

An established West African focused agricultural company

# DEKEL AGRI-VISION



Dekel Agri-Vision Limited : 2020 Interim Results  
Presentation

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# Building a leading West African Agricultural Company



AIM traded multi-project, multi-commodity agricultural company focused on Cote d'Ivoire



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 US\$50-60m

## Projects in Feasibility

- Third Agri commodity in detailed feasibility
- 30+MW Biomass and solar project in feasibility
- Proceeding cautiously due to Covid-19

# Half Year Production – 2019/2020

	H1 2020	H1 2019	Change
FFB collected (tonnes)	106,188	131,917	-19.50%
CPO production (tonnes)	23,882	28,934	-17.46%
CPO Sales (tonnes)	23,906	26,702	-10.47%
Average CPO price per tonne	€602	€505	19.21%
PKO production (tonnes)	1,715	1,896	-9.55%
PKO Sales (tonnes)	1,002	1,539	-34.93%
Average PKO price per tonne	€628	€589	6.60%
PKC production (tonnes)	2,683	2,525	6.26%
PKC Sales (tonnes)	2,690	2,274	-18.30%
Average PKC price per tonne	€60	€55	9.09%

# 2020 Interim Results Summary

*A material improvement in all key financial metrics despite trading during Covid-19*

	<i>H1 2020</i>	<i>H1 2019</i>	<i>% change</i>
<i>Revenue</i>	€15.4m	€14.6m	5.5%
<i>Gross Margin</i>	€2.6m	€2.3m	13.0%
<i>Gross Margin %</i>	16.8%	15.7%	7.0%
<i>G&amp;A</i>	(€1.4m)	(€1.5m)	7.1%
<i>EBITDA</i>	€1.9m	€1.4m	35.7%
<i>Net profit / (loss) after tax</i>	€0.4m	(€0.1m)	n/a

# Interim Results: financials explained

## ***Stronger year on year global Crude Palm Oil prices and higher extraction rates more than offset lower CPO production at Ayenouan palm oil project***

- 19.21% increase in average realised sales price of €602 per tonne of CPO (H1 2019: €505)
  - CPO prices rallied strongly to over US\$850 per tonne in January 2020 but quickly retraced back to as low as US\$500 in response to COVID-19 before recently recovering to around US\$730 today as global logistics reopened
- Significantly higher extraction rates due to higher quality Fresh Fruit Bunches ('FFB') than last year particularly in Q2 2020 where the extraction rate achieved was 23.6% (Q2 2019 22.4%)
- 23,882 tonnes of CPO produced in first half (H1 2019: 28,934 tonnes) follows 19.5% decrease in FFB delivered to mill to 106,188 tonnes (H1 2019: 131,917 tonnes) - in line with experience of other operators in the region
- 23,906 tonnes of CPO sold in H1 2020 (H1 2019: 26,702 tonnes)

## ***Step-up in Dekel's revenue and profitability expected when operations commence at cashew processing project at Tiebissou in Côte d'Ivoire in Q2 2021***

- Current ownership of 43.8% with option to acquire a further 20%
- Construction now advancing well following a short delay in manufacture of equipment in China and Italy due to COVID-19
- Production on course to commence in Q2 2021 at which point Tiebissou will become Dekel's second producing asset
- The Board expect once operations stabilise, cashew production will yield higher gross margins than the existing palm oil operation

# Interim Five Year Track Record

- Despite Covid-19 impact on 2020 high season, DKL expects to post improved annual results compared to H1 2019
- H2 2020 like for like tracking materially ahead of H2 2019 driven by higher CPO prices and extraction rates, in additional to a stabilisation in FFB quantities

	<i>H1 2020</i>	<i>H1 2019</i>	<i>H1 2018</i>	<i>H1 2017</i>	<i>H1 2016</i>	<i>H1 2015</i>
FFB collected (tonnes)	106,188	131,917	96,195	117,706	123,157	90,879
CPO production (tonnes)	23,882	28,934	22,242	26,947	28,550	21,836
Average CPO price per tonne	€602	€505	€549	€707	€542	€617

	<i>H1 2020</i>	<i>H1 2019</i>	<i>H1 2018</i>	<i>H1 2017</i>	<i>H1 2016</i>	<i>H1 2015</i>
Revenue	€15.4m	€14.6m	€14.1m	€19.6 m	€16.0m	€12.9m
Gross Margin	€2.6m	€2.3m	€2.3m	€5.0m	€4.2m	€3.3m
Gross Margin %	16.8%	15.7%	16.3%	25.5%	26.3%	25.6%
EBITDA	€1.9m	€1.4m	€1.1m	€3.7m	€3.1m	€2.3m
Net profit / (loss) after tax	€0.4m	(€0.1m)	(€0.5m)	€2.4m	€1.8m	(€93k)



# H1 2020: Palm Oil Prices Explained

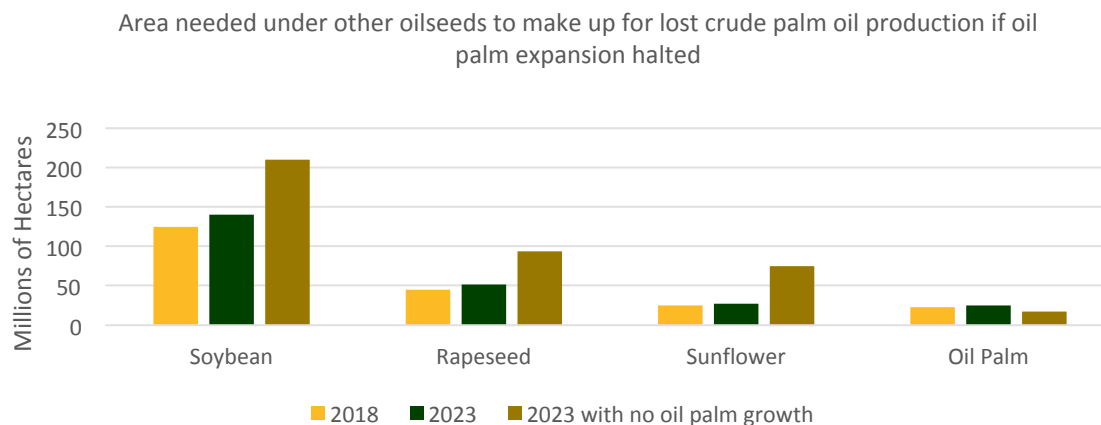
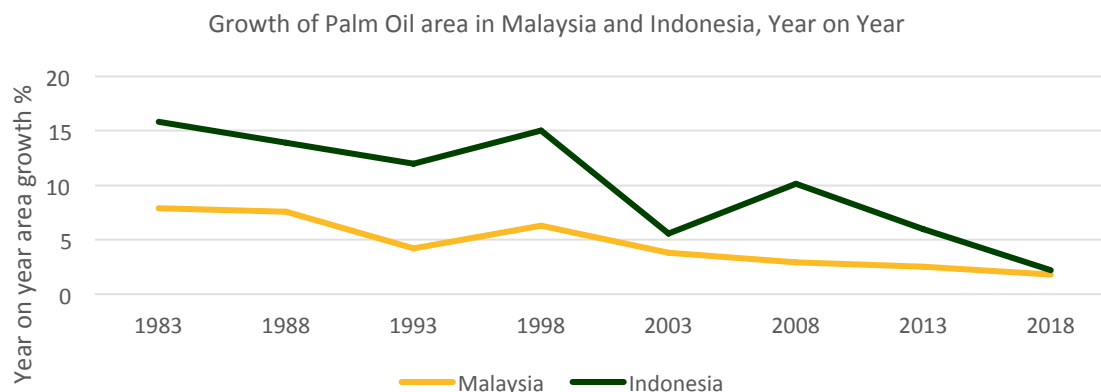
- Average CPO price over last 10 years is \$US800
- Having traded as high as US\$870 per tonne on 13 January 2020, global CPO prices briefly dipped in H1 2020 due to:
  - lower demand for food products as a result of extreme measures around the world to suppress the spread of COVID-19 virus
  - sharp 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





# CPO Medium Term Outlook: Reasons for Strong Optimism

- 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 strong vegetable oil prices medium term



\* Tables sourced from LMC International

# Ticking off milestones to build the 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 \$US10-11m



## 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 \$US50 million per annum (at 30,000tpa)



## H1 2020 Milestones

- Construction work and infrastructure shipments underway
- Advanced 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 of raw cashews produced annually less than 20% processed in-country

3

•Côte d'Ivoire one of largest producers globally and largest exporter of RCNs

4

•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 – strong ESG focus with investment
- RSPO member - certification advancing to pre audit stage
- Working with Proforest, an internationally recognised consulting group, to implement social and environmental programmes
- All environmental permits in place
- Employ over 300 staff –will shortly almost double staff with commencement of cashew processing
- Supporting and collaborating with 1,000's of small farmers in both palm oil and cashews
- Provided school renovation, hospital renovation, water supplies





# Multiple near term growth drivers



Normalisation of CPO prices driving material uplift in financial performance



Commencement of cashew production in Q2 2021 will drive a material step up in revenues and provide diversification



New ventures under feasibility to further grow and diversify the business



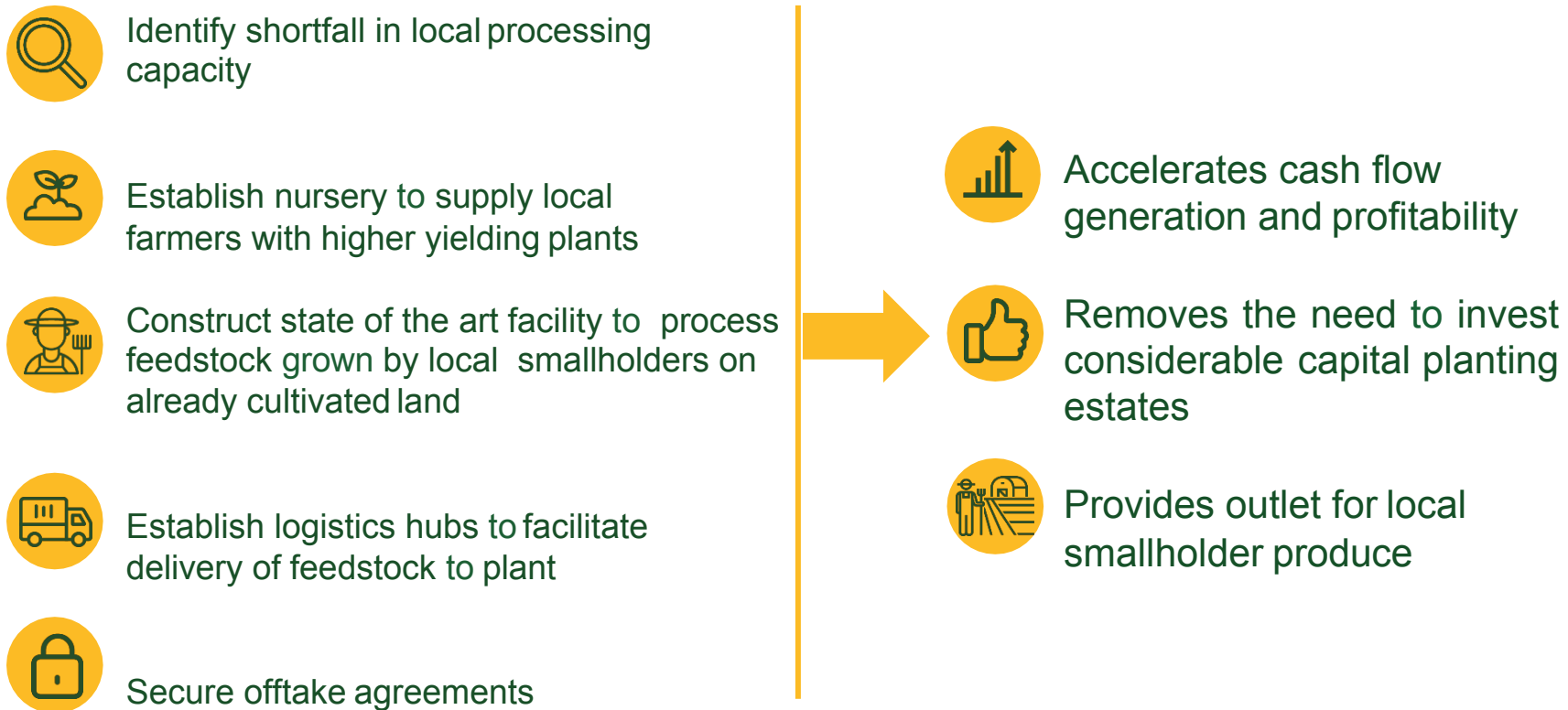
Strengthen balance sheet via refinancing of debt at longer tenure to support growth plan





# Appendices

# Collaborative model benefits local smallholders, stakeholders and shareholders



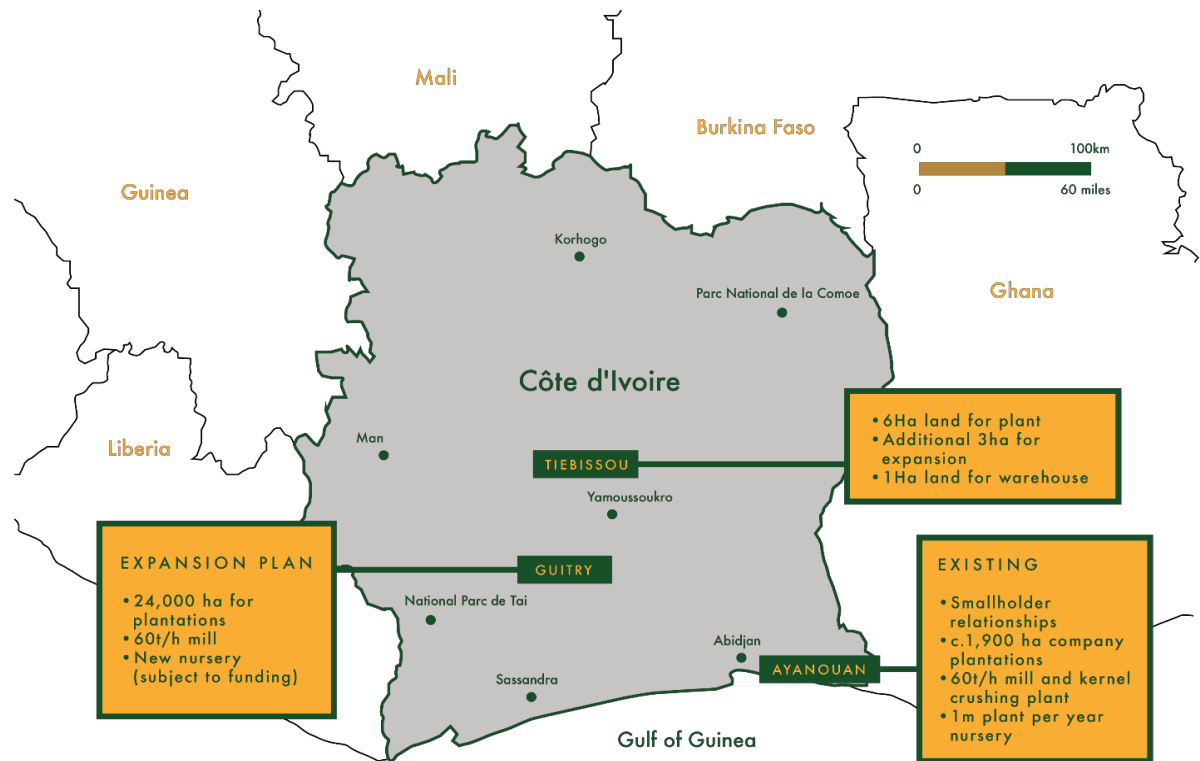
# Excellent location with modern infrastructure

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

Cashew Processing project under construction 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



# Board of Directors

<p><b>Andrew Tillery</b> Non Executive Chairman</p>	<p>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.</p>
<p><b>Youval Rasin</b> Chief Executive Officer</p>	<p>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.</p>
<p><b>Shai Kol</b> Deputy CEO and Chief Financial Officer</p>	<p>Founder of DekelOil. CPA &amp; MBA graduate. 18 years work experience in finance, with significant business &amp; 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&amp;A activities.</p>
<p><b>Lincoln Moore</b> Executive Director</p>	<p>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.</p>
<p><b>Aristide (Aris) C. Achy Brou</b> Non-Executive Director</p>	<p>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.</p>



# DEKEL AGRI-VISION



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