

**Dekel Agri-Vision Plc ('Dekel' or the 'Company')**  
**February Palm Oil Production Update and Cashew Project 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 a February production update for its Ayenouan palm oil project in Côte d'Ivoire, and an update on the timing of the ramp-up of production of our large-scale cashew processing plant at Tiebissou, Côte d'Ivoire (the 'Cashew Project').

**Key Highlights**

*Palm Oil Project*

- The Crude Palm Oil ('CPO') high season, which normally ramps up in February, has yet to commence therefore in line with the guidance we provided last month our CPO production is 40.8% lower than February last year. Local experts who carry out fruit bunch counts and fruit ripening assessments currently estimate the high season to commence in April. In terms of agronomic conditions, there has been no material differences in rainfall and sunlight hours noted over the past 12 months to pin point any specific reasons for the seasonal variations which also included materially higher FFB volumes than normal in the second half of 2021.
- CPO of €979 per tonne achieved in February 2022, a 23.6% increase compared to February 2021
  - In the past two weeks international CPO prices have spiked to all-time record levels of approximately €1,700.
- CPO extraction rate increased 1 percentage point from January to 22.3% and was 0.5 percentage points higher than February 2021.
- Palm Kernel Oil ('PKO') prices also continued their strong momentum following the commencement of exports achieving €1,447 per tonne in February 2022, an 86.0% increase compared to February 2021.
  - In the past two weeks international prices have spiked to all-time record levels of approximately €2,200.

*Cashew Project*

- Production from the Cashew project continued at approximately 15% of production capacity in January 2022 and final equipment delivery timings which will allow full production to commence remain in April.

	<b>Feb-22</b>	<b>Feb-21</b>	<b>Change</b>
Fresh Fruit Bunches ('FFB') processed (tonnes)	13,683	23,638	-42.1%
CPO production (tonnes)	3,057	5,163	-40.8%
CPO Sales (tonnes)	3,660	4,754	-23.0%
Average CPO price per tonne	€979	€792	23.6%

PKO production (tonnes)	259	270	-4.1%
PKO Sales (tonnes)	407	406	0.2%
Average PKO price per tonne	€1,447	€778	86.0%
PKC production (tonnes)	402	390	3.1%
PKC Sales (tonnes)	366	299	22.4%
Average PKC price per tonne	€85	€69	23.2%

#### *CPO Production*

- Following five consecutive months of production growth, production in February, and we expect also March, will be lower than last year. This lower level of current production is being experienced nationwide and also in Ghana.
- Local agronomy experts are seeing a shift in seasonality of volumes this year and are expecting the high season will commence later than normal in April from assessments of fruit bunch counts on estates.
- Revenue for the first two months of the year remains materially higher than last year with the current lower levels of production being more than offset by higher CPO extractions rates and higher CPO and PKO prices

#### *CPO Price*

- We have held a long-term view that supply levels of CPO, which accounts for over 40% of all vegetable oil will struggle to meet future demand resulting in a sustained period of higher prices. This was already evident pre Covid-19 when CPO prices started to materially increase.
- Supply shocks relating to Covid-19 and now the devastating conflict in Ukraine, the world's largest producer of sunflower oil, has added to the supply challengers in the vegetable oil market resulting in prices spiking even further to over €1,700 per tonne. Whilst we expect prices may settle to a degree, we believe supply challengers will continue and we expect CPO prices to remain materially higher than the long-term average of €700 per tonne for the foreseeable future
- As previously announced, Côte d'Ivoire introduced price caps during Covid-19 at around €900 per tonne to protect the local market given CPO is a critical ingredient in food production. However, due to market forces, we are currently selling at prices around €1,025 - €1,050 per tonne.
- The further spike in prices over the past two weeks has led to a significant difference between local prices and international prices. We are therefore assessing export options similar to the strategy we executed with PKO should the CPO price differential remain this large. This will be done while balancing our obligations to local stakeholders.
- Given the current disruption in global transportation and logistics, in addition to the relatively low quantities Dekel produces, exporting is not without its challenges. However, we are currently in discussions with a number of groups to execute this objective and we will keep the market informed.

#### *CPO Sales*

- The Company currently has approximately 4,000tn of committed sales within Côte d'Ivoire for March at approximately €1,025-1,050 per tonne.

- As outlined above, given the current price gap between local prices and international prices that has arisen, particularly over the past two weeks, we will limit our normal strategy of pre-selling production with the goal of increasing our prices closer to the international price

*Palm Kernel Oil ('PKO') and Palm Kernel Cake ('PKC')*

- PKO Prices: 86% increase in PKO prices to €1,447 per tonne compared to €778 in February 2021.
- This is largely due to our success late last year identifying African export alternatives for PKO at prices much higher than are available in Côte d'Ivoire
- Global prices have spiked further over the past two weeks. We are assessing options to increase our prices further as outlined above for CPO and will update the market on our progress

*Cashew Project*

- The latest timeline provided by our Contractor remains broadly the same as our previous announcement with the colour sorter and shelling machines expected to be delivered in April. We are assisting our contractor where we can to avoid unnecessary further delays.
- In the interim, the Cashew processing plant is continuing operating well at a limited capacity and test cashew sales are continuing locally.
- We continue to receive strong support from our local stakeholders. We announced last month our key debt provider, the BDC Bank, has extended the principal grace period of its c.€4.6m loan from two to three years. The local co lenders NSIA bank who provided a loan of €2.3m have also extended the principal grace period by one year.

**Lincoln Moore, Dekel's Executive Director, said:** "Short term, we remain on track to deliver a second consecutive year of record revenue despite the unusually late start to the high season. Based on current market conditions, we anticipate our sales prices will remain at record levels with the potential to increase further in the coming months with international prices feeding into local prices and the potential to export CPO at prices closer to the international price, similar to our successful PKO export strategy."

"In the medium term, it is our view CPO prices and food prices in general will remain materially higher than long term averages for the foreseeable future which is highly supportive of our ongoing strategy to deliver a diversified agri-processing and logistics business which we believe will deliver strong returns to shareholders and provide vital support to our 1,000s of small farmer partners."

*The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR"). Upon the publication of this announcement via a Regulatory Information Service ("RIS"), this inside information is now considered to be in the public domain.*

**\*\* ENDS \*\***

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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 crude palm oil mill; a cashew processing project in Tiebissou, which commenced production in early January 2021.