

Dekel Agri-Vision

## March Palm Oil Production & Cashew Project Update

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Dekel Agri-Vision PLC  
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### **Dekel Agri-Vision Plc ('Dekel' or the 'Company') March 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 March 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*

- In line with guidance last month, the high season which typically peaks in March has yet to commence in earnest resulting in CPO production being 50.5% lower than March last year. This highly unusual change in seasonal production is being experienced throughout Côte d'Ivoire and also in Ghana and Nigeria.
- Early guidance for April is that production is tracking at a similar level to March. Intra month production is typically significantly higher in the last 10 days of each month so we will have better vision of any seasonal surge later this month.
- CPO price of €996 per tonne achieved in March 2022, a 25.6% increase compared to March 2021
  - Following the recent spike in international prices, we have identified new buyers at higher prices which will start to flow through from April. We are sensitive to meeting local commitments but we expect approximately 40-50% of our expected April production will be sold at over €1,150 per tonne ex-factory
- CPO extraction rate increased a further 0.5 percentage points from February to 22.8% and was 1.4 percentage points higher than March 2021.
- Palm Kernel Oil ('PKO') prices also continued their strong momentum following the commencement of exports achieving €1,486 per tonne in March 2022, a 79.0% increase compared to March 2021.

- High prices and excellent CPO extraction rates mean Q1 2022 Revenue remains ahead of Q1 2021

#### *Cashew Project*

- Material progress achieved during the month relating to the procurement and shipment of key remaining equipment in order to commence the final assembly phase to ramp up to full production
- In the interim, production from the Cashew project continued at approximately 15% of production capacity

	<b>Mar-22</b>	<b>Mar-21</b>	<b>Change</b>	<b>Q1 2022</b>	<b>Q1 2021</b>	<b>Change</b>
FFB processed (tonnes)	15,673	32,261	-51.4%	47,785	71,500	-33.2%
CPO production (tonnes)	3,567	6,895	-48.3%	10,553	15,327	-31.1%
CPO Sales (tonnes)	2,788	6,629	-57.9%	9,751	13,921	-30.0%
Average CPO price per tonne	€996	€793	25.6%	€989	€794	24.6%
PKO production (tonnes)	235	329	-28.6%	703	804	-12.6%
PKO Sales (tonnes)	125	398	-68.6%	821	967	-15.1%
Average PKO price per tonne	€1,486	€830	79.0%	€1,392	€780	78.5%
PKC production (tonnes)	374	505	-25.9%	1,106	1,187	-6.8%
PKC Sales (tonnes)	75	529	-85.8%	468	978	-52.1%
Average PKC price per tonne	€85	€78	9.0%	€85	€74	14.9%

#### *CPO Production*

- The lower level of current production is being experienced nationwide and also in Ghana and Nigeria.
- Local agronomy experts throughout the region are having difficulty pinpointing the reasons for this variation.
- Early guidance for April suggests we are currently tracking at similar production levels as March. Typically, 70% of production occurs in the last half of any given month so we will have more vision to update the market at this time in terms of the typical high season production surge which has yet to take place
- Revenue for Q1 2022 remains higher than last year with the current lower levels of production being more than offset by higher CPO extraction rates and higher CPO and PKO prices

#### *CPO Sales and Prices*

- As announced last month, given the current price gap between local prices and international prices that has arisen, we have opened discussions with a number of new groups to maximise sales prices whilst honouring our local commitments. This has led to sales being agreed for 40-50% of our expected production for April at over €1,150 per tonne. Importantly, these prices continue to be achieved ex-factory.
- Discussions also continue with parties including export partners within African and Europe as we continue to diversify and enhance our sales prices over the coming

months.

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

- PKO Prices: 79% increase in PKO prices to €1,486 per tonne compared to €830 in March 2021.
- Our success in identifying new buyers for our PKO is driving a material increase in the profitability of the PKO business unit in 2022.

*Cashew Project*

- Material progress was achieved in March as we seek to ramp up production towards full capacity:
  - Colour sorter was shipped from China with expected arrival date in Côte d'Ivoire in May 2022
  - 10 shelling machines have been procured locally to support full scale production whilst the machines in Italy await shipment in batches commence over the coming weeks
  - Timelines to move towards full production are now becoming more certain with the final assembly period taking place through May and June which should see production levels materially increase during this period
- The Cashew processing plant is continuing operating well at a limited capacity.

**Lincoln Moore, Dekel 's Executive Director , said:** "Production wise, it has been an unusual period for 7 months now with high production during the period September to December 2021 and low production during February and March 2022. Whilst it is our expectation Q2 2022 will see improvement, it is difficult for local agronomists to pinpoint the reasons for this variation and therefore forecast production so we will continue to provide monthly forward guidance."

"Importantly we are achieving CPO extractions higher than last year and coupled together with high local CPO and PKO prices, which have progressively increased over the past few months, we remain well positioned to deliver a strong H1 2022 performance and take advantage of any surge in production during Q2 2022."

*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.

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