



An established West African focused agricultural company



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# Building a leading West African Agricultural Company



AIM traded and aiming to be a multi-project, multi-commodity agricultural company focused on West Africa



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



Three core projects in Cote d'Ivoire at various stages of development:  
Palm Oil

- Ayenouan: produced 38,736 tonnes of crude palm oil in 2017
- Guitry: vertically integrated palm oil project - under development

Cashew




- Tiebissou: phased development of 30,000 tpa cashew processing project capable of generating annual revenues of US\$66m



# Collaborative model benefits local smallholders, stakeholders and shareholders

-  Identify shortfall in local processing capacity
-  Establish nursery to supply local farmers with higher yielding plants
-  Construct state of the art facility to process feedstock grown by local smallholders on already cultivated land
-  Establish logistics hubs to facilitate delivery of feedstock to plant
-  Secure offtake agreements



-  Accelerates cash flow generation & profitability
-  Removes the need to invest considerable capital planting estates
-  Provides outlet for local smallholder produce



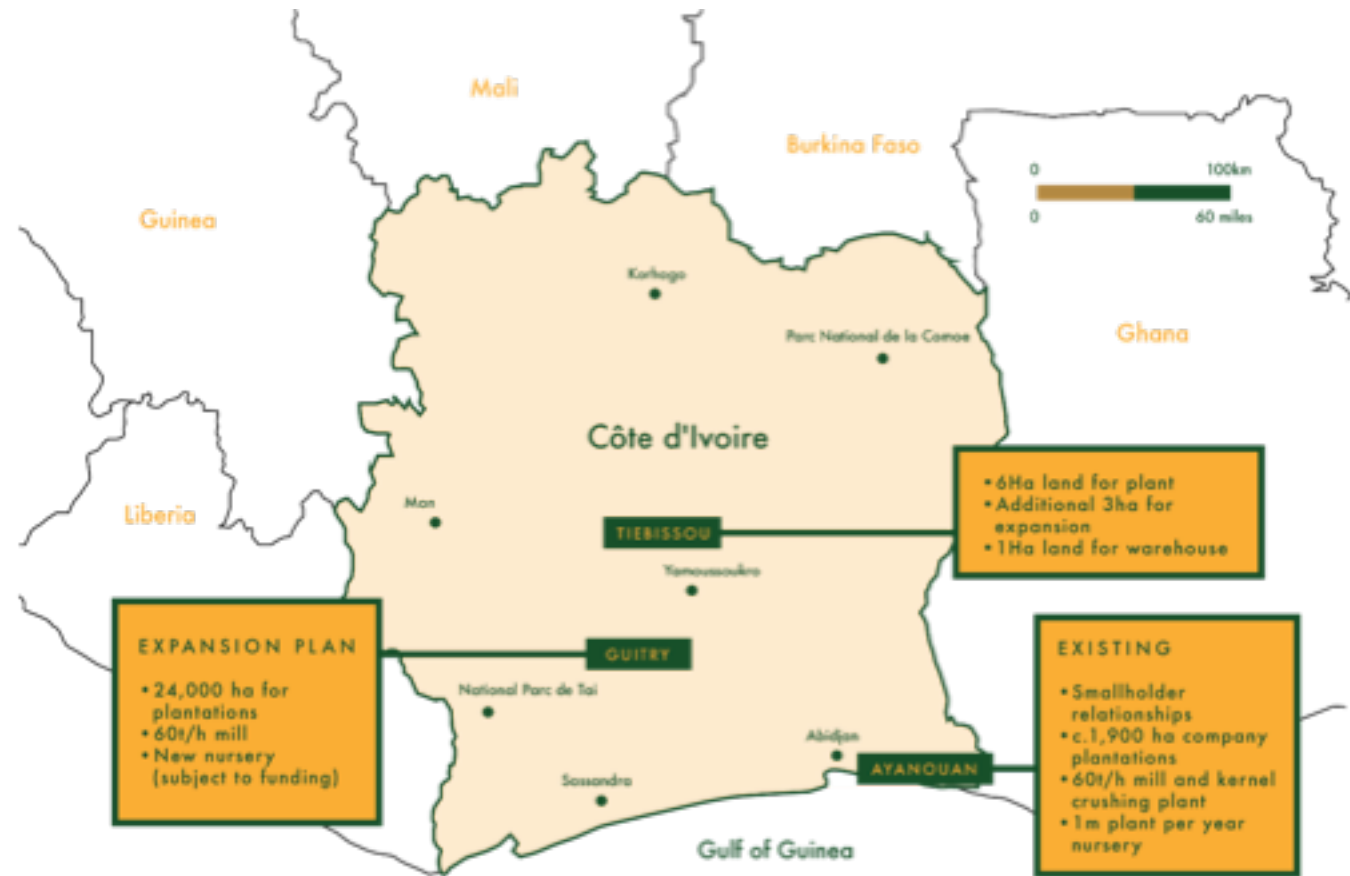
# Excellent Location, Modern Infrastructure

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

Cashew Processing Project under development at Tiebissou, 3hrs from Abidjan's port

Expansion land at Guitry, 4hrs from Abidjan's port

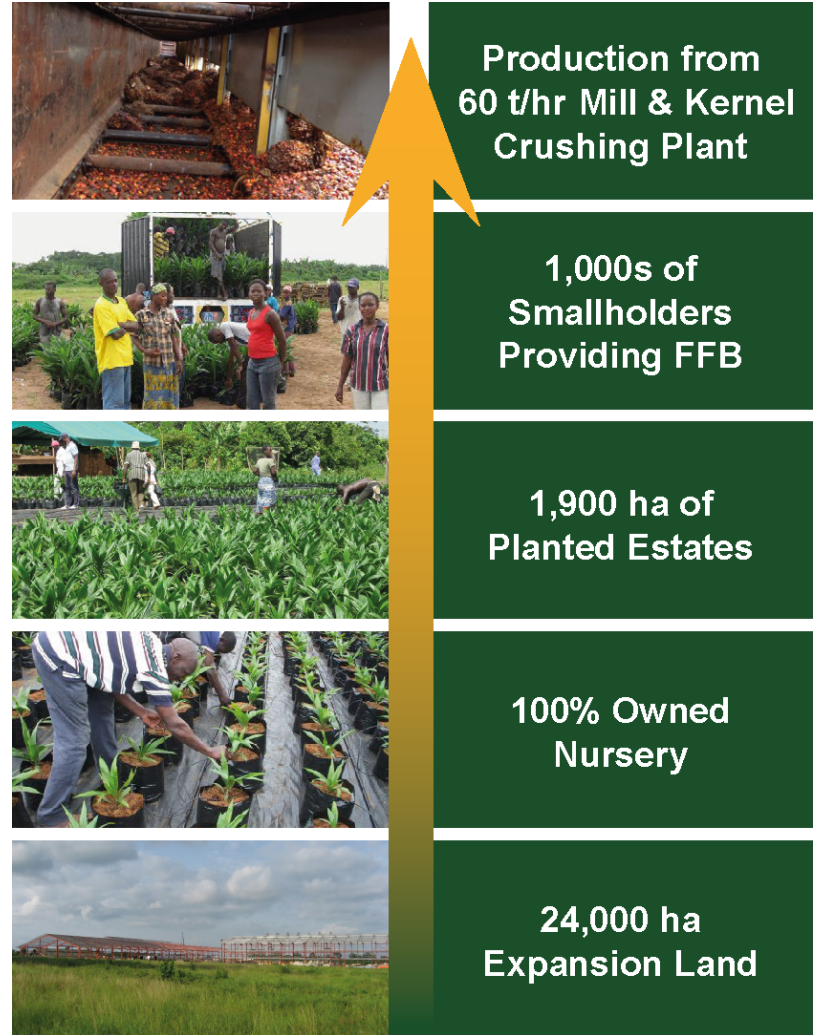
Advantageous locations with good road links to the port





# 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
  - 38,736 tonnes of CPO produced in FY2017
- Fresh Fruit Bunches (FFB) for Mill sourced from 1,000s of smallholders and 1,900ha of maturing company estates
- CPO, palm kernel oil (PKO) and palm kernel cake (PKC) sold at factory gate
- 13 year corporate tax exemption



# State of the art 70,000tpa Mill





# Feedstock for the Mill

A blend of smallholder feedstock due to regional surplus supply and company estates which will come into maturity in the near term

## Smallholder Estates

- Relationships with 1,000s of small holders and several cooperatives
- Estimated annual yields from smallholders expected to grow from 6-10 t/ha of Fresh Fruit Bunches
- Over 20,000ha planted in region since 2010
- World Bank initiative to plant a further 10,000ha in region



## Company Estates

- 1,900ha planted to date at Ayenouan, starting to yield
- Costs to maturity: US\$2,000/ha to US\$2,500/ha
- Mature plantations in Côte d'Ivoire have a peak yield of 20-24t/ha

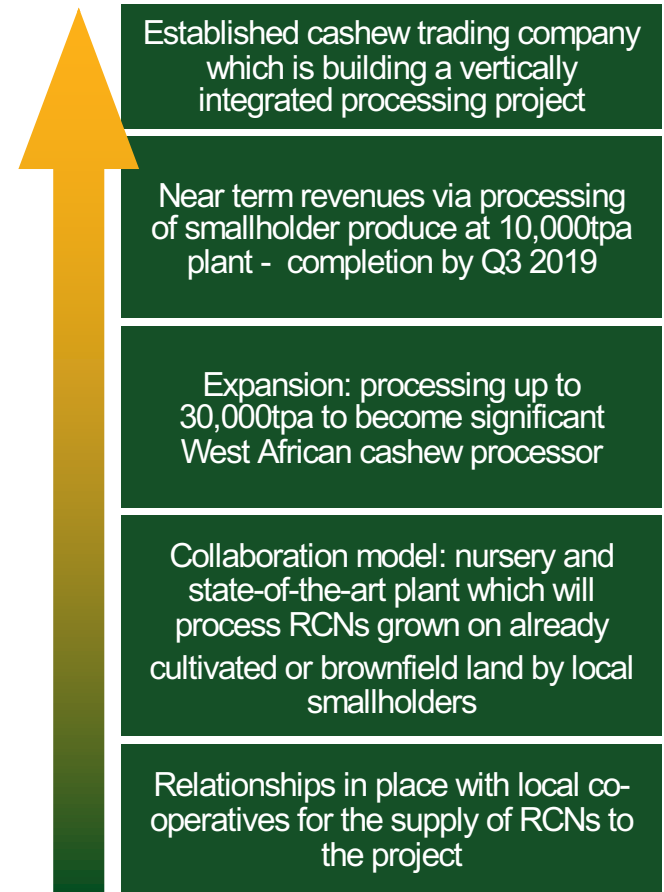




# Overview

Phased development of a large scale 30,000tpa Raw Cashew Nut ('RCN') processing project

- Developing a large scale cashew processing operation
- Highly attractive economics:
  - Processing 30,000 tpa of RCNs has the potential to generate ~US\$60 million in sales based on current prices
- Relationships with local smallholders for RCNs
- Growing end markets - lack of in-country processing
- Development capital in place
- First phase 10,000tpa capacity to be completed by Q3 2019



# Vertically Integrated Cashew Project



## Established Trader

- Former trading business (16,000 tonnes of RCN in 2015/16)
- Trading put on hold in 2017 to focus on feasibility to commence large scale processing operation



## Near Term Revenue Potential

- Relationships in place with cooperatives and local procurement agents
- Provides the initial feedstock for the plant to begin processing Q3 2019



## Asset Backed

- 10,000tpa plant to be delivered and constructed by Q3 2019
- 7ha in Tiebissou for the plant and warehouses (additional 3 ha for future plant extension)



## Large Scale Development

- Gradually increasing processing capacity to 30,000tpa
- Aiming to fund expansion primarily from internal cash flow



# Favourable dynamics of global and regional cashew markets

- 830,000Mt consumed globally in 2017 – primary end markets are food and health
- 8% forecast annual growth in demand – outstrips 6% annual increase in supply since 1990
- Côte d'Ivoire second largest producer globally and largest exporter of RCNs - provides direct livelihood to ~1,500,000
- Significant lack of value-adding processing capacity in Côte d'Ivoire: out of 720,000 tonnes produced annually only 7% processed in-country
- Government incentives to promote the local processing cashew industry (potential 15 years tax exoneration and subsidy plan)



# Highly attractive economics of processing cashews

- Processed cashews in Cote d'Ivoire currently sell for US\$11.05/kg for whole nuts and US\$7.50/kg for broken nuts compared to US\$1.18/ kg RCN purchase price
- Processing 10,000tpa of RCNs has the potential to generate > US\$20 million in sales of whole / broken kernels and CNSL based on current prices
- Processing 30,000tpa of RCNs has the potential to generate > US\$60 million in total sales based on current prices
- The board believes the gross margin percentage achievable is 35-40%

| Illustrative Example of Production    | % of RCN | 10,00 tn Capacity | 30,000 tn Capacity |
|---------------------------------------|----------|-------------------|--------------------|
| Total RCN Processing (tons)           | 100%     | 10,000            | 30,000             |
| Kernel % from RCN                     | 23%      | 2,300             | 6,900              |
| Cashews produced from Kernel (Whole)  | 70%      | 1,610             | 4,830              |
| Cashews produced from Kernel (Broken) | 30%      | 690               | 2,070              |





# Agricultural activity: promoting and supporting smallholders

- Capro is working with smallholders and cooperatives to increase the quality, quantity and efficiency of RCN production in Cote d'Ivoire

## The programme includes:

- Regional field officers introducing best practice fertilisation, cultivation, guidance and support
- Mechanisation to increase the efficiency of the collection: CNCU alfa & Beta R&D and patented by Capro



# Additional value upside

- Second 100% owned palm oil project in Cote d'Ivoire
- Plan to develop Guity into a 'seed to oil' operation, including:
  - a computerised nursery with a capacity of 1 million plants per year (6,000ha of oil palm estates equivalent)
  - a state of the art mill producing CPO from FFB grown by both the Company and local smallholders on brownfield land
- Secured rights to develop oil palm estates over approximately 24,000ha of brownfield land



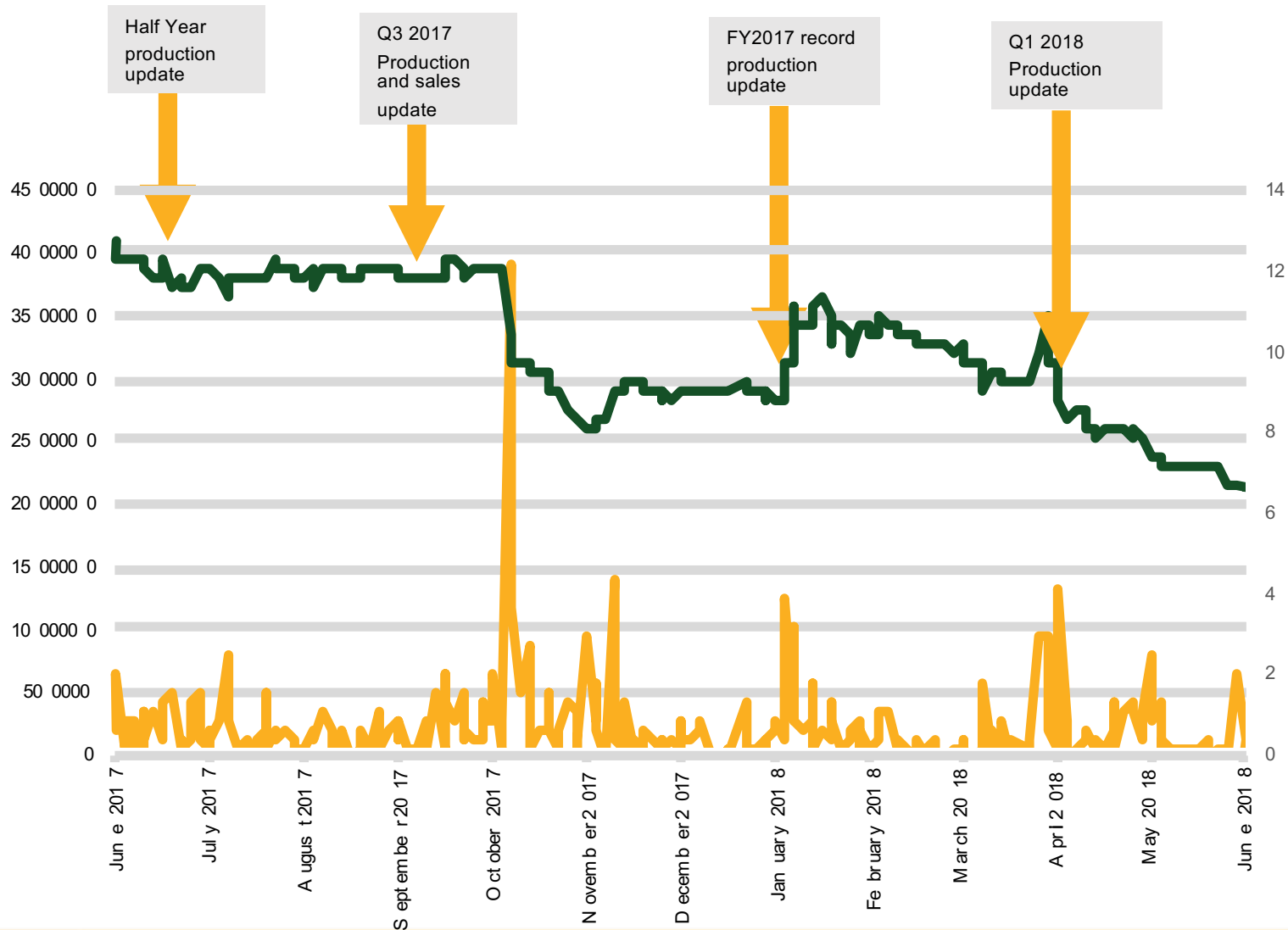


# Focused on developing sustainable palm oil projects in line with RSPO standards

- RSPO member - certification process underway
- Working with Proforest, an internationally recognised consulting group, to implement social and environmental programmes
- Majority of planting on previously cultivated areas
- Planting in partnership with local communities – agreement with World Bank-backed Projet d'Appui au Secteur de l'Agriculture de Côte d'Ivoire project
- All environmental permits in place
- Employs over 300 staff – majority local management
- School renovation completed in 2015 and hospital renovation completed in 2016

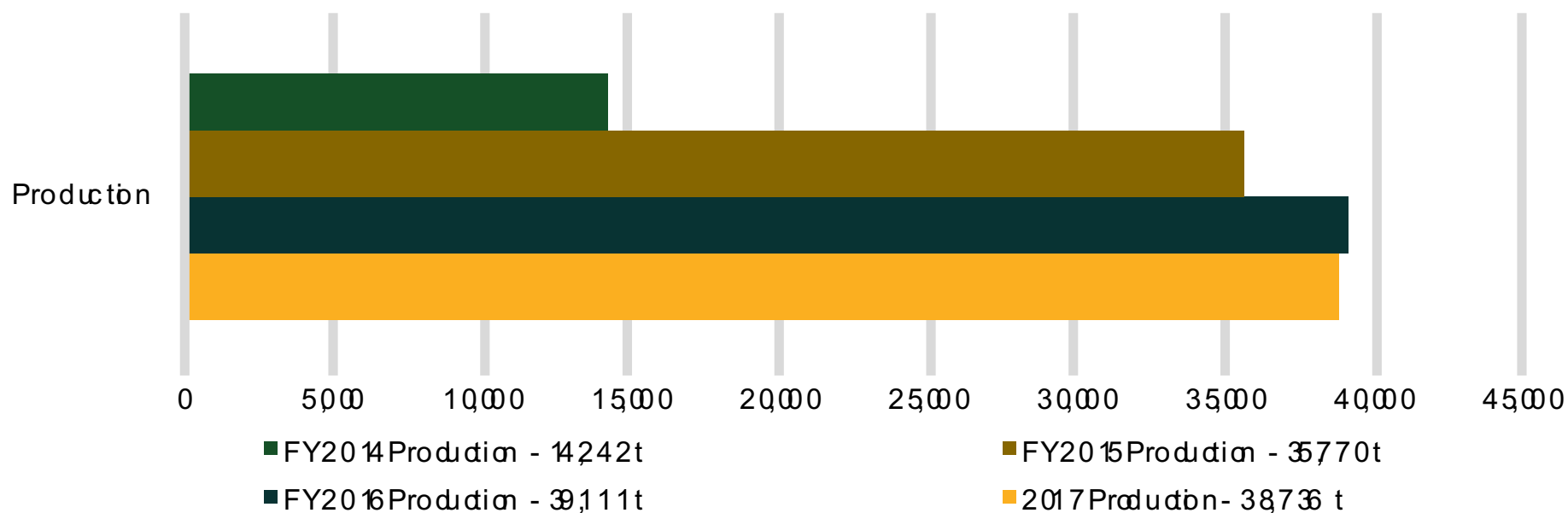


# 2017 – To date in review



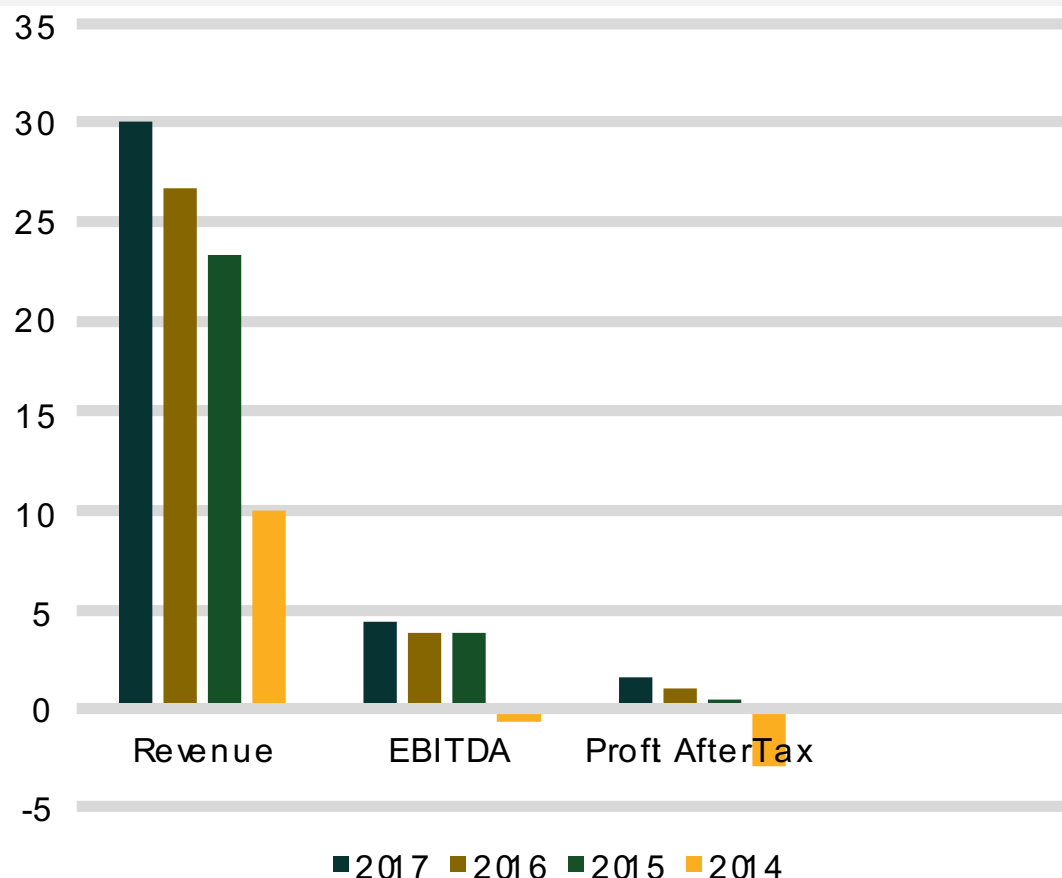


# FY 2017 – Stable Production



- 38,736 t of CPO sold in FY 2017 at average price of €575 – Stable production rate despite loss of production in Q2 2017

# FY 2017 Financial Results



- Full year results show a third consecutive set of record financial numbers: revenues of €30.2 million, EBITDA of €4.5 million and net profit after tax of €1.6 million
- Results could have been even better had there not been milling disruptions during the high season
- 2018 high season to date has seen more challenging trading conditions

# Key Financials - FY 2017

The combination of stable year on year production and an 18%+ increase in CPO prices to €680 compared to the previous year (2016: €575) underpin the Company's record financial performance.

|                         | FY 2017 | FY 2016 | Increase<br>/ (Decrease) |
|-------------------------|---------|---------|--------------------------|
| FFB collected (tonnes)  | 171,696 | 171,301 | +0.2%                    |
| CPO production (tonnes) | 38,736  | 39,111  | -1.0%                    |
| CPO Sales (tonnes)      | 38,373  | 39,498  | -2.8%                    |
| Average CPO price tonne | €680    | €575    | 18.3%                    |
| Revenue (All products)  | €30.2m  | €26.6m  | 13.5%                    |
| Gross Margin            | €6.9m   | €6.6m   | 4.5%                     |
| Gross Margin %          | 22.8%   | 24.8%   | -8.0%                    |
| EBITDA                  | €4.5m   | €4.1m   | 9.8%                     |
| EBITDA %                | 14.9%   | 15.4%   | -3.2%                    |
| NPAT                    | €1.6m   | €1.3m   | 23.1%                    |
| NPAT %                  | 5.3%    | 4.9%    | 8.2%                     |

# Investment Case

- Profitable West African focused agricultural company with portfolio of multi-stage projects including producing palm oil operation

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- Track record of FY revenue, EBITDA and profits growth

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- Expansion of Group with further palm oil project and diversification into cashew nuts
  - Cashew processing project expected to be commissioned Q3 2019 and generate ~ US\$20m revenues in first full year of operation
  - Second 100% owned palm oil project under development

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- Highly experienced management team with extensive contacts in-country





# Board of Directors

## Andrew Tillery

Non Executive  
Chairman

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.

## Youval Rasin

Chief Executive Officer

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.

## Shai Kol

Deputy CEO and  
Chief Financial Officer

Founder of DekelOil. CPA & MBA graduate. 18 years work experience in finance, with significant business & 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&A activities.

## Lincoln Moore

Executive Director

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.

## Bernard Francois

Non Executive Director

Over the course of a career spanning 33 years, Mr Francois has held a number of senior executive roles in agricultural businesses across Africa, Asia, and South America with several different commodities including palm oil, rubber, coffee, and cocoa. Between 2010 and 2015, he was CEO of the largest palm oil company in Côte d'Ivoire, PALMCI S.A, which is part of the publicly listed SIFCA Group. As CEO, Mr Francois oversaw the management of approximately 40,000 ha. of industrial plantations, a further 130,000 ha. of smallholder plantations, as well as the production of 300,000 tons of Crude Palm Oil and Palm Kernel Oil per year from 10 palm oil mills and two palm kernel mills.





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