

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.

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

13 January 2020

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

#### **Full Year Production Update and Issue of Equity**

Dekel Agri-Vision Plc, the West African focused agriculture company, is pleased to provide a production update for its 100%-owned vertically integrated Ayenouan palm oil project in Côte d'Ivoire ('Ayenouan' or the 'Project') for the year ended 31 December 2019. Full year Crude Palm Oil ('CPO') production at the Project totalled 37,649 tonnes in 2019, a 14% increase compared to the 33,077 tonnes of CPO produced in 2018. Further details regarding production and sales at the Project for Q4 and FY 2019 can be found in the table below.

The Company is also pleased to advise that global CPO prices have increased significantly over the past three months and are currently trading at approximately US\$870 per tonne, a 70%+ increase on the sub US\$500 levels seen in the summer of 2019. This sharp increase in prices is now feeding into local Ivorian CPO prices which are set monthly based on the proceeding five weeks average CIF USD Rotterdam prices. As a result, Dekel's operations at Ayenouan are expected to benefit from significantly higher CPO prices during the upcoming peak period in H1 2020.

	<b>Q4 2019</b>	<b>Q4 2018</b>	<b>Change</b>	<b>FY 2019</b>	<b>FY 2018</b>	<b>Change</b>
FFB collected (tonnes)	19,437	24,903	-22%	176,019	146,036	+21%
CPO production (tonnes)	3,912	5,464	-28%	37,649	33,077	+14%
CPO sales (tonnes)	3,873	4,950	-22%	37,713	32,692	+15%
Average CPO price/tonne	€534	€518	3%	€491	€542	-9%
PKO production (tonnes)	339	598	-43%	2,773	2,918	-5%
PKO sales (tonnes)	262	803	-67%	2,621	2,862	-8%
Average PKO price/tonne	€529	€633	-16%	€551	€777	-29%
PKC production (tonnes)	623	843	-26%	4,305	3,721	+16%
PKC sales (tonnes)	624	848	-26%	4,357	3,796	+15%
Average PKC price/tonne	€58	€55	+5%	€56	€51	+10%

These figures remain subject to full year audit and year end stock adjustments

#### *Crude Palm Oil Production*

- 37,649 tonnes of CPO produced in 2019 (FY 2018: 33,077 tonnes), a year on year increase of 14%
  - Follows 21% increase in fresh fruit bunches ('FFB') delivered to the mill to 176,019 tonnes (2018: 146,036 tonnes)

- A period of extremely high rainfall in September and October combined with a weak low season to restrict Q4 2019 CPO production to 3,912 tonnes (Q4 2018: 5,464 tonnes)
  - ~850ml of rainfall in Sept/Oct 2019, compared to the historic average of 350ml for those two months, resulted in extended periods of cloud cover which impacted fruit ripening, yields and the overall quality of fruit delivered to the mill
  - Dekel's agronomist team is seeing good fruit bunch numbers but anticipate delays in fruit ripening which will result in a 4-6 week delay in the super peak period of production in 2020, which typically takes place in March, with overall levels of FFB for H1 2020 remaining similar to H1 2019
- Q4 production brings H2 2019 volumes to 8,715 tonnes (H2 2018: 10,835 tonnes)
  - Follows record H1 CPO production of 28,934 tonnes (H1 2018: 22,242 tonnes)
- Combination of major CPO price gains occurring in December 2019 and the five-week lag it takes for local pricing to reflect moves in global benchmarks resulted in 3,873 tonnes of CPO being sold at average prices of €534 per tonne in Q4
  - CPO sales prices in Q1 2020 expected to increase each month in line with the recent international price rises
  - The average CPO sales price in January is currently €650
- 21.4% extraction rate achieved in FY 2019 (FY 2018: 22.7%) largely due to lower quality fruit during the low season and the heavy rainfall in September and October 2019
  - Extraction rate in December 2019 recovered to typical levels

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

- 2019 PKO extraction rates also impacted by the low quality of FFB in H2 2019 resulting in a 5% decrease in production for the year compared to 2018
- International PKO prices also increased significantly over the past three months with international prices now well above US\$1,000 per tonne. As local PKO prices also tend to lag the international market, the Company will assess storing PKO at least in part to take advantage of the expected material ramp up in local prices during the high season.

#### *Large-scale cashew processing operation at Tiebissou*

- First production at initial 10,000 tonnes per annum raw cashew nut processing facility on course for the end of 2020
- Down payments completed to commence construction of the Milling equipment and Earthworks contracts
- Site clearance work was completed following the extended wet season and earthworks are now advancing well in preparation for the arrival of the first stage anchor and framework structure materials
- First shipment of anchor and framework structure materials is scheduled for 20 January and is expected to arrive in Abidjan in mid-March. The second shipment of anchor and framework structure materials is scheduled to take place in March.
- Milling equipment from Italy is scheduled for delivery over four shipments commencing from April

**DekelOil Executive Director Lincoln Moore said:**

“With CPO trading at depressed levels of sub US\$500 per tonne as recently as the summer of 2019, the recovery in prices, whilst not unexpected was eye-catching in terms of speed and strength. Due to the peak harvest in Cote d’Ivoire falling in the first half and the recovery in CPO prices only taking root in the latter months of the year, the improved trading conditions will not be reflected in the financial results for the year ended 31 December 2019. However, with prices currently trading at US\$870 per tonne and this year’s peak harvest season due to commence imminently, we expect to deliver a substantial improvement in financial performance in 2020.

“During 2020 we will also continue laying the foundations for future growth in 2021 and beyond with the ongoing construction of the cashew processing facility. 2021 is expected to be the first year to benefit from the large-scale cashew processing operations at Tiebissou and as a result of attractive economics, a lack of in-country processing capacity and strong underlying global market drivers, Tiebissou has the potential to be a major income generator. We do not intend to stop at two producing projects. As the agreement with leading renewable energy company Green Enesys to consider developing hybrid solar and biomass power projects demonstrates, we are establishing a pipeline of new projects to maintain the momentum behind the Company and in the process build a portfolio of diversified revenue streams.”

In addition, application has been made to the London Stock Exchange for the admission of a total of 831,408 ordinary shares of €0.0003367 each ("Ordinary Shares") issued to certain advisers in settlement of fees for services provided ("Admission"). It is expected that Admission will become effective on or around 22 January 2020. Following Admission, the Company's issued share capital will consist of 423,895,851 Ordinary Shares.

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

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**Notes:**

Dekel Agri-Vision Plc is a multi-project, multi-commodity agricultural company focused on West Africa. It has a portfolio of projects in Cote 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 70,000tpa crude palm oil mill; a cashew processing project in Tiebissou, which is due to commence production in 2020; and a second palm oil project in Guitry which is under development.