Dekel Agri-Vision

2021 Final Results

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

Dekel Agri-Vision Plc ('Dekel' or the 'Company')
2021 Final Results

Dekel Agri-Vision Plc (AIM: DKL) , the West African agribusiness company focused on building a portfolio of sustainable and diversified projects, is pleased to announce its audited results for the year ended 31 December 2021 (the 'Accounts'). The Company also gives notice that its Annual General Meeting ('AGM') will be held at Hill Dickinson LLP, The Broadgate Tower, 20 Primrose Street, London EC2A 2EW on 26 July 2022 at 10am BST. The Notice of AGM will be sent to shareholders and the Notice of AGM and Accounts will be made available to download later today from the Company's website www.dekelagrivision.com.

Financial Highlights

- Record Revenue and EBITDA delivered from the Ayenouan palm oil plant in Côte d'Ivoire ('Palm Oil Operation') primarily driven by record Crude Palm Oil ('CPO') production and record CPO pricing:
    - 66.2% increase in revenues to €37.4m (2020: €22.5m) - includes sale of CPO, Palm Kernel Oil ('PKO'), Palm Kernel Cake ('PKC') and Nursery Plants
    - Gross margin increased by 70.6% to 17.4% (2020: 10.2%), with post period end margins further improving towards historical levels
    - 333.3% increase in EBITDA to €5.2m (2020: €1.2m)
    - Net profit after tax of €1.0m (2020: €2.2m net loss)
- The Company's cashew processing plant at Tiebissou in Côte d'Ivoire (the 'Cashew Operation') recorded a Net Loss of €0.4m in 2021 during its construction phase and entered the commissioning phase in December 2021 with pilot production and sales commencing in early January after 2021 year-end.

Year ended 31 December	**2021**	**2020**	**% change**
Palm Oil Operation			
Revenue	€37.4m	€22.5m	66.2%
Gross Margin	€6.5m	€2.3m	182.6%
Gross Margin %	17.4%	10.2%	70.6%
G&A	(€3.5m)	(€2.8m)	(25.0%)
EBITDA	€5.2m	€1.2m	333.3%
Net profit / (loss) after tax	€1.0m	(€2.2m)	n/a
Cashew Operation			
Net Loss*	(€0.4m)	Nil	n/a
Dekel Group Net profit / (loss) after tax	**€0.6m**	**(€2.2m)**	**n/a**

**Cashew pilot production commenced in early January post-2021 year-end*

Operational Highlights - Palm Oil Operation

- 17.5% increase in FY2021 CPO production compared to FY2020, resulting in record annual production of 39,953 tonnes
- 21.0% extraction rate achieved in FY 2021 (FY2020: 22.1%)
- 14.9% increase in FY2021 CPO sales compared to FY2020, resulting in record annual sales of 39,092 tonnes
- 44.2% increase in average CPO prices to €868 per tonne in FY2021 (FY2020: €602). This represents an annual Company record sales price
- 22.7% increase in FY2021 PKO sales compared to FY2020
- 42.5% increase in average PKO prices to €851 in FY2021 (FY2020: €597)

Operational Highlights - Cashew Operation

- Cashew Operation capital works progressed significantly in FY2021 from a project at an early land preparation and construction phase to a largely commissioned plant with pilot production having commenced in early January 2022
- Delays in final key equipment items have stalled the ramp-up of production in H1 2022; however, with the arrival of the colour sorter on 12 June 2022, we expect to see a material increase in operating capacity shortly
- Cashew Operation expected to become net operating cash flow positive in Q4 2022

Lincoln Moore, Dekel 's **Executive Director** , **said:** "It was a significant year for Dekel with our Palm Oil Operation delivering record breaking operating and financial results and our Cashew Operation moving materially towards first production, albeit with unprecedented macro conditions impacting the timing of delivery of full capacity. Whilst macro conditions are challenging, CPO prices continue to remain strong, underpinning the profitability of the Palm Oil Operation despite a period of weaker fresh fruit bunches ('FFB') volumes in H1 2022 and, together with the imminent ramp-up phase of the Cashew Operation, Dekel is well positioned to deliver a period of transformational operating and financial growth."

This announcement contains inside information for the purposes of Article 7 of the UK version of Regulation (EU) No 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended ("MAR"). Upon the publication of this announcement via a Regulatory Information Service, 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 capacity crude palm oil mill and a cashew processing project in Tiebissou, which commenced production in early January 2021.

CHAIRMAN'S STATEMENT

2021 has seen a year of record breaking results in our Palm Oil Operation and considerable progress towards commencement of production from our Cashew Operation, our second commodity to enter production and a key part of our short and medium term strategies to increase both the scale and diversity of Dekel.

The excellent performance of our Palm Oil Operation has been reflected in our full year financial results. Both revenue of €37.4 million (2020: €22.5 million) and EBITDA of €5.2 million (2020: €1.2m) were records for our Palm Oil Operation. 2021 also saw a return to net profitability of the Palm Oil Operation which delivered a net profit after tax of €1.0m, having reported a loss of €2.2 million in 2020. While supportive palm oil prices have played a major role in these results, it is also due to Dekel's ability to navigate and withstand the various operational challenges resulting from Covid-19 and maintain stability within the Palm 0il Operation.

In terms of delivering the Cashew Operation to production, significant progress was achieved in 2021, albeit slower than we envisaged. At the time of writing this statement, we will now shortly commence the process of increasing production to over 50% of capacity with final commissioning and 100% capacity to follow. We believe the delivery of this project will be transformational in terms of increasing the scale, diversity and most importantly the future profit potential of Dekel.

Palm Oil Operation
2021 Palm Oil production can be summarised in two halves: a solid high season during H1 where production increased 11% compared to H1 2020 and an exceptionally high low season during H2 where production increased 33% compared to H2 2020. Combined, the FY2021 CPO production of 39,959 tn was an annual record. Tempering this result to a small degree was a lower CPO extraction rate of 21.0% in FY2021 compared to FY2020 of 22.1%.

The high levels of CPO production continued into January 2022; however, over the past few months we have seen unusually weak quantities of FFB during the high season which typically takes place from February to May. The weak FFB levels have been experienced throughout the east of Cote d'Ivoire and into the west of Ghana. Our agronomists and other technical experts have had difficulty pin-pointing the exact reason for this unusual seasonal trend. However, we have historically seen that periods of exceptionally high production, as we experienced in H2 2021, are often followed by a weaker period of production. Critically, during H1 2022, we have seen a dramatic improvement in the CPO extraction rate to well over 22%, which is in part offsetting the weaker FFB volumes. Again, this is consistent with historical trends where FFB production volumes and extraction rates have had an indirect relationship.

CPO prices achieved by the Company commenced 2021 at €796 per tonne and ended the year significantly higher at €968 per tonne. During 2021 we saw CPO demand rise as economies reopened after Covid-19 lockdowns and supply remained constricted following a number of years of low global new planting levels, coupled with labour, logistics and shipping challenges associated with the reopening of economies.

Currently, we are experiencing a 'super peak' in CPO prices as the impact of the war in Ukraine, which produces approximately 50% of the world's sunflower oil (a substitute for CPO) has created further supply constraints and has led to numerous vegetable oil producing countries (including soya producers, the main substitute to CPO) to restrict exports in order to meet local demands. This has resulted in global CPO prices rising to as high as €1,800 per tonne in March 2022. Whilst the current global uncertainty means predictions are difficult, we expect to see some softening in prices during 2022 from these unprecedented levels. However, we maintain our view that CPO prices should remain well above the long-term average of €700 per tonne for the foreseeable future which would be very supportive for our Palm Oil Operation. We also remain bullish on medium to long term price dynamics.

The CPO and PKO prices achieved by Dekel locally in Côte d'Ivoire in FY2021 rose by 44.2% and 42.5% respectively compared to FY2020. Despite these significant increases, local prices have now traded at a material discount to the international market due to local market price caps being set at approximately €900 per tonne to protect local consumers. Whilst we continue to sell the majority of our products locally, we have also commenced the export of a portion of our products in 2021. This commenced with our PKO which we are currently selling for over €400 per tonne more than in 2021. In addition we are now exporting a portion of our CPO production where our prices achieved have increased over €200 per tonne in recent months. We aim to continue to export a portion of our products to gain access to the higher international prices while balancing our obligations to local stakeholders.

Final Roundtable on Sustainable Palm Oil ('RSPO') audit and certification of our Palm Oil Mill has been stalled firstly as a result of the inability of consultants and auditors to travel in H1 2021 due to Covid-19 and a current resultant backlog of companies seeking RSPO audits and RSPO renewal audits post Covid-19 travel restrictions. During this waiting period we have been consulting with RSPO in relation to the audit of our Company estates. As our estates consist of over 100 small plots rather than one large plot the audit process, in our view, needed clarification and a bespoke approach. RSPO has now provided a clear pathway to completing the Company estates audit and we are now preparing the works required with the objective of completing the audits of the Palm Oil Mill and Company estates at the same time. We will continue to update the market with our progress on this process.

Cashew Operation

The Cashew Operation site commenced 2021 as an early-stage construction site and finished the year with all site and infrastructure works completed. The equipment, with the exception of the sorting and shelling machinery was also largely commissioned, with pilot cashew production commencing in early January after year-end. Whilst progress has been considerable, we have encountered a host of supplier equipment delays due to our suppliers experiencing raw material shortages, logistics and shipping issues and additional Covid-19 lockdowns. This has meant a number of key components, most notably the sorting and shelling machines, have been severely delayed and stalled our intended timeline to ramp-up the Cashew Operation towards full production. We believe we are finally seeing the light at the end of the tunnel including the arrival of the colour sorting equipment from China on 12 June 2022 which, once installed, will allow production to increase to above 50% of capacity shortly. In addition, shipment of the shelling machines are being prepared for shipment imminently. These machines when working together with substitute shelling machines already on site will enable 100% capacity to finally be delivered. As announced on 15 June 2021, we acquired approximately 2,000tn of raw cashew nut feedstock during 2021 and we are continuing to acquire feedstock with the current objective of transitioning to full scale production as quickly as possible.

Whilst the delays have been very frustrating, we remain excited about the potential of the Cashew Operation which is being developed in such a way that capacity can be increased significantly once the initial raw material capacity of 10,000 tonnes per annum is reached. With a nameplate capacity of 15,000 tonnes per annum ('tpa'), production at the plant can be ramped up by 50% at no extra cost by increasing the number of shifts from two to three when operations have reached an appropriate sustained period of stabilisation. From 15,000tpa and at a cost of €5-6 million, the mill's capacity can be doubled to 30,000tpa, which we estimate could generate revenues in the region of approximately €35-40 million per annum based on today's cashew prices.

Other projects

We continue to assess and undertake low-cost feasibility studies on additional projects, including a third commodity for which we believe we can leverage our existing infrastructure, logistics network and technical expertise. In addition, we have medium term plans to create a clean energy operation from waste material from both our Palm Oil Operation and Cashew Operation, which would underpin a biomass operation. Both projects are proceeding cautiously with current work being low cost and will remain so, at least until the Cashew Operation is up and running. We will provide further updates as appropriate.

Financial

A summary of the financial performance for FY2021, in addition to the comparatives for the previous 5 years, is outlined in the table below.

	FY2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
FFB collected (tonnes)	190,020	154,151	176,019	146,036	171,696	171,301
CPO production (tonnes)	39,953	34,002	37,649	33,077	38,736	39,111
CPO sales (tonnes)	39,092	34,008	37,713	32,692	38,373	39,498
Average CPO price per tonne	€868	€602	€491	€542	€680	€575
Total Revenue (all products)	€37.4m	€22.5m	€20.9m	€20.9m	€30.2m	€26.6m
Gross Margin	€6.5m	€2.3m	€1.7m	€1.7m	€6.9m	€6.6m
Gross Margin %	17.4%	10.2%	8.1%	8.3%	22.8%	24.8%
Overheads	€3.8m	€2.8m	€3.2m	€3.2m	€3.6m	€3.2m
EBITDA	€4.8m	€1.2m	€0.2m	(€0.2m)	€4.5m	€4.1m
EBITDA %	12.8%	5.3%	1.0%	-	14.9%	15.4%
Net Profit / (Loss) After Tax	€0.6m	(€2.2m)	(€3.3m)	(€3.3m)	€1.6m	€1.3m
Net Profit / (Loss) After Tax %	1.6%	-	-	-	5.3%	4.9%

FY2021 Revenue was a record for the Company and 66.2% higher than FY2020. This was driven by both record production in addition to record CPO and PKO pricing. The Gross Margin improved by 7.2 percentage points compared to FY2020, largely due to increased efficiencies associated with processing higher volumes, as well as premium sales prices. However, the Gross Margin % fell short of previous strong years in FY2016 and FY2017 due to a relatively low CPO extraction rate of 21.0% compared to historical levels above 22%. The CPO extraction rate is primarily driven by variation in the FFB oil content and, pleasingly, we have seen the extraction rate increase to historical levels above 22% in early 2022.

FY2021 Overheads rose by €1m to €3.8m compared to FY2020. This was mainly attributable to the first-time consolidation of the Cashew Operation overhead (€0.4m), increases in salaries post Covid-19 (€0.4m) and one-off expenses related to the equity and debt raises completed in FY2021 (€0.2m).

Dekel achieved record FY2021 EBITDA of €4.8m, in addition to a return to profitability with a Net Profit After Tax of €0.6m. We believe this was a strong outcome, particularly in a year of significant pre-production investment, operating and financial costs of the Cashew Operation. We expect to see the financial benefits of this significant investment start to pay dividends in Q4 2022 and beyond.

Outlook

We believe we have entered a period of supportive macro conditions in terms of selling prices of CPO and PKO. Whilst FY2022 high season FFB volume levels have been weak, the financial results remain relatively robust due to a combination of further increases in the selling prices of CPO and PKO compared to FY2021 and a material improvement in our extraction rate which, together, are driving an improvement in current gross profit margins. We continue to operate as efficiently as possible during what has been a weak high season and remain focused on controlling overheads in a high inflationary macro environment. The Cashew Operation is now finally reaching the point where production volumes can be ramped up and we believe we will see net contributions to Dekel from this operation commence in Q4 and importantly we expect it to be a catalyst for a material uplift in financial performance of Dekel over the next 12 months.

I would like to thank the Board, management, our employees and advisers for their support and hard work over the course of the year. I believe shareholders can look forward to an exciting year ahead.

Andrew Tillery

Non-Executive Chairman, Date: 22 June 2022

Non-Executive Chairman Date: 22 June 2022

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	31 December 2021	31 December 2020
		Euros in thousands	
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents		1,595	202
Trade receivables		1,487	-
Inventory	4	3,240	1,283
Deposits in banks	10	595	-
Accounts and other receivables	5	365	292
Total current assets		7,282	1,777
NON-CURRENT ASSETS:			
Deposits in banks	10	501	282
Property and equipment , net	7	43,892	41,249
Total non-current assets		44,393	41,531
Total assets		51,675	43,308

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	31 December 2021	31 December 2020
		Euros in thousands	
EQUITY AND LIABILITIES			
CURRENT LIABILITIES:			
Short-term loans and current maturities of long-term loans	10	5,431	5,676
Trade payables		1,374	893
Advance payments from customers		108	1,971
Loan from non-controlling interest	6	915	-
Other accounts payable and accrued expenses	8	2,646	1,824
Total current liabilities		10, 4 74	10,364
NON-CURRENT LIABILITIES:			
Long-term lease liabilities	9	169	192
Accrued severance pay, net		135	238
Long-term loans	10	24,562	20,052
Total non-current liabilities		24,866	20,482
Total liabilities		35,340	30,846
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY	11		
Share capital		170	142

Additional paid-in capital	39,98 5	35,569
Accumulated deficit	(17,971)	(18,728)
Capital reserve	2,532	2,532
Capital reserve from transactions with non-controlling interests	(8,710)	(7,754)
	16,006	11,762
Non-controlling interests	329	700
Total equity	16,335	12,462
Total liabilities and equity	51,675	43,308

The accompanying notes are an integral part of the consolidated financial statements.

June 22, 2022.			
Date of approval of the financial statements	Youval Rasin Director and Chief Executive Officer	Yehoshua Shai Kol Director and Chief Finance Officer	Lincoln John Moore Executive Director

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Year ended 31 December	
		2021	2020
	Note	Euros in thousands (Except per share amounts)	
Revenues	12	37,391	22,546
Cost of revenues	15 a	30,880	20,207
Gross profit		6,511	2,339
General and administrative	15 b	3,869	2,761
Operating profit (loss)		2,642	(422)
Finance cost	15 c	(1,726)	1,582
Share of loss of associate		-	167
Profit (loss) before taxes on income		916	(2,171)
Taxes on income	14	2 75	55
Net income (loss) and total comprehensive income (loss)		641	(2,226)
Attributable to:			
Equity holders of the Company		757	(2,226)
Non-controlling interests		(116)	-
Net income (loss) and total comprehensive income (loss)		641	(2,226)
Net earnings (loss) per share attributable to equity holders of the Company			-
Basic and diluted net earnings (loss) per share	16	0.00	(0.01)

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity holders of the Company							
	Share capital	Additional paid-in capital	Accumulated deficit	Capital reserve	Capital reserve from transactions with non-controlling interests	Total	Non-controlling interests	Total Equity
	Euros in thousands							
Balance as of 1 January, 2020	141	34,368	(16,502)	2,532	(7,754)	12,785	-	12,785
Loss and total comprehensive loss	-	-	(2,226)	-	-	(2,226)	-	(2,226)
Issuance of shares (Note 10)	1	907	-	-	-	908	-	90 8
Non-controlling interests arising from initially consolidated subsidiary	-	-	-	-	-	-	700	700
Share-based compensation	-	295	-	-	-	295	-	295
Balance as of 31 December 2020	142	35,570	(18,728)	2,532	(7,754)	11,762	700	12,462
Net income (loss)and total comprehensive income (loss)			757			757	(116)	641
Issuance of shares (Note 11)	26	3,720	-			3,745		3,745
Acquisition of non-controlling interests (Note 6)	2	401	-		(956)	(553)	(255)	(808)
Share-based compensation	-	295	-			295		295
Balance as of 31 December 2021	170	39,985	(17,971)	2,532	(8,710)	16,006	329	16,335

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 31 December	
	2021	2020
	Euros in thousands	
Cash flows from operating activities:		
Net income (loss)	641	(2,226)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Adjustments to the profit or loss items:		
Depreciation	1,888	1,369
Share-based compensation	295	295
Accrued interest on long-term loans and non-current liabilities	1 ,188	1,141
Change in employee benefit liabilities, net	(103)	205
Share of loss of associate	-	167
Changes in asset and liability items:		
Decrease (increase) in inventories	(1,957)	(366)
Decrease (increase) in accounts and other receivables	(1,296)	(39)
Decrease (increase) in bank deposits	-	(18)
Increase in trade payables	498	83
Increase (decrease) in advance from customers	(1,863)	802
Increase in accrued expenses and other accounts payable	859	325
	(491)	3,964
Cash paid during the year for:		
Income taxes	(264)	(9)
Interest	(1 ,188)	(1,296)

	(1,452)	(1,305)
Net cash provided by (used in) operating activities	(1,302)	433

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 31 December	
	2021	**2020**
	Euros in thousands	
Cash flows from investing activities:		
Increase in cash upon initial consolidation of subsidiary (a)	-	89
Loan to associate	-	(378)
Increase in deposits	(814)	
Purchase of property and equipment	(4,568)	(118)
Net cash used in investing activities	(5,382)	(407)
Cash flows from financing activities:		
Issuance of shares (offering net of expenses)	3,726	-
Cash paid on acquisition of non-controlling interests	(806)	-
Long-term lease, net	(23)	(12)
Loan to subsidiary by non-controlling interests	915	-
Receipt of short-term loans, net	605	945
Receipt of long-term loans	5,997	1,220
Repayment of long-term loans	(2,338)	(2,250)
Net cash provided by financing activities	8,077	(97)
Increase (decrease) in cash and cash equivalents	1,393	(71)
Cash and cash equivalents at beginning of year	202	273
Cash and cash equivalents at end of year	1,595	202
Supplemental disclosure of non-cash activities:		
Issuance of shares in consideration for investment in Pearlside	403	884
(a) Acquisition of initially consolidated subsidiary:		
The subsidiaries' assets and liabilities at date of acquisition:		
Deficiency in working capital (excluding cash and cash equivalents)	-	462
Deposits	-	(264)
Property, plant and equipment	-	(12,191)
Right of use asset	-	114
Long-term debt	-	8,174
Non-controlling interests	-	700
Issuance of shares for acquisition	-	884
Investment in company accounted for at equity	-	2,210
	-	89

The accompanying notes are an integral part of the consolidated financial information.

NOTE 1:- GENERAL

a. Dekel Agri-Vision PLC ("the Company") is a public limited company incorporated in Cyprus on 24 October 2007. The Company's Ordinary shares are admitted for trading on the AIM, a market operated by the London Stock Exchange. The Company is engaged through its subsidiaries in developing and cultivating palm oil plantations in Cote d'Ivoire for the purpose of producing and marketing Crude Palm Oil ("CPO"), as well as constructing a Raw Cashew Nut ("RCN") processing plant, which is currently in the initial production phase. The Company's registered office is in plant, which is currently in the initial production phase. The Company's registered office is in Limassol, Cyprus.

b. CS DekelOil Siva Ltd. ("DekelOil Siva") a company incorporated in Cyprus, is a wholly-owned subsidiary of the Company. DekelOil CI SA, a subsidiary in Cote d'Ivoire currently held 99.85% by DekelOil Siva, is engaged in developing and cultivating palm oil plantations for the purpose of producing and marketing CPO. DekelOil CI SA constructed and is currently operating its first palm oil mill.

c. Pearlside Holdings Ltd. ("Pearlside") a company incorporated in Cyprus, is a subsidiary of the Company since December 2020. The assets and liabilities of Pearlside are included for the first time by the Company in the consolidated statement of financial position at 31 December 2020. The Company holds 70.7% interest since February 2021 (previously 54%). Pearlside has a wholly owned subsidiary in Cote d'Ivoire, Capro CI SA ("Capro"). Capro is currently engaged in the initial production phase of its RCN processing plant in Cote d'Ivoire near the village of Tiabisu (see also Note 6).

d. DekelOil Consulting Ltd. a company located in Israel and a wholly owned subsidiary of DekelOil Siva, is engaged in providing services to the Company and its subsidiaries.

e. Cash flow from operations and working capital deficiency

In FY2021 the Company recognised record revenue, record Palm Oil operating profit and returned to Group profitability. This resulted in the Group working capital deficiency materially decreasing from €8.6 million as at 31 December 2020 to €3.3 million. Although in 2021 there was a negative cash flow from Group operations of €1.4 million, this was due to the activities of the RCN operation. The positive cash flow from the Palm Oil operations in 2021was approximately € 2.2 million. In 2022, CPO prices have continued to materially increase during the first few months, and through the date of approval of these financial statements. Despite softer CPO volumes, the Palm Oil operations are continuing to generate positive operating cash flow. In addition, expenditures for the completion of the RCN processing plant of Pearlside have been almost entirely paid and have now entered the production phase with operational capacity in the process of increasing materially over the coming months. As a result, the RCN operation is expected to produce additional operating cash flow for the Group in the latter half of 2022 and beyond. The Group has prepared detailed forecasted cash flows through the end of 2023, which indicate that the Group should have positive cash flows from its operations. However, the operations of the Group are subject to various market conditions, including quantity and quality of fruit harvests and market prices, that are not under the Group's control that could have an adverse effect on the Group's future cash flows.

Based on the above, Company management believes it will have sufficient funds necessary to continue its operations and to meet its obligations as they become due for at least a period of twelve months from the date of approval of the financial statements.

f. The recent outbreak of COVID-19 had a significant effect on the global economic conditions and CPO prices, but it had no significant impact on the Company's operations during 2021. The outbreak of COVID-19 may resume its negative effect on economic conditions regionally as well as globally, disrupt operations situated in countries particularly exposed to the contagion, affect the Company's customers and suppliers or business practices previously applied by those entities, or otherwise impact the Company's activities. Governments in affected countries have imposed travel bans, quarantines and other emergency public safety measures. Those measures, though apparently temporary in nature, may continue and increase depending on developments in the COVID-19 pandemic. The ultimate severity of the COVID-19 outbreak is uncertain at this time and therefore the Company cannot reasonably estimate the impact it may have on its end markets and its future revenues, profitability, liquidity and financial position.

g. Definitions:

The Group	-	DEKEL AGRI-VISION PLC and its subsidiaries.
The Company	-	DEKEL AGRI-VISION PLC.
Subsidiaries	-	Companies that are controlled by the Company- CS DekelOil Siva Ltd, DekelOil CI SA, DekelOil Consulting Ltd, and commencing from December 2020 - Pearlside Holdings, Capro CI SA.
Associate	-	Company in which the Group has significant influence over the financial and operating policies without having control - Pearlside Holdings Ltd (until December 2020).

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied consistently in the financial statements for all periods presented, unless otherwise stated.

a. Basis of presentation of the financial statements:

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

The financial statements have been prepared on a cost basis.

The Company has elected to present profit or loss items using the function of expense method.

b. Consolidated financial statements:

The consolidated financial statements comprise the financial statements of companies that are controlled by the Company (subsidiaries). Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Potential voting rights are considered when assessing whether an entity has control. The consolidation of the financial statements commences on the date on which control is obtained and ends when such control ceases.

The financial statements of the Company and of the subsidiaries are prepared as of the same dates and periods. The consolidated financial statements are prepared using uniform accounting policies by all companies in the Group. Significant intragroup balances and transactions and gains or losses resulting from intragroup transactions are eliminated in full in the consolidated financial statements.

Non-controlling interests in subsidiaries represent the equity in subsidiaries not attributable, directly or indirectly, to a parent. Non-controlling interests are presented in equity separately from the equity attributable to the equity holders of the Company. Profit or loss and components of other comprehensive income are attributed to the Company and to non-controlling interests. Losses are attributed to non-controlling interests even if they result in a negative balance of non-controlling interests in the consolidated statement of financial position.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as a change in equity by adjusting the carrying amount of the non-controlling interests with a corresponding adjustment of the equity attributable to equity holders of the Company less / plus the consideration paid or received.

c. Business combinations and goodwill:

Business combinations are accounted for by applying the acquisition method. The cost of the acquisition is measured at the fair value of the consideration transferred on the acquisition date with the addition of non-controlling interests in the acquiree. In each business combination, the Company chooses whether to measure the non-controlling interests in the acquiree based on their fair value on the acquisition date or at their proportionate share in the fair value of the acquiree's net identifiable assets.

Direct acquisition costs are carried to the statement of profit or loss as incurred.

In a business combination achieved in stages, equity interests in the acquiree that had been held by the acquirer prior to obtaining control are measured at the acquisition date fair value while recognizing a gain or loss resulting from the revaluation of the prior investment on the date of achieving control.

Contingent consideration is recognized at fair value on the acquisition date and classified as a financial asset or liability in accordance with IAS 39. Subsequent changes in the fair value of the contingent consideration are recognized in profit or loss. If the contingent consideration is classified as an equity instrument, it is measured at fair value on the acquisition date without subsequent remeasurement.

d. Investment in an associate:

Associates are companies in which the Group has significant influence over the financial and operating policies without having control. The investment in an associate is accounted for using the equity method.

e. Functional currency, presentation currency and foreign currency:

1. Functional currency and presentation currency:

The local currency used in Cote d'Ivoire is the West African CFA Franc ("FCFA"), which has a fixed exchange rate with the Euro (Euro 1 = FCFA 655.957). A substantial portion of the Group's revenues and expenses is incurred in or linked to the Euro. The Group obtains debt financing mostly in FCFA linked to Euros and the funds of the Group are held in FCFA. Therefore, the Company's management has determined that the Euro is the currency of the primary economic environment of the Company and its subsidiaries, and thus its functional currency. The presentation currency is Euro.

2. Transactions, assets and liabilities in foreign currency:

Transactions denominated in foreign currency are recorded upon initial recognition at the exchange rate at the date of the transaction. After initial recognition, monetary assets and liabilities denominated in foreign currency are translated at each reporting date into the functional currency at the exchange rate at that date. Exchange rate differences, other than those capitalized to qualifying assets or accounted for as hedging transactions in equity, are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currency and measured at cost are translated at the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currency and measured at fair value are translated into the functional currency using the exchange rate prevailing at the date when the fair value was determined.

f. Cash equivalents:

Cash equivalents are considered as highly liquid investments, including unrestricted short-term bank deposits with an original maturity of three months or less from the date of acquisition.

g. Financial instruments:

1. Financial assets:

Financial assets are measured upon initial recognition at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets, except for financial assets measured at fair value through profit or loss in respect of which transaction costs are recorded in profit or loss.

The Company classifies and measures debt instruments in the financial statements based on the following criteria:

- The Company's business model for managing financial assets; and
- The contractual cash flow terms of the financial asset.

a) Debt instruments are measured at amortized cost when:

The Company's business model is to hold the financial assets in order to collect their contractual cash flows, and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. After initial recognition, the instruments in this category are measured according to their terms at amortized cost using the effective interest rate method, less any provision for impairment.

On the date of initial recognition, the Company may irrevocably designate a debt instrument as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency, such as when a related financial liability is also measured at fair value through profit or loss.

b) Equity instruments and other financial assets held for trading:

Investments in equity instruments do not meet the above criteria and accordingly are measured at fair value through profit or loss.

Other financial assets held for trading, including derivatives, are measured at [illegible]

fair value through profit or loss unless they are designated as effective hedging instruments.
Dividends from investments in equity instruments are recognized in profit or loss when the right to receive the dividends is established.

2. Impairment of financial assets:

The Company evaluates at the end of each reporting period the loss allowance for financial debt instruments which are not measured at fair value through profit or loss.

The Company has short-term financial assets such as trade receivables in respect of which the Company applies a simplified approach and measures the loss allowance in an amount equal to the lifetime expected credit losses. An impairment loss on debt instruments measured at amortized cost is recognized in profit or loss with a corresponding loss allowance that is offset from the carrying amount of the financial asset.

As of 31 December 2021, there were no past-due trade receivables.

3. Financial liabilities:

a) Financial liabilities measured at amortized cost:

Financial liabilities are initially recognized at fair value less transaction costs that are directly attributable to the issue of the financial liability.

After initial recognition, the Company measures all financial liabilities at amortized cost using the effective interest rate method.

4. Derecognition of financial instruments:

a) Financial assets:

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire.

b) Financial liabilities:

A financial liability is derecognized when it is extinguished, that is when the obligation is discharged or cancelled or expires.

h. Borrowing costs:

The Group capitalizes borrowing costs that are attributable to the acquisition, construction, or production of qualifying assets which necessarily take a substantial period of time to get ready for their intended use or sale.

The capitalization of borrowing costs commences when expenditures for the asset are incurred, the activities to prepare the asset are in progress and borrowing costs are incurred and ceases when substantially all the activities to prepare the qualifying asset for its intended use or sale are complete. The amount of borrowing costs capitalized in a reporting period includes specific borrowing costs and general borrowing costs based on a weighted capitalization rate.

i. Leases:

The Company accounts for a contract as a lease when the contract terms convey the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee:

For leases in which the Company is the lessee, the Company recognizes on the commencement date of the lease a right-of-use asset and a lease liability, excluding leases whose term is up to 12 months and leases for which the underlying asset is of low value. For these excluded leases, the Company has elected to recognize the lease payments as an expense in profit or loss on a straight-line basis over the lease term. In measuring the lease liability, the Company has elected to apply the practical expedient in the Standard and does not separate the lease components from the non-lease components (such as management and maintenance services, etc.) included in a single contract.

On the commencement date, the lease liability includes all unpaid lease payments discounted at the interest rate implicit in the lease, if that rate can be readily determined discounted at the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the Group's incremental borrowing rate. After the commencement date, the Group measures the lease liability using the effective interest rate method.

On the commencement date, the right-of-use asset is recognized in an amount equal to the lease liability plus lease payments already made on or before the commencement date and initial direct costs incurred. The right-of-use asset is measured applying the cost model and depreciated over the shorter of its useful life or the lease term.

Following are the periods of depreciation of the right-of-use assets by class of underlying asset:

	Years
Land	99
Motor vehicles	5

The Group tests for impairment of the right-of-use asset whenever there are indications of impairment pursuant to the provisions of IAS 36.

j. Biological assets:

Biological assets of the Company are fresh fruit bunches (FFB) that grow on palm oil trees. The period of biological transformation of FFB from blossom to harvest and then conversion to inventory and sale is relatively short (about 2 months). Accordingly, any changes in fair value at each reporting date are generally immaterial.

k. Property and equipment:

Property and equipment are stated at cost, net of accumulated depreciation. Palm oil trees before maturity are measured at accumulated cost, and depreciation commences upon reaching maturity.
Depreciation is calculated by the straight-line method over the estimated useful lives of the assets at the following annual rates:

	%
Extraction mill	2.5
Palm oil plantations	3.33
Computers and peripheral equipment	33
Equipment and furniture	15 - 20
Motor vehicles	25
Agriculture equipment	15

The useful life, depreciation method and residual value of an asset are reviewed at least each year-end and any changes are accounted for prospectively as a change in accounting estimate. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized.

l. Impairment of non-financial assets:

The Company evaluates the need to record an impairment of non-financial assets whenever events or changes in circumstances indicate that the carrying amount is not recoverable.

If the carrying amount of non-financial assets exceeds their recoverable amount, the assets are reduced to their recoverable amount. The recoverable amount is the higher of fair value less costs of sale and value in use. In measuring value in use, the expected future cash flows are discounted using a pre-tax discount rate that reflects the risks specific to the asset. The recoverable amount of an asset that does not generate independent cash flows is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss.

An impairment loss of an asset, other than goodwill, is reversed only if there have been changes in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. Reversal of an impairment loss, as above, shall not be increased above the lower of the carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized for the asset in of depreciation or amortization) had no impairment loss been recognized for the asset in prior years and its recoverable amount. The reversal of impairment loss of an asset presented at cost is recognized in profit or loss.

m. Revenue recognition:

Revenue from contracts with customers is recognized when the control over the services is transferred to the customer. The transaction price is the amount of the consideration that is expected to be received based on the contract terms.

In determining the amount of revenue from contracts with customers, the Company evaluates whether it is a principal or an agent in the arrangement. The Company is a principal when the Company controls the promised goods or services before transferring them to the customer. In these circumstances, the Company recognizes revenue for the gross amount of the consideration. When the Company is an agent, it recognizes revenue for the net amount of the consideration, after deducting the amount due to the principal.

Revenue from the sale of goods:

Revenue from sale of goods is recognized in profit or loss at the point in time when the control of the goods is transferred to the customer, generally upon delivery of the goods to the customer.

Contract balances:

Amounts received from customers in advance of performance by the Company are recorded as contract liabilities/advance payments from customers and recognized as revenue in profit or loss when the work is performed. For all years presented in these financial statements, such advances were recognized as revenues in the year subsequent to their receipt.

n. Inventories:

Inventories are measured at the lower of cost and net realizable value. The cost of inventories comprises costs of purchase and costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale. The Company periodically evaluates the condition and age of inventories and makes provisions for slow moving inventories accordingly.

Cost of finished goods inventories is determined on the basis of average costs including materials, labor and other direct and indirect manufacturing costs based on normal capacity.

o. Earnings (loss) per share:

Earnings (loss) per share are calculated by dividing the net income attributable to equity holders of the Company by the weighted number of Ordinary shares outstanding during the period.
Potential Ordinary shares are included in the computation of diluted earnings per share when their conversion decreases earnings per share from continuing operations. Potential Ordinary shares that are converted during the period are included in diluted earnings per share only until the conversion date and from that date in basic earnings per share. The Company's share of earnings of investees is included based on its share of earnings per share of the investees multiplied by the number of shares held by the Company.

p. Provisions:

A provision in accordance with IAS 37 is recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects part or all of the expense to be reimbursed, for example under an insurance contract, the part or all of the expense to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense is recognized in profit or loss net of any reimbursement.

q. Fair value measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value measurement is based on the assumption that the transaction will take place in the asset's or the liability's principal market, or in the absence of a principal market, in the most advantageous market.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities measured at fair value or for which fair value is disclosed are categorized into levels within the fair value hierarchy based on the lowest level input that is significant to the entire fair value measurement:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - inputs other than quoted prices included within Level 1 that are observable either directly or indirectly.

Level 3 - inputs that are not based on observable market data (valuation techniques which use inputs that are not based on observable market data).

r. Share-based payment transactions:

The Company's employees / other service providers are entitled to remuneration in the form of equity-settled share-based payment transactions and certain employees / other service providers are entitled to remuneration in the form of cash-settled share-based payment transactions that are measured based on the increase in the Company's share price.

Equity-settled transactions:

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date on which they are granted. The fair value is determined using an acceptable option model.

The cost of equity-settled transactions is recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

s. Taxes on income:

Current or deferred taxes are recognized in profit or loss, except to the extent that they relate to items which are recognized in other comprehensive income or equity.

1. Current taxes:

The current tax liability is measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period as well as adjustments required in substantively enacted by the end of reporting period as well as adjustments required in connection with the tax liability in respect of previous years.

2. Deferred taxes:

Deferred taxes are computed in respect of temporary differences between the carrying amounts in the financial statements and the amounts attributed for tax purposes.

Deferred taxes are measured at the tax rate that is expected to apply when the asset is realized or the liability is settled, based on tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is not probable that they will be utilized. Temporary differences for which deferred tax assets had not been recognized are reviewed at each reporting date and a respective deferred tax asset is recognized to the extent that their utilization is probable.

Taxes that would apply in the event of the disposal of investments in investees have not been taken into account in computing deferred taxes, as long as the disposal of the investments in investees is not probable in the foreseeable future.
Also, deferred taxes that would apply in the event of distribution of earnings by investees as dividends have not been taken into account in computing deferred taxes, since the distribution of dividends does not involve an additional tax liability or since it is the Company's policy not to initiate distribution of dividends from a subsidiary that would trigger an additional tax liability.

t. Significant accounting estimates and assumptions used in the preparation of the financial statements:

The preparation of the financial statements requires management to make estimates and assumptions that have an effect on the application of the accounting policies and on the reported amounts of assets, liabilities, revenues and expenses. Changes in accounting estimates are reported in the period of the change in estimate.

u. Changes in accounting policies - initial application of new financial reporting and accounting standards and amendments to existing financial reporting and accounting standards:

1. Amendments to IFRS 9, IFRS 7, IFRS 16, IFRS 4 and IAS 39 regarding the IBOR reform:

In August 2020, the IASB issued amendments to IFRS 9, "Financial Instruments", IFRS 7, "Financial Instruments: Disclosures", IAS 39, "Financial Instruments: Recognition and Measurement", IFRS 4, "Insurance Contracts", and IFRS 16, "Leases" ("the Amendments").

The Amendments provide practical expedients when accounting for the effects of the replacement of benchmark InterBank Offered Rates (IBORs) by alternative Risk Free Interest Rates (RFRs).

Pursuant to one of the practical expedients, an entity will treat contractual changes or changes to cash flows that are directly required by the reform as changes to a floating interest rate. That is, an entity recognizes the changes in interest rates as an adjustment of the effective interest rate without adjusting the carrying amount of the financial instrument. The use of this practical expedient is subject to the condition that the transition from IBOR to RFR takes place on an economically equivalent basis.

In addition, the Amendments permit changes required by the IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued, provided certain conditions are met. The Amendments also provide temporary relief from having to meet the "separately identifiable" requirement according to which a risk component must also be separately identifiable to be eligible for hedge accounting.

The Amendments include new disclosure requirements in connection with the expected effect of the reform on an entity's financial statements, such as how the entity is managing the process to transition to the interest rate reform, the risks to which it is exposed due to the reform and quantitative information about IBOR-referenced financial instruments that are expected to change.

referenced financial instruments that are expected to change.

The Amendments are effective for annual periods beginning on or after January 1, 2021. The Amendments are to be applied retrospectively. However, restatement of comparative periods is not required.

The application of the Amendments did not have a material impact on the Company's financial statements.

NOTE 3:- DISCLOSURE OF NEW STANDARDS IN THE PERIOD PRIOR TO THEIR ADOPTION

a. Amendment to IAS 16, "Property, Plant and Equipment":

In May 2020, the IASB issued an amendment to IAS 16, "Property, Plant and Equipment" ("the Amendment"). The Amendment prohibits a company from deducting from the cost of property, plant and equipment ("PP&E") consideration received from the sales of items produced while the company is preparing the asset for its intended use. Instead, the company should recognize such consideration and related costs in profit or loss.

The Amendment is effective for annual reporting periods beginning on or after January 1, 2022, with earlier application permitted. The Amendment is to be applied retrospectively, but only to items of PP&E made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the Amendment. The company should recognize the cumulative effect of initially applying the Amendment as an adjustment to the opening balance of retained earnings at the beginning of the earliest period presented.

The Company estimates that the application of the Amendment is not expected to have a material impact on the financial statements.

d. Amendment to IAS 1, "Presentation of Financial Statements":

In January 2020, the IASB issued an amendment to IAS 1, "Presentation of Financial Statements" ("the Amendment") regarding the criteria for determining the classification of liabilities as current or non-current.

The Amendment includes the following clarifications:

What is meant by a right to defer settlement;

That a right to defer must exist at the end of the reporting period;

That classification is unaffected by the likelihood that an entity will exercise its deferral right;

That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The Amendment is effective for annual periods beginning on or after January 1, 2023 and must be applied retrospectively.

The Company is evaluating the possible impact of the Amendment on its current loan agreements.

f. Amendment to IAS 8, "Accounting Policies, Changes to Accounting Estimates and Errors":

In February 2021, the IASB issued an amendment to IAS 8, "Accounting Policies, Changes to Accounting Estimates and Errors" ("the Amendment"), in which it introduces a new definition of "accounting estimates".

Accounting estimates are defined as "monetary amounts in financial statements that are subject to measurement uncertainty". The Amendment clarifies the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors.

The Amendment is to be applied prospectively for annual reporting periods beginning on or after January 1, 2023 and is applicable to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Early application is permitted.

The Company is evaluating the effects of the Amendment on its financial statements.

NOTE 4:- INVENTORY

	31 December	
	2021	**2020**
	Euros in thousands	
Palm oil mill final products	902	212
Plants	186	172
Raw cashew nuts	1,381	
Spare parts, tools & materials	771	899
	3,240	1,283

NOTE 5:- ACCOUNTS AND OTHER RECEIVABLES

	31 December	
	2021	**2020**
	Euros in thousands	
Government authorities (VAT)	10	3
Prepaid expenses and other receivables	7	12
Loans to employees	29	41
Advance payment to contractor	319	236
	365	292

NOTE 6:- INVESTMENT IN PEARLSIDE HOLDINGS LTD

On 20 December 2018 the Company entered into an agreement to purchase a 43.8% interest in Pearlside Holdings Ltd ("Pearlside") by way of issuing 52,612,613 Ordinary shares of the Company. Pearlside, through its wholly-owned subsidiary, was in the advanced stages of development and construction of a Raw Cashew Nut (RCN) processing plant in Cote d'Ivoire, The closing of this purchase transaction occurred on 7 January 2019 (See also Note 11 Equity).

Based on the market price of the Company's shares on the date of the purchase, the cost of the investment in Pearlside amounted to approximately €1.9 million.

On 30 October 2020 the Company entered into an agreement to increase its holding in Pearlside to 52% by way of issuing 28,552,800 Ordinary shares of the Company. Based on the market price of the Company's shares on the date of the purchase, the cost of this additional investment in Pearlside is €740 thousand. The shares were issued, and the transaction was completed on 25 November 2020.

Following this transaction, the Company gained control over Pearlside. The assets and liabilities of Pearlside are included for the first time in the consolidated statement of financial position as of 31 December 2020. As Pearlside was in the process of construction of its RCN plant, the results of operations of Pearlside from the date of acquisition to 31 December 2020 were immaterial.

On 8 December 2020 the Company entered into an agreement to purchase an additional 2% and to increase its holding to 54% by way of issuing 3,922,789 Ordinary shares of the Company. Based on the market price of the Company's shares on the date of the purchase, the cost of this additional investment in Pearlside is €144 thousand.

As of the date of obtaining control, the RCN plant under construction represented substantially all of the gross assets of Pearlside. All of the activity of Pearlside related to the construction of the plant. There were a few employees that were involved in the supervision of the construction which was being performed by external contractors. Accordingly, the purchase transaction was accounted for as an acquisition of assets.

Pursuant to IFRS 3, the Company records the cash and other financial assets and liabilities at their fair value on date of acquisition (which approximated their carrying amounts, including loans which were recently obtained at market terms). The excess of (i) the cost of the investment plus (ii) the non-controlling interest recognized over (iii) the carrying amount of the net assets acquired (equity of Pearlside) was allocated to the RCN plant. The non-controlling interest in the amount of € 700 was measured at its proportionate share of the net assets (equity) of Pearlside.

Following are the assets and liabilities acquired at the date of acquisition (Euros in thousands):

Deficiency in working capital	(373)
Non- current deposits	264
Property, plant and equipment	12,191
Lease liability	(114)
Long-term debt	(8,174)

On 8 February 2021, the Company signed an agreement to purchase an additional 16.7% of Pearlside for a total consideration of £1.062 million (€1.2 million), of which £354,000 (€403 thousand) was settled via the issue of 7,080,000 new Ordinary shares at 5 pence per share (see Note 11), and the remaining £708,000 (€806 thousand) of the consideration was settled in cash. Following this acquisition, the Company holds 70.7% of Pearlside. The difference between the total consideration and the carrying amount of the non-controlling interests, in the amount of € 956 thousand, was recorded as a charge to "capital reserve from transactions with non-controlling interests" in equity.

During 2021 the shareholders of Pearlside invested additional funds as a loan to Pearlside, in order to finance the construction and activity of Pearlside. The portion of the loan provided by the non-controlling interests amounted to € 915 thousand. The loan bears no interest and is to be repaid only from available funds of Pearlside. The loan is presented as a current liability in the consolidated statement of financial position as of 31 December 2021.

NOTE 7:- PROPERTY AND EQUIPMENT, NET

Composition and movement:

	Computers and peripheral equipment	**Equipment and furniture**	**Motor vehicles**	**Agriculture equipment**	**Extraction mill and land**	**Palm oil plantations**	**Cashew processing mill under construction and land**	**Total**
Cost:								
Balance as of 1 January, 2020	290	110	1,495	464	26,281	7,620	-	36,260
Acquisitions during the year	4	-	103	-	-	12	-	119
Disposals during the year	(15)	(7)	(72)	-	-	-	-	(94)
Initial consolidation of subsidiary	3	3	26	26	-	-	12,133	12 ,191
Balance as of 31 December, 2020	28 2	10 6	1 , 5 52	490	26,281	7,632	12,133	48, 476
Acquisitions during the year	87	453	723	-	247	-	3,079	4,589
Disposals during the year	-	-	(149)	-	-	-	-	(149)
Balance as of 31 December, 2021	369	559	2,126	490	26,528	7,632	15,212	52,916
Accumulated depreciation:								
Balance as of 1 January 2020	163	98	825	394	3,693	779	-	5,952
Depreciation during the year	29	8	205	15	876	236	-	1,369
Disposals during the year	(15)	(7)	(72)	-	-	-	-	(94)
Balance as of 31 December 2020	177	99	958	409	4,569	1,015	-	7,227
Depreciation during the year	31	15	220	26	861	789	-	1 ,942
Disposals during the year	-	-	(145)	-	-	-	-	(145)
Balance as of 31 December 2021	208	114	1,033	435	5,430	1,1,804	-	9,024

Depreciated cost as of 31 December 2021	161	445	1,093	55	21,098	5,828	15,212	43,892
Depreciated cost as of 31 December 2020	105	7	594	81	21,712	6,617	12,133	41,249

NOTE 8:- OTHER ACCOUNTS PAYABLE AND ACCRUED EXPENSES

	31 December	
	2021	2020
	Euros in thousands	
Employees and payroll accruals	917	993
VAT payable	405	100
Other accounts payable & accrued expenses	1,325	731
	2,647	1,824

NOTE 9:- RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

On 24 June 2008, DekelOil CI SA signed a lease agreement for 42 hectares near the village of Ayenouan, Cote d'Ivoire. The agreement is with the village of Adao and the people occupying the land in Ayenouan. The lease is for 90 years and the payment for the lease is FCFA 3,000,000 (app. €4,573) per annum.

In January 2018 a subsidiary of the Company signed a lease agreement for a vehicle. The lease is for 5 years and the payment is €1,080 per month.

A subsidiary consolidated for the first time at 31 December 2020 signed a lease agreement with the government authorities for 6 hectares near the village of Tiabissuo, Cote d'Ivoire. The agreement is for a lease of 99 years with an annual lease payment of 6 million FCFA (app. €9,146)

The right-of-use assets in respect of the above leases are included in Property and Equipment (Note 7). The balance of the lease liabilities at 31 December 2021 amounted to € 161 (2020 - €169).

NOTE 10:- LOANS

a. Long-term loans:

	Currency	Interest rate as of 31 December 2021	31 December 2021	31 December 2020
			Euros in thousands	
SGBCI	In FCFA	6.2%-7.3%	-	1
SOGEBOURSE (c.1)	In FCFA	8.4%	4,568	6,387
SIB (c.2)	In FCFA	6.85%	256	377
AgDevCo (c.3)	In Euro	8.2%	7,200	7,200
BGFI (c.4)	In FCFA	7.5%	941	1,153
BIDC (c.5)	In FCFA	7.25%	4,053	4,053
NSIA (c.6)	In FCFA	8.5%	2,287	1,834
NSIA (c.7)	In FCFA	7.75%	133	762
BGFI (c.8)	In FCFA	7.75%	1,524	1,524
HUDSON (c.9)	In FCFA	7.5%	5,991	-
Total loans			26,953	23,291
Less - current maturities			(2,391)	(3,239)
			24,562	20,052

b. Short-term loans and current maturities:

	31 December	
	20 21	2020
	Euros in thousands	
Bank Credit line	1,888	2,437
Short-term loan from bank	1,152	
Current maturities - per a. above	2,391	3,239
	5,431	5,676

c. 1. In September 2016 DekelOil CI SA signed a long-term financing facility agreement with a consortium of institutional investors arranged by SOGEBOURSE for a long-term loan of up to FCFA 10 billion (approximately €15.2 million). Of this amount, FCFA 5.5 billion (approximately €8.4 million) was utilized to refinance the West Africa Development Bank ("BOAD") loan The

loan is repayable over 7 years in fourteen semi annual payments. and bears interest at a rate of 6.85% per annum.
On 22 October 2016 SOGEBOURSE transferred the funds and the BOAD loan was repaid in full .
On 1 February 2018 the DekelOil CI SA drew down a second tranche of FCFA 2.8 billion (€4.34 million) from its FCFA 10 billion (€15.2 million) long-term Syndicated Loan Facility with Sogebourse CI. on the same terms as the first tranche. Part of the funds were used to repay a short-term loan in the amount of €1,524 thousand and a long-term loan in the amount of €497 thousand.

2. In October 2018 DekelOil CI SA signed a loan agreement with Societe Ivorienne de Banque ("SIB") for FCFA 400 million (approximately €610 thousand). The loan is for 5 years and bears interest at a rate of 8.2% per annum. One of the boilers in the CPO extraction mill serves as a security for the loan.

3. In July 2019 DekelOil CI SA signed an agreement with AgDevCo Limited ("AgDevCo"), a leading African agriculture sector impact investor for a €7.2 million loan for a term of 10 years, 4 years of principal grace and 6 years of repayment, with a gross interest rate of 7.5% per annum, variable and based on 12-month Euro Short Term Rate published by the European Central Bank (which replaced the Euro Libor used previously) plus a pre-defined spread, and collared with a minimum rate of 6% per annum and a maximum rate of 9% per annum. The funds from the loan were used as follows: (i) €6.2 million to replace existing NSIA Bank loan and (ii) €1.0 million for Environmental, Social and Governance ("ESG") activities and general working capital purposes. The fixed assets of DekelOil CI SA serves as a security for this loan.

   The loan agreement contains the following financial covenants to be tested on a quarterly basis: (1) Current Ratio of at least 0.5; (2) Debt Service Coverage Ratio of at least 1. The Company met these financial covenants on 31 December 2021 and is expected to meet these financial covenants during 2022.

4. On 7 July 2020 DekelOil CI SA signed a loan agreement with Banque Gabonaise Francaise International ("BGFI") for FCFA 800 million (approximately €1,220 thousand). The loan is for 5 years and bears interest at a rate of 7.25% per annum.

5. On 16 March 2016 Capro CI SA signed a loan agreement with the Bank of Investment and Development of CEDEAO ("EBID") according to which EBID agreed to grant Capro CI SA a facility of 3,000 million FCFA (€4,573 thousand).

   The EBID loan shall bear interest at a rate of 8.5% per annum. The loan has a tenure of seven years and shall be repaid in 20 quarterly installments over five years, commencing after a grace period on principal payments of two years. Principal payments start in January 2022. . According to the loan agreement as a security for this loan there is a lien over the equipment of Capro CI SA and an amount of €97 thousand has been deposited in a bank by Capro CI SA (non-current bank deposits).

6. In 2018 Capro CI SA signed a loan agreement with NSIA bank, Togo ("NSIA Togo") according to which NSIA Togo agreed to grant Capro CI SA a facility of 1,500 million FCFA (€ 2,278 thousand).
   NSIA Togo loan shall bear interest at a rate of 7.25%% per annum. The loan has a tenure of seven years and shall be repaid in 20 quarterly installments over five years, commencing after a grace period on principal payments of two years from the first withdrawal made on 20 February 2020.

7. On 30 March 2020 Capro CI SA signed a loan agreement with NSIA bank Cote d'Ivoire ("NSIA") according to which NSIA agreed to grant Capro CI SA a facility of 500 million FCFA (€762 thousand).
   NSIA loan shall bear interest at a rate of 7.25% per annum. The loan is for two years with one year grace period on principal payments.

8. On 3 February 2020 Capro CI SA signed a loan agreement with Banque Gabonaise Francaise International ("BGFI") for FCFA 1,000 million (approximately €1,542 thousand). The loan shall bear interest at a rate of 7.5% per annum. The loan has a tenure of seven years and shall be repaid in monthly installments over five years, commencing after a grace period on principal payments of two years from the first withdrawal made in September 2020. According to the loan agreement as a security for this loan an amount of €114 thousand has been deposited in a bank by Capro CI SA (non-current bank deposits).

9. On 25 January 2021 DekelOil CI SA signed an agreement with Hudson for issuance of a long-term bond of up to €15.2 million (10,000 million FCFA). The first tranche of €6 million (3,930 million FCFA) was received on 27 January 2021. The bond is for 7 years with a 3-year grace for principal repayments. The bond bears annual interest of 7.75%. According to the agreement DekelOil CI SA accumulates the funds for each payment prior to each payment by a monthly payment to be made for that purpose to a designated deposit account. In addition, a fixed amount has been deposited in a separate bank account. As of 31 December 2021, the deposits amount to €283 thousand and €239 thousand (current and non-current deposits), respectively.

NOTE 11:- EQUITY

a. Composition of share capital:

	31 December		31 December	
	2021	2020	2021	2020
	Authorized		Issued and outstanding	
	Number of shares			
Ordinary shares of €0.0003367 par value each	1,000,000,000	1,000,000,000	535,863,569	457,126,075

Each Ordinary share confers upon its holder voting rights, the right to receive cash and share dividends, and the right to share in excess assets upon liquidation of the Company.

Commencing from December 2019, pursuant to his remuneration contract, the General Manager of the company's subsidiary, shall be issued 400,000 Ordinary Shares per year at par value over the next 3 years, vesting on a monthly basis. The fair value of the Ordinary shares to be issued at the date of grant amounts to € 34 thousand. As of 31 December 2021, 800,000 Ordinary shares are fully vested. These shares were issued to the General Manager in 2022.

On 25 November 2020 the Company issued 28,552,800 Ordinary Shares according to an agreement to increase its holding of Pearlside to 52% by way of a share swap. Based on the market price of the Company's shares on the date of the purchase, the cost of this additional investment in Pearlside is €740 thousand.

On 10 December 2020 the Company completed a purchase of an additional 2% of Pearlside Holding Ltd, reaching a total holding of 54% of Pearlside, by way of issuing 3,922,789 Ordinary shares of the Company. Based on the market price of the Company's shares on the date of the purchase, the cost of this additional investment in Pearlside is €144 thousand.

In 2020 the Company issued 1,587,043 ordinary shares to certain brokers in consideration for services provided. The fair value of the shares issued amounting to € 24 thousand was recorded in general and administrative expenses

On 29 January 2021 the Company raised equity totaling to £3.3 million (€3.7 million, (net of £0.23 million (€0.26 million) fund raising costs) through the placing of 70,000,000 new Ordinary Shares at an issue price of 5 pence per share.

On 8 February 2021, the Company signed an agreement to purchase an additional 16.7% of Pearlside for a total consideration of £1.062 million (€1.2 million), of which £354,000 (€403 thousand) was settled via the issue of 7,080,000 new Ordinary shares at 5 pence per share -see Note 6.

In 2021 (January & September) the Company issued 1,656,029 ordinary shares to certain brokers in consideration for services provided. The fair value of the shares issued amounting to € 64 thousand was recorded in general and administrative expenses

b. Share option plan:

On 15 January 2015 the Company granted directors and senior employee's options to purchase 8,100,000 Ordinary shares. Of that amount, 1,800,000 options vested immediately, and the remainder will vest ratably over 3 years. Half of the options have an exercise price of 12.5 pence per share while the remainder is exercisable at a price of 20 pence per share. The fair value of the options granted calculated

On 19 October 2015 the Company granted directors and senior employee's options to purchase 1,800,000 Ordinary shares. The options will vest ratably over 3 years. Half of the options have an exercise price of 12.5 pence per share while the remainder is exercisable at a price of 20 pence per share. The fair value of the options granted calculated based on Black-Scholes option pricing model was approximately €139 thousand.

On 30 June 2017 the Company granted directors and senior employee's options to purchase 10,750,000 Ordinary shares. The options will vest ratably over 5 years. The exercise price of the options is €0.1359 per share. The fair value of the options granted calculated based on Black-Scholes option pricing model was approximately €612 thousand.

On 1 January 2017 a subsidiary appointed a new CEO, and as part of his employment compensation he was granted 1,200,000 options to purchase Ordinary shares of the Company at a nominal exercise price. The options vest linearly over three years. The fair value of the options at the date of grant was calculated based on the share price at that date and was approximately €151 thousand.

On 2 December 2019 the Company granted directors and advisers options to purchase 17,600,000 Ordinary shares. The 2019 Options expire 10 years from the date of grant and have an exercise price of 2.45 pence per Ordinary Share. One third of the 2019 Options vest immediately. The balance of the 2019 Options are subject to vesting conditions as follows:

(i) One third of the options may only be exercised if at any point following the date of grant, the 30-day Volume Weighted Average Price (VWAP) of the Ordinary Shares achieves a price per share equal to or exceeding 4.0 pence, this condition was met during 2020. These options vest over 12 months following the date of grant.

(ii) A further one third of the options may only be exercised if at any point following the date of grant, the 30-day VWAP of the Ordinary Shares achieves a price per share equal to or exceeding 6.0 pence. These options vest over 12 months from the first anniversary of the date of grant.

The fair value of the options granted calculated based on Black-Scholes option pricing model was approximately €289 thousand for the 14,100,000 options granted to directors and approximately €72 thousand for the 3,500,000 options granted to advisors.

In addition, in December 2019 the Company amended the terms of 7,200,000 of the options granted in January 2015 (see above) and of the terms of 9,100,000 option granted on 30 June 2017 (see above), to reflect the same terms, vesting terms and duration of the options granted on 2 December 2019.

The incremental fair value of the amended options totaling approximately €212 thousand was calculated based on the difference between the fair value of the options immediately before the amendment and their fair value immediately after the amendment. The calculation was based on Black-Scholes option pricing model. This incremental fair value will be recorded as an expense over the amended vesting period in addition to the expense recorded in respect of the original grant of these options.

A summary of the activity in options for the years 2021 and 2020 is as follows:

	Year ended 31 December			
	2021		**2020**	
	Number of options	**Weighted average exercise price-Euro**	**Number of options**	**Weighted average exercise price-Euro**
Outstanding at beginning of year	35,522,314	0.0332	35,522,314	0.0332
Exercised	-	-	-	-
Granted	-	-	-	-
Expired	-	-	-	-
Forfeited	-	-	-	-
Outstanding at end of year	35,522,314	0.0332	35,522,314	0.0332
Exercisable options	29,655,647	0.0352	24,222,314	0.0352

c. Capital reserve

The capital reserve comprises the contribution to equity of the Company by the controlling shareholders.

NOTE 12:- REVENUES

a. All of the revenues are derived from the sales of Palm Oil, Palm Kernel Oil and Palm Kernel Cake in Cote d'Ivoire see also Note 19.

b. Major customers:

	Year ended 31 December	
	2021	**2020**
	Euros in thousands	
Revenues from major customers which each account for 10% or more of total revenues reported in the financial statements:		
Customer A -	23,925	18,531
Customer B -	5,241	-

NOTE 13:- FAIR VALUE MEASUREMENT

The fair value of accounts and other receivables, loans, and trade and other payables approximates their carrying amount due to their short-term maturities. The fair value of long-term loans with a carrying amount of €26,953 thousands and €23,291 thousands (including current maturities) approximates their fair value as of 31 December 2021 and 2020, respectively (level 3 of the fair value hierarchy).

NOTE 14:- INCOME TAXES

a. Tax rates applicable to the income of the Company and its subsidiaries:

The Company and its subsidiaries, CS DekelOil Siva Ltd and Pearlside Holdings Ltd, were incorporated in Cyprus and are taxed according to Cyprus tax laws. The statutory tax rate is 12.5%.

The carryforward losses of the Company are approximately €31 thousand of CS DekelOil Siva Ltd are approximately €20 thousand, and of Pearlside are approximately €12 thousand.

The subsidiary, DekelOil CI SA, was incorporated in Cote d'Ivoire and is taxed according to Cote d'Ivoire tax laws. Based on its investment plan, DekelOil CI SA received a full tax exemption from local income tax, "Tax on Industrial and Commercial profits," for the thirteen years starting 1 January 2014, 50% tax exemption for the fourteenth year and 25% tax exemption for the fifteenth year.

The tax exemptions were conditional upon meeting the terms of the investment plan, which the Group has met.

The subsidiary, Capro CI SA, was incorporated in Cote d'Ivoire and is taxed according to Cote d'Ivoire tax laws. Based on its investment plan, Capro CI SA received a full tax exemption from local income tax, "Tax on Industrial and Commercial profits," for the thirteen years starting from commencement of production, 50% tax exemption for the fourteenth year and 25% tax exemption for the fifteenth year.

The tax exemptions were conditional upon meeting the terms of the investment plan, which the Group is expecting to meet.

The subsidiary DekelOil Consulting Ltd was incorporated in Israel and is taxed according to Israeli tax laws.

b. Tax assessments:

The Company's subsidiary, DekelOil CI SA, received a final tax assessment through 2020.
As of 31 December 2020, the Company and all its other subsidiaries had not yet received final tax assessments

c. The tax expense during the year ended 31 December, 2021 relate to tax of the Company's subsidiaries DekelOil CI SA and DekelOil Consulting Ltd.

NOTE 15:- SUPPLEMENTARY INFORMATION TO THE STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2021	**2020**
	Euros in thousands	
a. Cost of revenues:		
Cost of fruits	23,064	14,233
Salaries and related benefits	1,937	1,680
Cultivation & Nursery costs	588	578
Vehicles	356	372
Maintenance and other operating costs	3,251	2,111
Depreciation	1,684	1,233
	30,880	20,207
b. General and administrative expenses:		
Salaries and related benefits	1,610	1,131
Subcontractors	452	310
Rents & related office expenses	160	108
Travel expenses	84	99
Legal & accounting and professional fees	378	283
Vehicle maintenance	118	86
Insurance	168	86
Brokerage & nominated advisor fees	99	82
Depreciation	204	138
Share-based compensation	271	271
Other	325	167
	3,869	2,761
c. Finance cost:		
Interest on loans (*)	1,438	1,144
Bank fees	400	429
Exchange rate differences	(112)	9
	1,726	1,582

* Net of interest capitalized of € 827 thousands

NOTE 16:- INCOME (LOSS) PER SHARE

The following reflects the income (loss) and share data used in the basic and diluted earnings per share computations:

	Year ended 31 December	
	2021	2020
	Euros in thousands	
Net income(loss) attributable to equity holders of the Company	757	(2,226)
Weighted average number of Ordinary shares used for computation of:		
Basic earnings (loss) per share	528,368,244	428,930,844
Diluted net earnings (loss) per share (after effect of options)	529,217,521	428,930,844

In 2020, share options are excluded from the calculation of diluted loss per share as their effect is antidilutive.

NOTE 17:- BALANCES AND TRANSACTIONS WITH RELATED PARTIES

		Year ended 31 December	
		2021	2020
		Euros in thousands	
a.1	Balances:		
	Other accounts payable and accrued expenses	452	191
a.2	Transactions:		
	Services and expense reimbursements	-	33
b.	Compensation of key management personnel of the Company:		
	Short-term employee benefits	801	625
	Share-based compensation	224	224

c. Significant agreements with related parties:

1. In February 2008, DekelOil Consulting Limited ("Consulting") signed an employment agreement with a shareholder, who is a director of the Company, the CEO of the Company and the chairman of the Board of Directors of DekelOil CI SA.
   Under the employment agreement, the CEO is entitled to a monthly salary of €20,000 per month. The agreement is terminable by the Company with 24 months' notice. The total annual salary, social benefits, bonuses and management fee paid to the CEO during 2021 and 2020 was approximately €239 thousand and €217 thousand, respectively.

2. In March 2008, DekelOil Consulting Limited signed an employment agreement with a shareholder, who is a director of the Company, its Deputy CEO and Chief Financial Officer. The agreement was amended on 11 July 2014 by the board of the subsidiary to reflect the same salary terms as those of the CEO described in c (1) above. The total annual salary and social benefits paid to the employee during 2021 and 2020 was approximately €239 thousand and €217 thousand, respectively.

NOTE 18:- FINANCIAL INSTRUMENTS

a. Classification of financial liabilities:

The financial liabilities in the statement of financial position are classified by groups of financial instruments pursuant to IFRS 9:

	31 December	
	2021	2020
	Euros in thousands	
Financial liabilities measured at amortized cost:		
Trade and other payables	4,022	2,717
Short-term loans	3,040	2,437
Long-term lease liabilities	169	192
Long-term loans (including current maturities)	26,947	23,291
Total	34,178	28,637

b. Financial risks factors:

The Group's activities expose it to market risk (foreign exchange risk). Certain of the Group's long-term obligations at the reporting date also bear variable interest rates which are linked to the inter term obligations at the reporting date also bear variable interest rates which are linked to the inter banking interest rate in Cote d'Ivoire and in the UK, and therefore the Group is exposed to cash flow risks due to changes in that base interest rate. The effect on profit or loss is approximately €80 thousand for each 1% change in the base interest rate.

Foreign exchange risk:

The Company is exposed to foreign exchange risk resulting from the exposure to different currencies, mainly, NIS and GBP. Since the FCFA is fixed to the Euro, the Group is not exposed to foreign exchange risk in respect of the FCFA. As of 31 December 2021, the foreign exchange risk is immaterial.

Liquidity risk:
The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments (including interest payments):

31 December 2021

	Less than one year	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**> 5 years**	**Total**
	Euros in thousands						
Long-term loans (1)	4,117	3,269	4,563	4,447	4,225	10,937	31,558
Loan from non-controlling interest	915						915
Short-term loan	3,040						3,040
Trade payables and other accounts payable	4,022						4,022
Long-term lease liabilities	30	15	15	15	15	1,365	1,455
	12,124	3,284	4,578	4,462	4,240	12,302	40,990

31 December 2020

	Less than one year	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**> 5 years**	**Total**
	Euros in thousands						
Long-term loans (1)	4,254	4,784	3,935	4,504	3751	11,758	32,986
Short-term loan	2,437	-	-	-	-	-	2,437
Trade payables and other accounts payable	2,717	-	-	-	-	-	2,717
Long-term lease liabilities	20	20	6	6	6	328	386
	9,428	4,804	3,941	4,510	3,757	12,086	36,091

Movement in financial liabilities:

	Short term loans	**Long term loans (1)**	**Lease liabilities**	**Loan from non-controlling interest**	**Total**
Balance as of 1 January 2020	1,490	16,302	90	-	17,882
Receipt of short-term loan	2,437	-	-	-	2,437
Repayment of long-term lease	-	-	(12)	-	(12)
New lease upon consolidation of subsidiary.	-	-	114	-	114
Repayment of loans	(1,490)	(3,584)	-	-	(5,038)
Receipt of long-term loans	-	2,363	-	-	2,363
Initial consolidation of subsidiary	-	8,174	-	-	8,174
Balance as of 31 December 2020	2,437	23,291	192	-	23,557
Receipt of short-term loan	3,040			915	3,955
Repayment of long-term lease			(23)		(23)
Repayment of loans	(2,437)	(2,339)			(4,776)
Receipt of long-term loans		5,991			5,991
Balance as of 31 December 2021	3,040	26,943	169	915	28,704

1) Including current maturities and accrued interest.

NOTE 19:- OPERATING SEGMENTS

a. General:

The operating segments are identified on the basis of information that is reviewed by the Companies management to make decisions about resources to be allocated and assess its performance. Accordingly, for management purposes, the Group is organized into two operating segments based on the two business units the Group has. The two business units are incorporated under two separate subsidiaries of the Company, the CPO production unit is incorporated under CS DekelOil Siva Ltd and its subsidiary and the RCN processing plant under construction is incorporated under Pearlside Holdings Ltd and its subsidiary (see Note 1)

The RCN processing activity was consolidated for the first time on 31 December 2020, and 2021 is the first year that the results of RCN operations are consolidated (see Note 6).

Segment performance (segment income (loss)) and the segment assets and liabilities are derived from the financial statements of each separate group of entities as described above. Unallocated items are mainly the Group's headquarter costs, finance expenses and taxes on income.

b. Reporting operating segments:

	Crude Palm Oil	Raw Cashew Nut	Total
	Euros in thousands		
Year ended 31 December 2021:			
Revenues-External customers	37,391	-	37,391
Segment profit (loss)	3,830	(391)	3,439
Unallocated corporate expenses			(797)
Finance cost			(1,809)
Profit before taxes on income			833
Depreciation and amortization	(1,888)	-	(1,888)
Year ended 31 December 2020:			
Revenues-External customers	22,546	-	22,546
Segment profit (loss)	137	-	137
Unallocated corporate expenses			(559)
Finance cost			(1,582)
Share of loss of associate			(167)
Profit before taxes on income			(2,171)
Depreciation and amortization	(1,369)	-	(1,369)

	Crude Palm Oil	Raw Cashew Nut	Total
	Euros in thousands		
As of 31 December 2021:			
Segment assets	33,393	18 ,199	51,592
Segment liabilities	24,180	10,943	35,123
As of 31 December 2020:			
Segment assets	30,580	12,728	43,308
Segment liabilities	21,912	8,934	30,846

END

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