



An established West African focused  
agricultural company



Dekel Agri-Vision Limited AGM Presentation August 2020

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# Building a leading West African Agricultural Company



AIM traded multi-project, multi-commodity agricultural company focused on West Africa



Collaborative model centred on working closely with local communities to build vertically integrated operations processing produce grown by local farmers:

- Accelerates generation of first revenues
- Reduces CAPEX requirement
- Benefits local communities



Defined development path led by a strong board with a proven track record

Dekel has continued to operate with relatively minimal disruption from COVID-19, whilst at all times adhering to government advice and guidance.



Three core projects in Cote d'Ivoire at various stages of development:

## Palm Oil

- Ayenouan: produced over 175,000 tonnes of crude palm oil over five years

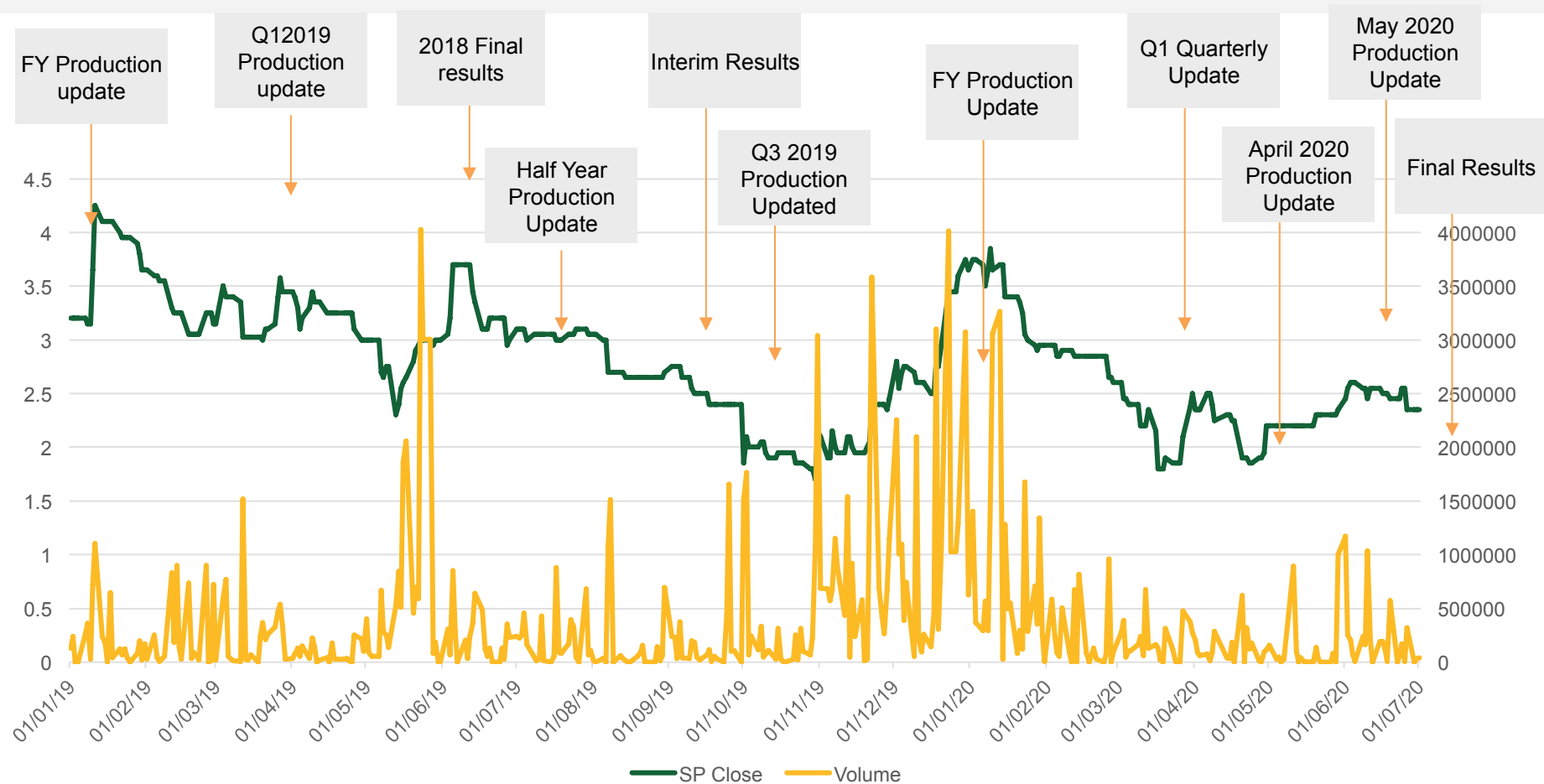
## Cashew

- Tiebissou: initial 10,000tpa cashew processing project capable of generating annual revenues of over US\$20m
- Plan to scale up to 30,000tpa – potential annual revenues of over US\$60m

## Projects in Feasibility

- 30+MW Biomass and solar project in feasibility
- Third Agri Commodity in detailed feasibility

# 12 Months Recap



# Full Year Production – 2019

**Recovery in year on year volumes of FFBs harvested drove strong rebound in H1 CPO production**

	FY 2019	FY 2018	Change
FFB collected (tonnes)	176,019	146,036	+21%
CPO production (tonnes)	37,649	33,077	+14%
CPO Sales (tonnes)	37,713	32,692	+15%
Average CPO price per tonne	€491	€542	-9%
PKO production (tonnes)	2,773	2,918	-5%
PKO Sales (tonnes)	2,621	2,862	-8%
Average PKO price per tonne	€551	€777	-29%
PKC production (tonnes)	4,305	3,721	+16%
PKC Sales (tonnes)	4,357	3,796	+15%
Average PKC price per tonne	€56	€51	+10%

# Key Financials - 2019 Finals

Operating Results	2019	2018
FFB collected (tonnes)	176,019	146,036
CPO production (tonnes)	37,649	33,077
CPO sales (tonnes)	37,713	32,692
Average CPO price (tonnes)	€491	€542
Revenue (all products)	€20.9m	€20.9m
Gross profit	€1.7m	€1.7m
Gross margin %	8.1%	8.3%
EBITDA	€0.2m	(€0.2m)
EBITDA %	n/a	n/a
NPAT (Loss)	(€3.3m)	(€3.3m)

# 2019: Jump in palm oil production offset weak global palm oil prices

## Macro conditions

- Strong recovery in harvest following weak 2018 fuelled double digit increase in CPO production and sales
- Second consecutive year of weak global CPO prices – 9% fall in year on year CPO prices
- Industry wide issue
  - DKL's market share of FFB delivered to its mill remained stable

## Resilient Financial Performance

- Flat revenues of €20.9m (2018: €20.9m)
- Gross margin remained stable at 8.1% in 2019 (2018: 8.3%)
- Positive EBITDA of €0.2m compared to negative €0.2m in 2018



# Efforts to mitigate a second consecutive year of low global CPO prices

- 2.2% decrease in general administration expenses
- Establishment of fifth logistics centre to facilitate delivery of local smallholder fruit to the mill
- Implementation of programme to enable farmers to apply fertilizer and potentially double yields
- Strengthened balance sheet with long term debt refinancing on improved terms
- Progressed Cashew Project to construction phase which will add scale and diversification to operations



# AgDevCo – a leading social impact investor in African agriculture

- ✓ €7.2 million 10-year senior secured loan facility to refinance loan, support ESG activities and growth initiatives
- ✓ Estimated €5.8 million cash savings during four-year capital repayment holiday
- ✓ Significantly strengthens balance sheet and enables higher proportion of cash flows generated to be reinvested in the business
- ✓ First time AgDevCo has invested in LSE company
- ✓ AgDevCo Government-backed:
  - DFID – UK's partner for international development

# Half Year Production – 2019/2020

	H1 2020	H1 2019	Change
FFB collected (tonnes)	106,188	131,917	-19.5%
CPO production (tonnes)	23,882	28,934	-17.5%
CPO Sales (tonnes)	23,906	26,702	-10.5%
Average CPO price per tonne	€602	€505	19.5%
PKO production (tonnes)	1,715	1,896	-9.6%
PKO Sales (tonnes)	1,002	1,539	-34.9%
Average PKO price per tonne	€628	€589	6.6%
PKC production (tonnes)	2,683	2,525	6.3%
PKC Sales (tonnes)	2,690	2,274	18.3%
Average PKC price per tonne	€60	€55	9.1%

# Interim Five Year Track Record

**Despite Covid-19 impact on 2020 high season, DKL expects to post improved results compared to H1 2019**

	<i>H1 2019</i>	<i>H1 2018</i>	<i>H1 2017</i>	<i>H1 2016</i>	<i>H1 2015</i>
FFB collected (tonnes)	131,917	96,195	117,706	123,157	90,879
CPO production (tonnes)	28,934	22,242	26,947	28,550	21,836
Average CPO price per tonne	€505	€549	€707	€542	€617

	<i>H1 2019</i>	<i>H1 2018</i>	<i>H1 2017</i>	<i>H1 2016</i>	<i>H1 2015</i>
Revenue	€14.6m	€14.1m	€19.6 m	€16.0m	€12.9m
Gross Margin	€2.251	€2.066	€4.988	€4.165	€3.265
Gross Margin %	15.4%	14.6%	25.5%	26%	25.3%
EBITDA	€1.4m	€1.1m	€3.7m	€3.1m	€2.3m
Net profit / (loss) after tax	(€0.1m)	(€0.5m)	€2.4m	€1.8m	(€93k)

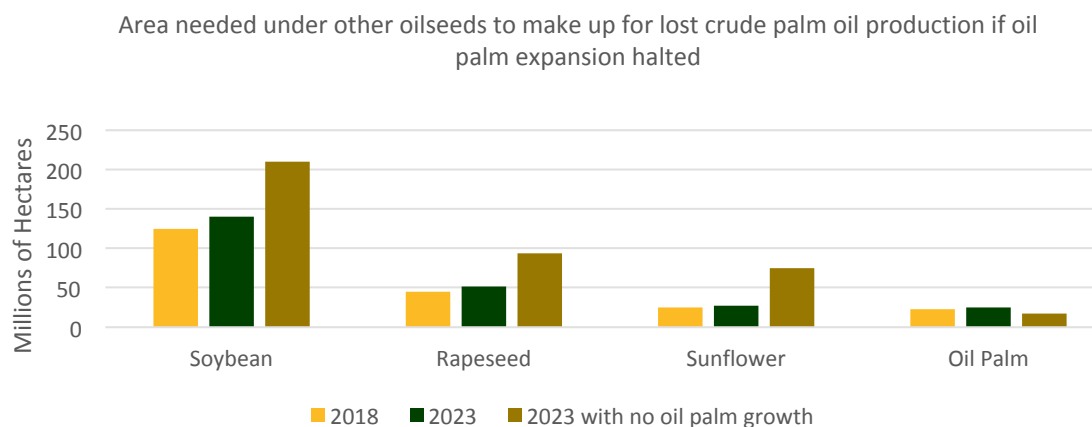
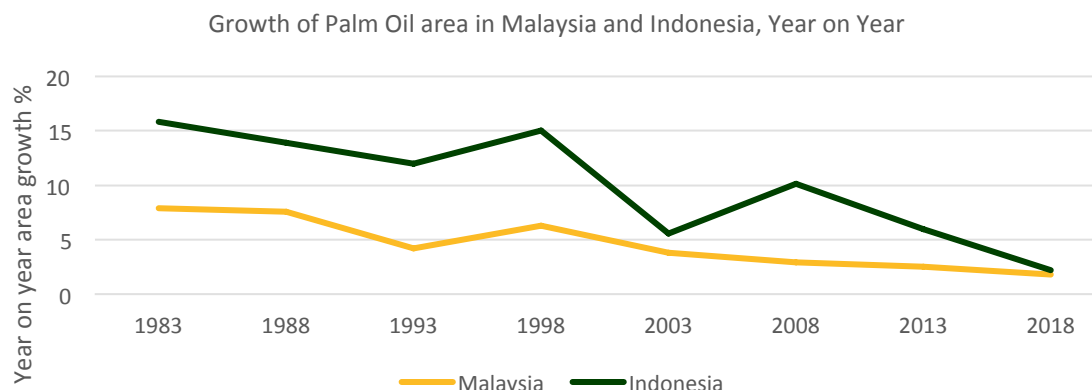
# 2020: Palm Oil Prices Explained

- Average CPO price over last 10 years is \$US800
- Having traded as high as US\$870 per tonne on 13 January 2020, global CPO prices have continued to move lower due to:
  - lower demand for food products as a result of extreme measures around the world to suppress the spread of COVID-19 virus
  - sharp fall in crude oil prices, which adversely impacts demand for biofuel - CPO is the primary feedstock for biofuel
- Material rebound in CPO prices over the past two months as countries seek to restock supplies post lock downs



# Short to Medium Term: a global short of vegetable oil expected with price spike

- Palm Oil supply growth is slowing – Malaysian and Indonesia CPO growth is almost at a standstill
- Palm oil has the highest yield per hectare and supply replacement via soybean growth appears insurmountable
- Our view is we still expect a sharp increase in vegetable oil prices medium term



\* Tables sourced from LMC International

# Ticking off milestones to build a diversified agriculture group



# First cashew production on track for Q2 2021



## Excellent Economics

- Ownership of 43.8% with additional option to acquire 20%
- Higher gross margins expected than from palm oil operation



## Near Term Revenue Potential

- Relationships in place with cooperatives and local procurement agents
- Provides the initial feedstock for the plant to begin processing in Q2 2021



## Asset Backed

- 7ha in Tiebissou for the plant and warehouses (additional 3 ha for extension)
- Expected construction cost of \$US10m



## 2018/2019 Achievements

- Contracts to construct cashew processing plant and infrastructure works in place
- Long term tax exemption for cashew project granted
- Key loan drawdowns completed



## Large Scale Development

- Gradually increase processing capacity to 30,000tpa
- Potential to generate revenue of over \$US60 million per annum (at 30,000tpa)



## H1 2020 Milestones

- Construction work and infrastructure shipments underway
- Advance raw cashew purchase and cashew sale arrangements in readiness for production

## Favourable dynamics of global and regional cashew markets

1

•830,000Mt consumed globally in 2017  
– primary end markets are food and health

2

•Significant lack of value-adding processing capacity in Côte d'Ivoire: out of 720,000 tonnes produced annually less than 20% processed in-country

3

•Côte d'Ivoire second largest producer globally and largest exporter of RCNs

4

•8% forecast annual growth in demand – outstrips 6% annual increase in supply since 1990

5

Long term tax exemption in place Ivory Coast local processing premiums provided



# Cashew Project Construction



# Focused on developing sustainable palm oil projects in line with RSPO standards

- AgDevCo – UK Government equity holder and debt provider
- RSPO member - certification in process
- Working with Proforest, an internationally recognised consulting group, to implement social and environmental programmes
- Majority of planting on previously cultivated areas
- Planting in partnership with local communities – agreement with World Bank-backed Projet d'Appui au Secteur de l'Agriculture de Côte d'Ivoire project
- All environmental permits in place
- Employs over 300 staff – majority local management
- School renovation, hospital renovation, water supplies



# Strategic initiatives and growth drivers 2020 onwards



Normalisation of CPO prices and further organic growth of palm oil operation



Development of cashew project to diversify and scale up revenues



New ventures to further grow and diversify the business



Strengthen balance sheet via refinancing of debt at longer tenure



# Investment Case

West African focused agricultural company with portfolio of multi-stage projects including producing palm oil operation

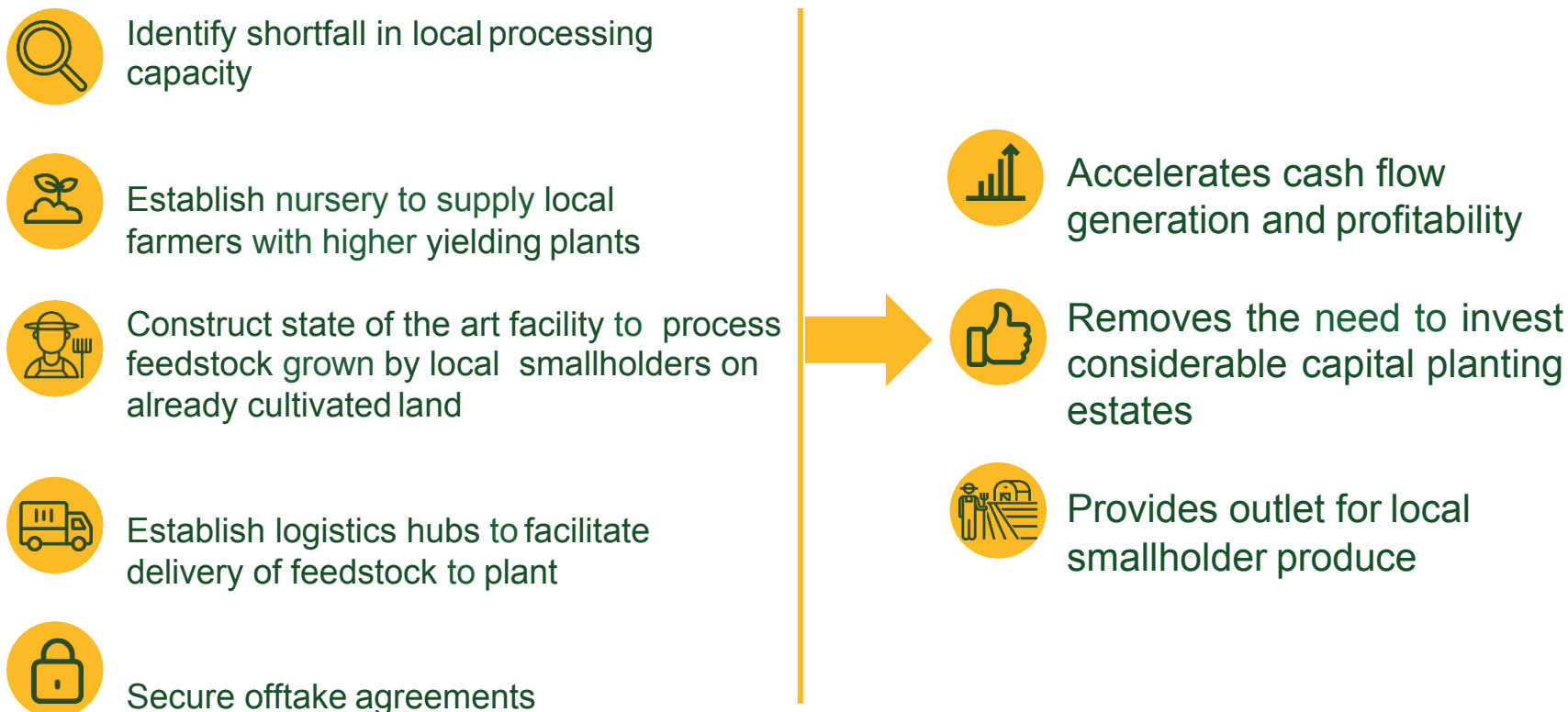
Expansion of Group with further palm oil project and diversification into cashew nuts;

- Cashew processing project expected to be commissioned Q2 2021;
- Large scale clean energy project at detailed feasibility stage: and
- Downstream opportunities and additional revenue streams under consideration

On track for major step up in revenue, EBITDA and profit profile as palm oil trading conditions normalise and completion of Tiebissou cashew project in Q2 2021

# Appendices

# Collaborative model benefits local smallholders, stakeholders and shareholders



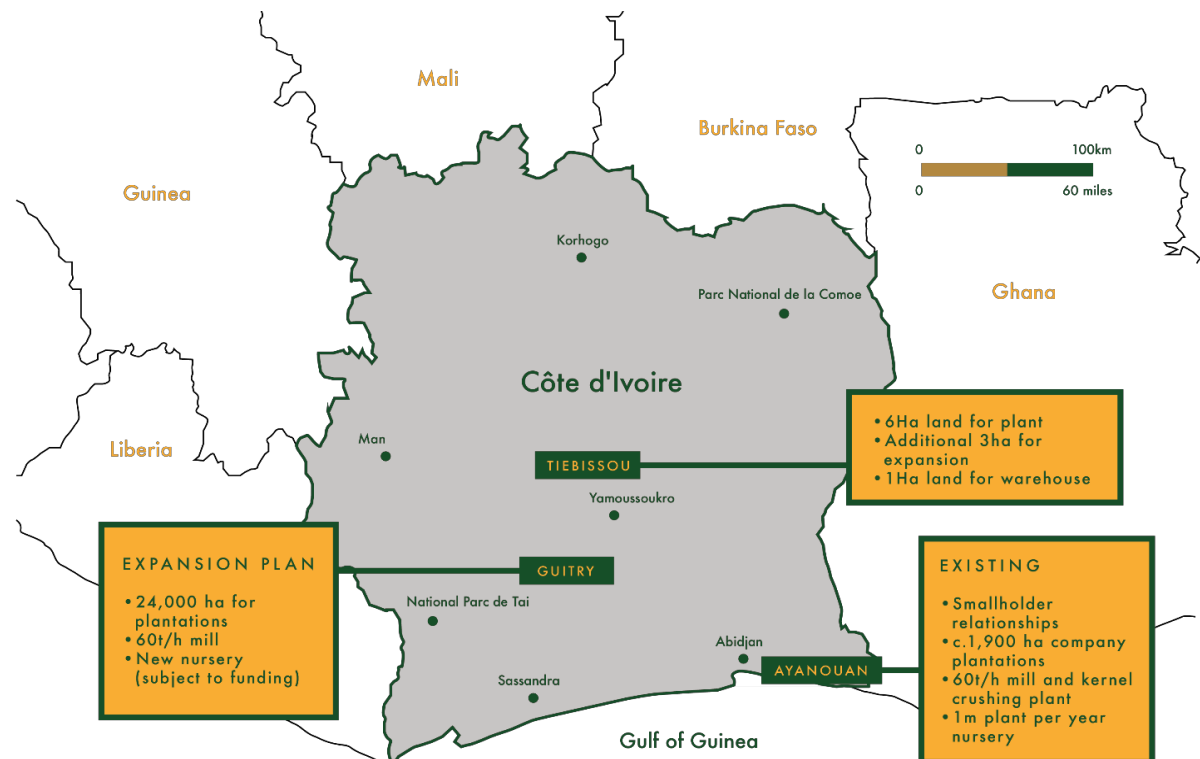
# Excellent location with modern infrastructure

Operational palm oil project at Ayanouan, 2 hours from Abidjan's port

Cashew Processing Project under development at Tiebissou, 3 hours from Abidjan's port

Expansion land at Guitry, 4 hours from Abidjan's port

Advantageous locations with good road links to the port



# Overview

- Vertically integrated palm oil project including state of the art nursery, processing mill and logistics network
- Includes one of West Africa's largest crude palm oil (CPO) mills
- Fresh Fruit Bunches (FFB) for Mill sourced from over 3,000 smallholders and 1,900ha of maturing company estates
- CPO, palm kernel oil (PKO) and palm kernel cake (PKC) sold at factory gate
- 10 year corporate tax exemption remaining





# State of the art 60,000tpa mill



# Feedstock for the Mill

A blend of smallholder feedstock due to regional surplus supply and company estates which will come into maturity in the near term

## Smallholder Estates

- Relationships with 3,000 small holders and several cooperatives

Estimated annual yields from smallholders expected to grow from 6-10 t/ha of Fresh Fruit Bunches

Over 20,000ha planted in region since 2010

## Company Estates

- 1,900ha planted to date at Ayenouan

- Costs to maturity: US\$2,000/ha to US\$2,500/ha

Mature plantations in Côte d'Ivoire have a peak yield of 18-20t/ha



# Board of Directors

**Andrew Tillery**  
Non Executive  
Chairman

25 years operational management and private equity experience in Africa and other emerging markets including 10 years as a CEO in Cote d'Ivoire, West Africa where he had responsibility for managing a group of oil palm operations and founded a natural rubber business. Holds two Masters degrees from Oxford University, an MBA from the University of Chicago. Currently a Non executive director on 3 African agribusiness boards and adviser to several agribusiness investment funds in sub-Saharan Africa.

**Youval Rasin**  
Chief Executive Officer

Founder of DekelOil and has held senior management positions in various companies within the Rina Group, a family holding company with interests in agriculture, mining, hotels etc. Qualified lawyer and active in Ivory Coast since 2002 with 9 years' experience in agro-industrial projects including 7 years in the Palm Oil Industry.

**Shai Kol**  
Deputy CEO and Chief  
Financial Officer

Founder of DekelOil. CPA & MBA graduate. 18 years work experience in finance, with significant business & international exposure. former KPMG corporate finance. Financial director for an international software company, Director of finance and business development for Yellow Pages leading fund raising and M&A activities.

**Lincoln Moore**  
Executive Director

For the past 10 years Lincoln has been active in the West African oil palm industry in Liberia and Sierra Leone including establishing and raising finance for palm oil developments. Former CFO and General Manager of Sierra Leone Agriculture Ltd and brokered sale for 300% uplift for investors in 2 years. Chartered Accountant and former senior manager at Deloitte and Touche.

**Aristide (Aris) C.  
Achy Brou**  
Non-Executive Director

Over the last 20 years Aristide has held senior positions in the commodity and derivative trading divisions at Citadel, British Petroleum, JP Morgan and Goldman Sachs. A native of Côte d'Ivoire, Aristide and his family have been involved in rubber plantations and processing operations in the country for over 40 years. Aristide grew up in both France and Côte d'Ivoire and after graduating from the leading aerospace engineering school in France, he moved to the US where he obtained a Master of Science at MIT and received a PhD in Applied Statistics from Johns Hopkins University. Additionally, he holds an MBA from the Wharton Business School, with a focus on Finance and Operational Management of Corporations.



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