

Half Year Operational Update

[DEKEL AGRI-VISION PLC](#)

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Dekel Agri-Vision PLC

12 July 2023

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12 July 2023

Dekel Agri-Vision Plc / Index: AIM / Epic: DKL / Sector: Food Producers

Dekel Agri-Vision Plc ('Dekel' or the 'Company') Half Year Operational Update

Dekel Agri-Vision Plc (AIM: DKL), the West African agriculture company focused on building a portfolio of sustainable and diversified projects, is pleased to provide its half year production update for the period ending 30 June 2023 ('H1 2023') for the Ayenouan palm oil project in Côte d'Ivoire ('Palm Oil Operation') and the cashew processing plant at Tiebissou, Côte d'Ivoire (the 'Cashew Operation').

Palm Oil Operation Update

- The Palm Oil Operation experienced a significantly stronger high season compared to H1 2022 with Fresh Fruit Bunch ('FFB') volumes and Crude Palm Oil ('CPO') production increasing 52.1% and 49.0% respectively compared to H1 2022.
- The high season was much later than we have experienced in previous years including June 2023 CPO monthly production being 261% higher than June 2022. Early guidance from July also indicates we will record a 5th successive month of significantly higher production but lower extraction rates compared to 2022.
- CPO sales quantities increased 22.4% in H1 2023 compared to last year. Given the high season arrived much later than normal our CPO stock levels at the end of H1 2023 are much higher than typical at over 4,800tn. This CPO will be sold during H2 2023 which we expect will drive strong sales quantities over the coming months.
- The H1 2023 average CPO sales price achieved was historically strong at €934 per tonne, albeit 7.8% below the record H1 2022 CPO sales price. The local price has slightly softened over the past few weeks to around €875-900 due to excess local CPO supply resulting from the late high season, however, we expect local prices to firm in comparison to the international price during the upcoming low season as local CPO supplies typically decrease.
- The CPO extraction rate for H1 2023 of 21.9% was slightly lower than H2 2022 but remains well in line with expectations.
- Overall, we expect to deliver a strong H1 financial performance for the Palm Oil operation and with higher than normal CPO and PKO stock on hand at the end of H1 2023, we expect H2 2023 is well positioned to outperform H2 2022.

	H1-2023	H1-2022	Change
FFB processed (tonnes)	114,745	75,448	52.1%
CPO Extraction Rate	21.9%	22.4%	-2.2%
CPO production (tonnes)	25,166	16,893	49.0%
CPO Sales (tonnes)	20,758	16,966	22.4%
Average CPO price per tonne	€934	€1,013	-7.8%
Palm Kernel Oil ('PKO') production (tonnes)	1,442	1,162	24.1%
PKO Sales (tonnes)	515	1,180	-56.3%
Average PKO price per tonne	€947	€1,454	34.9%

Cashew Operation Update

- It was necessary to slow down the gradual increase in daily production we saw in late March and early April 2023 to:
 - Ensure an orderly transition of the Cashew Operation from a batch process to a full continuous process more carefully than expected.
 - Deal with some teething issues in the continuous process mainly related to the continuous operation of the 10 new shelling machines. A large majority of the machines have been operating well in the past few days.
 - Undertake the onsite review component of our BRC Global Food standard assessment ('BRC') which commenced in June 2023 and included an extensive review and testing of each operating station. The BRC assessment is a critical part of our strategy to extract premium pricing and the onsite review is one of the final stages to obtain BRC certification.
 - The other main value drivers of the Cashew Operation including the price of Raw Cashew Nut ('RCN'), the Cashew extraction rate and sales prices are delivering in line with expectations.

H1-2023

RCN Inventory

Opening RCN Inventory (tonnes)	1,841
RCN Purchased (tonnes)	1,378
RCN Processed (tonnes)	759
Closing RCN Inventory (tonnes)	2,460

Cashew Processing

Opening Cashews (tonnes)	111
RCN Processed (tonnes)	759
Cashew Extraction Rate	23.3%
Cashew Produced (tonnes)	177
Cashew Sales (tonnes)	170
Closing Cashews (tonnes)	118

Average Sales prices per tonne

- Unpeeled Cashews	€3,500
- Peeled Cashews	€4,500

Lincoln Moore, Dekel's Executive Director, said: *"Four consecutive months of very strong CPO production coupled together with continued high CPO prices has delivered an excellent H1 2023 operating performance for the Palm Oil operation. With significant levels of CPO and PKO stock on hand at the end of H1 2023 due to the late high season, the platform is set for a strong performance in H2 2023 compared to H2 2022 as well."*

"It was necessary to slow down the ramp up of the Cashew Operation to ensure an orderly transition to a full continuation process. In addition, we also commenced the onsite BRC Food Standard assessment in June 2023 which slowed production but is a key milestone to achieve in order to obtain premium pricing. With the other key value drivers including the extraction rate, raw material prices and sales prices operating in line with expectations we expect to deliver continued improvement in the Cashew Operation over the coming weeks and months."

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Notes:

Dekel Agri-Vision Plc is a multi-project, multi-commodity agriculture company focused on West Africa. It has a portfolio of projects in Côte d'Ivoire at various stages of development: a fully operational palm oil project in Ayenouan where fruit produced by local smallholders is processed at the Company's 60,000tpa capacity crude palm oil mill and a cashew processing project in Tiebissou, which is currently transitioning to full commercial production in 2023.

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