

Dekel Agri-Vision Long-Term Debt Refinancing

RNS Number : 0963M
Dekel Agri-Vision PLC
19 January 2021

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

Dekel Agri-Vision Plc ('Dekel' or the 'Company') Long-Term Debt Refinancing

Highlights

- New c.€15.2 million bond facility, approved by the Ivorian regulator, forms part of long-term refinance programme to extend maturity of debt profile to strengthen the balance sheet and facilitate the roll-out of Dekel's growth strategy to become a multi-project, multi-commodity agriculture company
- First approximately €5 million tranche of seven-year bond issued to replace short term debt and provide funding support for cashew project as it nears first production in Q2 2021
 - o Three-year capital grace period enables higher proportion of operating cash flows to be retained and reinvested
- Institutional subscribers to credit-rated bond include banks, pension funds, and insurance companies across West African region

Dekel Agri-Vision Plc, the West African focused agriculture company, is pleased to announce the launch of a c.€15.2 million seven-year bond facility (the 'New Bond'). A first tranche of the bond, totalling approximately €5m, has been issued to regionally focused institutions including banks, pension funds and insurance companies. The New Bond is part of an ongoing programme to extend the maturity of Dekel's debt profile and follows the €7.2 million, four-year capital holiday, 10-year loan facility secured with AgDevCo Limited, a leading African agriculture sector impact investor (see announcement of 22 July 2019 for further details).

The New Bond includes an initial three-year capital repayment holiday. During this period, the New Bond will be interest-only chargeable at an annual rate of 7.75%. At the expiry of this initial three-year period, the capital repayments of the first tranche of the New Bond will be €1.25 million per annum during years four to seven of the loan. Approximately €2.6 million of the proceeds of the first tranche of the New Bond will go towards replacing a short-term debt facility with the remainder of the proceeds of the New Bond being used to provide a working capital cushion for the cashew processing project in Tiebissou, Cote d'Ivoire, which is expected to commence production in Q2 2021.

The Company will consider the issue of further tranches of the New Bond as part of its ongoing debt refinancing programme and expansion plans.

Dekel Agri-Vision Plc Executive Director Lincoln Moore said: "The c.€15.2m New Bond facility represents an endorsement, from both local and international institutions, of our collaborative business model which places local smallholders and communities at the centre of operations. Importantly, it also substantially strengthens our funding platform for the growth plans we have in place to transform Dekel into a West African focused multi-project, multi-commodity agriculture company.

"This transformation will start with the Tiebissou cashew project which, when operations commence in Q2 2021, will become Dekel's second producing asset alongside our established palm oil operations at Ayenouan. We will then look to expand processing capacity at Tiebissou in stages so that within three years the plant can process 30,000tn of raw cashews a year. At this point, we expect to have added a third commodity to our portfolio following the completion of an internal feasibility study last year.

"We anticipate that a portfolio of three producing projects comprising palm oil at Ayenouan, cashews at Tiebissou and the third crop could generate substantial and stable cash flow without the volatility associated with having exposure to only a single commodity. The Board believes this will not only

allow Dekel to either pay down debt or access lower cost financing to fund future growth plans, but at the appropriate time, recommence a dividend programme, thereby providing shareholders with a yield as well as capital growth."

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. 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

For further information please visit the Company's website www.dekelagrivision.com or contact:

Dekel Agri-Vision Plc +44 (0) 207 236 1177
Youval Rasin
Shai Kol
Lincoln Moore

Arden Partners Plc (Nomad and Joint Broker) +44 (0) 207 614 5900
Paul Shackleton / Ruari McGirr /
Dan Gee-Summons (Corporate Finance)
Simon Johnson (Corporate Broking)

Optiva Securities Limited (Joint Broker) +44 (0) 203 137 1903
Christian Dennis
Jeremy King

St Brides Partners Ltd (Investor Relations) +44 (0) 207 236 1177
Frank Buhagiar
Cosima Akerman
Megan Dennison

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 is due to commence production in Q2 2021.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our Privacy Policy.

END