds, including sunflower seed, rapeseed and soybeans. This approach allowed the Group to adjust its raw material and product mix, broaden trading optionality and preserve operational flexibility during periods of thin procurement coverage.

To address logistics risks arising from war-related attacks on port infrastructure, the Group used flexible internal logistics solutions, contingency routing and close coordination among its trading, logistics and origination functions. These measures were aimed at sustaining throughput, preserving export continuity and limiting the impact of terminal disruptions and execution-cost volatility on trading positions.

Newly elevated energy and freight-related risks were managed through proactive adjustments to chartering practices. For the vegetable oils book, the Group also adjusted commercial positions to reflect revised freight spreads and tanker routings.

Taken together, these measures supported the Group's ability to manage exposure to commodity price fluctuations, basis and margin volatility, logistics disruptions and energy-price-driven freight volatility. They were aimed at reducing the potential adverse impact on earnings while preserving the Group's ability, where commercially appropriate, to respond to commercial opportunities arising from market dislocations.

To mitigate logistics-related risks arising from war-related attacks on port infrastructure, the Group relied on flexible internal logistics solutions, contingency routing and close coordination between its trading, logistics and origination functions to sustain throughput and support export continuity. The Group maintains a flexible logistics model and is progressively broadening the range of routes and transportation modes available for Ukrainian exports. Particular emphasis is placed on developing additional outlets based on rail transport and transshipment infrastructure, thereby

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

Notes to the Consolidated Statements continued

for the year ended 30 June 2026 (in thousands of US dollars, unless otherwise stated)

reducing reliance on the Black Sea port system. These initiatives are expected to partially alleviate existing bottlenecks and strengthen the Group's ability to sustain shipment flows as access to deep-water port terminals becomes increasingly constrained. However, alternative routes can only partially offset such restrictions due to their inherent throughput limitations.

The Group monitors its exposure to commodity price risk using internal sensitivity analysis and scenario modelling. These analyses evaluate the potential impact of adverse price movements on profitability and liquidity and support management in planning trading and procurement activities, particularly during periods of elevated market volatility.

The Group measures and monitors its exposure to commodity price risk arising from its physical commodity trading activities using a Value at Risk ("VaR") model. The VaR model includes exposures arising from the Group's physical commodity trading positions as well as related forward purchase and sales contracts.

VaR is used by the Group as a statistical measure to estimate the potential loss in value of positions due to adverse market movements under normal market conditions. The Group calculates VaR over a one-day time horizon with a 95 percent confidence level, using a parametric VaR model based on a lognormal assumption of returns. Parameters are estimated using an Exponentially Weighted Moving Average over a 75-day period with a decay factor of 0.94. The VaR model has inherent limitations: it does not capture the liquidity of different risk positions and, therefore, does not estimate potential losses that could arise if the Group were required to liquidate large positions over a short period of time. In addition, the model relies on historical market data, which may not necessarily reflect future market conditions. As of 30 June 2026, the Group's VaR amounted to USD 15,600 thousand (30 June 2025: USD 5,400 thousand).

The increase in VaR compared with the previous year primarily reflects higher volatility in agricultural commodity markets and changes in the size and composition of open trading positions within the Group's physical commodity portfolio. VaR metrics are monitored by management and form part of the Group's internal market risk monitoring framework. VaR does not fully capture the impact of extreme market movements, stressed market conditions or liquidity constraints.

The Group's VaR should be interpreted taking into account the limitations of the methodologies applied. These limitations include:

- The VaR model does not capture the liquidity of different risk positions and therefore does not estimate potential losses if the Group liquidates large positions over a short period.
- VaR is based on historical data that may not provide the best estimate of the joint distribution of risk factor changes in the future and may fail to capture the risk of extreme adverse market movements that have not occurred within the historical window used for calculation.
- Model risk: VaR's accuracy depends on the methods and assumptions used. In particular, the parametric model assumes a log-normal distribution of returns, which may not hold in real markets.

33. Financial Instruments

The following tables give information on the carrying and fair values of the financial instruments. 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.

As of 30 June 2026 and 2025, the financial assets and liabilities are presented by class in the tables below at their carrying values:

	As of 30 June 2026			As of 30 June 2025		
	Amortized cost	FVTPL	Total	Amortized cost	FVTPL	Total
Assets						
Cash and cash equivalents (Note 9)	356,732	—	356,732	617,511	—	617,511
Trade accounts receivable (Note 10)	251,317	—	251,317	252,660	—	252,660
Other financial assets (Note 14) measured at Amortized cost of which						
Margin account with brokers	234,772	—	234,772	67,491	—	67,491
Loans granted	31,856	—	31,856	46,437	—	46,437
Other financial assets	11,378	—	11,378	19,467	—	19,467
Short-term bank deposits	201	—	201	12,000	—	12,000
Other financial assets (Note 14) measured at FVTPL of which						
Government bonds	—	129,946	129,946	—	144,402	144,402
Derivative financial instruments	—	7,510	7,510	—	26,116	26,116
Non-current financial assets	9,597	—	9,597	6,025	—	6,025

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

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	As of 30 June 2026			As of 30 June 2025		
	Amortized cost	FVTPL	Total	Amortized cost	FVTPL	Total
Liabilities						
Trade accounts payable	105,310	—	105,310	108,348	—	108,348
Borrowings (Note 21)	432,617	—	432,617	253,433	—	253,433
Lease liabilities (Note 23)	358,770	—	358,770	205,255	—	205,255
Bonds issued and accrued interest (Note 22)	301,788	—	301,788	302,103	—	302,103
Other financial liabilities (Note 20) measured at Amortized cost of which						
Accounts payable for property, plant and equipment	4,050	—	4,050	5,650	—	5,650
Other current liabilities	11,671	—	11,671	5,657	—	5,657
Other financial liabilities (Note 20) measured at FVTPL of which						
Share-based options	—	4,643	4,643	—	29,940	29,940
Derivative financial instruments	—	109,372	109,372	—	11,547	11,547
Other non-current liabilities	1,072	—	1,072	3,364	—	3,364

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

Financial liabilities	As of 30 June 2026		As of 30 June 2025	
	Carrying amount	Fair value	Carrying amount	Fair value
Bonds issued, including accrued interest (Note 22)	301,788	280,440	302,103	267,840
Long-term borrowings, including current portion (Note 21)	72,000	72,000	104,545	105,008

For the year ended 30 June 2026, the fair value of bank long-term borrowings was estimated by discounting the expected future cash outflows by a market rate of interest for bank borrowings of 5.98% 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 table below represents the fair values of the derivative financial instruments, including trade-related financial and physical forward purchase and sale contracts as of 30 June 2026 and 2025:

	As of 30 June 2026			As of 30 June 2025		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Other financial assets (Note 14)						
Forwards	—	6,311	6,311	—	11,974	11,974
Futures/Options	1,199	—	1,199	14,142	—	14,142
Other financial liabilities (Note 20)						
Forwards	—	25,665	25,665	—	9,978	9,978
Currency swap contracts	—	—	—	—	1,251	1,251
Futures/Options	83,707	—	83,707	318	—	318

The major part of 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, 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 year ended 30 June 2026, the fair value of other non-current assets recognized at amortized cost was estimated by discounting the expected future cash flows by a market rate of interest for bank borrowings of 1-7% (2025: 5-10%) 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.

There were no changes in the valuation techniques since the previous year.

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Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the consolidated statement of financial position when the Group has a legally enforceable right to offset the recognized amounts and intends to either settle on a net basis or to realize the asset and settle the liability simultaneously.

As of 30 June 2026, Other financial assets include collaterals for derivatives as part of the margin accounts with brokers in the amount of USD 227,035 thousand (30 June 2025: USD 64,501 thousand). Cash collateral does not qualify for offsetting in accordance with IAS 32, as it does not satisfy the criteria of a legally enforceable right of set-off and the intention to settle on a net basis. However, under the terms of collateral agreements (e.g., ISDA master netting arrangements), the Group is permitted to offset cash collateral against the net amount of derivative assets and liabilities in the event of default. These rights of offsetting are disclosed in accordance with IFRS 7 but are not recognized in the statement of financial position.

The financial assets and liabilities, which meet the criteria of offsetting as of 30 June 2026 were as follows:

	Amounts set off in the statement of financial position			Amounts not subject to netting agreements	Total as presented in the consolidated statements of financial position
	Gross amount	Amounts offset	Net amount		
Derivative assets	288,144	(285,973)	2,171	6,073	8,244
Derivative liabilities	(370,652)	285,973	(84,679)	(25,665)	(110,344)
Total	(82,508)	—	(82,508)	(19,592)	(102,100)

The financial assets and liabilities, which meet the criteria of offsetting as of 30 June 2025 were as follows:

	Amounts set off in the statement of financial position			Amounts not subject to netting agreements	Total as presented in the consolidated statements of financial position
	Gross amount	Amounts offset	Net amount		
Derivative assets	178,508	(164,366)	14,142	3,986	18,128
Derivative liabilities	(164,685)	164,366	(319)	(9,579)	(9,898)
Total	13,823	—	13,823	(5,593)	8,230

34. Earnings per Share

Basic earnings per share are computed by dividing net income from continuing operations available to ordinary shareholders by the weighted average number of ordinary shares outstanding (as of 30 June 2026 and 2025, 293,129,230 shares, and the weighted average number of ordinary shares in the number of 293,129,230 and 293,276,353 shares for the periods then ended, respectively), excluding any dilutive effects of stock options. Diluted earnings per share are computed in the same way as basic earnings per share, except that the weighted average number of ordinary shares outstanding is increased to include additional shares. The number of additional shares is calculated by assuming that outstanding stock options, except those that are not dilutive, were exercised and that the proceeds from such an exercise were used to acquire ordinary shares at the average market price during the reporting period. For calculating diluted earnings per share, as of 30 June 2026, an average number of 293,129,230 ordinary shares is considered (30 June 2025: 293,276,353).

35. Subsequent Events

As of 10 – 12 July 2026, the Group's port infrastructure in Chornomorsk was affected by Russian missile and drone attacks. Certain grain, sunflower oil and meal storage and transshipment facilities sustained damage, which resulted in a temporary suspension of operations at the affected port facilities. The Group is currently assessing the extent of the damage, related financial impact and required restoration works.

As of 14 July 2026, the Group's vegetable oil terminal in the Odesa region sustained damage following a Russian drone attack. The incident affected sunflower oil storage and transshipment infrastructure and resulted in the loss of a portion of sunflower oil stored at the terminal, including oil owned by third parties. The operational and financial impact of the attack is being assessed.

As of the date of issuance of these consolidated financial statements, the Group has not identified any significant changes in the impact of the war-related attacks described above. The disclosures above remain applicable as of the date of issuance of these consolidated financial statements.

As of 7 August 2026, the Group received from Namsen Limited, the Company's majority shareholder, a notice on the conditions for the mandatory sell-out of the Company's shares. The sell-out is conducted at the fair price of PLN 19.93 per share, as determined by the Commission de Surveillance du Secteur Financier, and covers 14,182,214 ordinary bearer shares of the Company, representing approximately 4.83% of the Company's share capital. The acceptance period for sell-out requests ends on 29 December 2026.

As of 2 September 2026, the Group's majority shareholder acquired 1,204,776 ordinary bearer shares of the Company at a price of PLN 19.93 per share. The transaction was carried out in connection with the mandatory sell-out procedure and formed part of the first of five Purchase Periods. The sell-out procedure remains ongoing, with eligible shareholders able to submit Sell-Out Requests until 29 December 2026.

Corporate information

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Registered number

B109173

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Kernel Holding S.A. Investor Calendar

Q1 FY2027 Operations Update	23 October 2026
Q1 FY2027 Financial Report	27 November 2026
Annual general shareholders' meeting	10 December 2026
Q2 FY2027 Operations Update	22 January 2027
H1 FY2027 Financial Report	26 February 2027
Q3 FY2027 Operations Update	23 April 2027
Q3 FY2027 Financial Report	28 May 2027
Q4 FY2027 Operations Update	23 July 2027
FY2027 Financial Report	01 October 2027

Stock information

Exchange	Warsaw Stock Exchange
Stock quote currency	PLN
Shares issued as of 30 June 2026	293,429,230
Bloomberg	KER PW
Refinitiv Eikon ticker	KER.WA
ISIN code	LU0327357389

Cautionary statement

Certain statements in this document are forward-looking statements. By their nature, forward-looking statements involve a number of risks, uncertainties, or assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties, or assumptions could adversely affect the outcome and financial effects of the plans and events described herein. Forward-looking statements contained in this document regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. You should not place undue reliance on forward-looking statements, which speak only as of the date of this announcement. Except as required by law, the Company is under no obligation to update or keep current the forward-looking statements contained in this document or to correct any inaccuracies that may become apparent in such forward-looking statements.

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