Dekel Agri-Vision

2020 Final Results

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

2020 Final Results

Dekel Agri-Vision Plc, the West African focused agriculture company, is pleased to announce its audited results for the year ended 31 December 2020 ('Accounts').

Financial Overview - across the board uplift in key financial metrics driven by 22.6% rise in crude palm oil ('CPO') prices and higher extraction rates more than offsetting lower CPO production

Full year revenues up 7.7% to €22.5 million; EBITDA up 500% to €1.2million; net loss decreased to €2.3m (2019: €3.3m), as detailed in the table below:

	2020	*2019*	*% change*
Revenue	*€22.5m*	€20.9m	7.7%
Gross Margin	*€2.3m*	€1.7m	35.3%
Gross Margin %	*10.2%*	8.1%	25.9%
G&A	*(€2.8m)*	(€3.2m)	12.5%
EBITDA	*€1.2m*	€0.2m	500%
Net profit / (loss) after tax	*(€2.2m)*	(€3.3m)	33.3%

Production - palm oil project, Ayenouan Côte d'Ivoire

- 22.6% increase in average realised global CPO prices to €602 per tonne of CPO (2019: €491) more than offset lower CPO volumes produced and sold
    - After retracing from US$850 per tonne in January 2020 due to COVID-19, CPO prices rallied strongly in H2 2020 ending the year at around the US$1,000 per tonne level
- 34,002 tonnes of CPO produced (2019: 37,649 tonnes) follows 12.4% decrease in Fresh Fruit Bunches ('FFB') delivered to 154,151 tonnes

(2019: 176,019 tonnes) - in line with wider sector
    - Smaller decrease in CPO produced compared to FFB volumes due to significantly higher extraction rate of 22.1% (2019: 21.4%) as a result of higher oil content of FFB delivered
- 34,016 tonnes of CPO sold in 2020 (2019: 37,713 tonnes)
- ESG initiatives:
    - Roll-out of fruit traceability programme across the region
    - Maintaining 300 plus staffing levels at Ayenouan despite COVID-19

Development - cashew processing project at Tiebissou in Côte d'Ivoire

- Acquisition of controlling stake in cashew project which is on course to become Dekel's second producing asset when first production commences in the coming weeks
- Interest in project increased to 70.7% post period end
- Tiebissou is expected to make meaningful contribution to 2021 group financials and ramp up further in 2022, the first year of full production

New Ventures - growing pipeline of new opportunities

- Third commodity project in Côte d'Ivoire - under active consideration following positive results of internal feasibility study
- Hybrid power project in Côte d'Ivoire - feasibility study being undertaken by JV partner Green Enesys on the development of a 30MW solar PV plant and a 5-6MW biomass plant using feedstock from Ayenouan - discussions ongoing with government

Dekel Executive Director Lincoln Moore said, "12 months ago, in the face of the pandemic, we said that the year ahead would demonstrate that Dekel Agri-Vision is both a resilient and a growing business. 12 months on, and while the pandemic remains ongoing, we are reporting full year results which show a strong improvement in Dekel's financial performance compared to the prior year. This set of results, in our view, clearly demonstrates the resilience of the Company that we had predicted. 12 months on, and with a strong performance from our palm oil operations in H1 2021, coupled with the imminent commissioning phase of the Tiebissou cashew processing project approaching, we believe we are on the cusp of a material step up in financial performance.

"Importantly, Tiebissou offers not one but a series of step-ups in revenue generation and profitability. We expect to increase capacity at the plant by 50% to 15,000tpa within 12-24 months at no cost and from there to double production to 30,000tpa. Together with Ayenouan we have a defined path in place to treble group revenues to c. €60million within the next two to three years. Arguably, this is a conservative estimate as it does not take into account our plans to add a third commodity to our portfolio and also the joint venture agreement we have with Green Enesys regarding the potential development of a 30MW solar PV plant and a 5-6MW biomass plant using feedstock from Ayenouan. The possible biomass plant would also add to our already strong ESG credentials, which are expected to be independently validated later this year following the completion of the RSPO certification process, which could in turn open up export markets for our palm oil.

"We are delivering on our objective to build a multi-project, multi-commodity agriculture business, which benefits not just investors but all stakeholders, including the local community in which we operate. With this in mind, I look forward to providing further updates on our progress in the year ahead."

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ('MAR'). Upon the publication of this announcement via a Regulatory Information Service ("RIS"), this inside information is now considered to be in the public domain.

ENDS

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CHAIRMAN'S STATEMENT

2020 was very much a year of two halves for Dekel Agri-Vision, its established palm oil operations and its soon to be producing cashew processing plant in Cote d'Ivoire:

- Highly challenging first half due to the global pandemic and associated lockdowns
- Strong second half pick-up in activity which partially made up for the ground lost in the first half and which has since gathered further momentum in 2021

Specifically, H1 2020 saw our Ayenouan crude palm oil ('CPO') operations contend with a near halving in global prices from US$850 per tonne in January to US$500-550 per tonne in April and May 2020, a price trajectory that was in line with other commodities following the onset of the pandemic. At the same time, construction activity at our Tiebissou cashew plant was held back due to delays in the manufacture and shipping of milling and infrastructure equipment in Italy and China, two countries that were severely impacted by the pandemic in the first half.

H2 2020 witnessed a sharp rebound. Global CPO prices soared to the US$1,000 per tonne level they currently trade at today following a strong recovery in CPO demand, which has enabled us to report an improvement across all of Ayenouan's key financial metrics for the full year compared to 2019. In addition, thanks to the progress made on the ground in the second half, the commissioning of the 10,000tpa mill at Tiebissou is expected in the coming weeks.

Importantly, the strong finish to the year has laid the foundations for what promises to be a transformative 2021 for the Company. Once operations commence at Tiebissou, Dekel will have two projects producing two commodities and generating two independent revenue streams. Not only will this lead to the scaling up of our revenues and earnings, but also to the diversification of our end markets. The directors have sought to increase shareholder value by reducing risk through a combination of sustainably higher earnings and multiple end markets.

With the commissioning of the cashew processing plant at Tiebissou within sight, we believe recent corporate transactions indicate that we are already starting to see a lowering in the Company's risk profile:

- Execution of transactions during the year and post period end, which resulted in the Company securing a controlling stake in the Tiebissou cashew project in exchange for Dekel shares that were issued at premia to the then market price
- Completion of a £3.2m equity raise post period end that was oversubscribed
- c.€15.2 million bond facility secured post period end which extends the maturity of Dekel's debt profile and significantly strengthens the balance sheet - €5.9m was drawn down in January 2021

Taken together, it is clear that Dekel is entering a new phase in its history in which a highly cash generative platform and a strong balance sheet promise to accelerate the implementation of our growth strategy. This remains focused on building a multi-project, multi-commodity agriculture company for the benefit of both shareholders and the local communities in which we operate.

Ayenouan Palm Oil

Being a producer of crude palm oil, key performance drivers for our Ayenouan operations are global CPO prices, fresh fruit bunch ('FFB') deliveries / production levels, and extraction rates. The year under review saw significant improvements in two of these metrics: global CPO prices and extraction rates. The 22.6% increase in CPO prices to €602 per tonne and the jump in the extraction rate to 22.1% from 21.4% the previous year were more than enough to offset a 12.5% drop in FFB delivered to the mill and a 9.6% fall in volumes of CPO produced during the year. In turn, this has driven a material improvement in our full year financial performance at the revenue, EBITDA and net profit / loss levels compared to 2019, as detailed in the table below.

The average realised price of €602 per tonne of CPO achieved during the year does not tell the whole story. Global CPO prices began and ended the year under review at over US$800 per tonne, a level rarely seen in the eight years since our 60,000tpa mill was commissioned in 2013. Had prices traded at or around this level throughout the year then, despite lower volumes of CPO produced at Ayenouan in 2020, it is likely we would be reporting results closer to those of 2017, a record year in terms of revenue generation and profitability with €30.2m revenues, €4.5m EBITDA and €1.6m net profits posted. During 2020 CPO prices were anything but stable, dropping below €500 per tonne as the pandemic took hold and societies around the world went into lockdown, before rebounding equally dramatically in the second half of the year, as major importers in Asia replenished inventories.

The above paragraph has not been included to illustrate a 'what could have been' scenario - rather a case of 'what might be'. We are almost halfway through the current year and we have reported average realised prices of €794 per tonne for Q1 2021, €803 for April and €774 for May. Together with a material improvement in the peak harvest season, resulting in volumes of CPO produced increasing to 23,877 tonnes during the five months to 31 May 2021, compared to 21,539 tonnes in the equivalent five-month period in 2020, we believe we are on course to report another year of material revenue and profits growth at Ayenouan, one that could potentially challenge 2017's record outcome. By way of illustration, in Q1 2017 16,398 tonnes of CPO were produced and average realised prices of €731 were achieved. The relevant figures for Q1 2021 are 15,327 tonnes of CPO produced and average realised prices of €794 per tonne. Much can happen between now and the end of the year but, as things stand, at the very least we are confident of another year of progress at Ayenouan.

	FY 2020	**FY 2019**	**FY 2018**	**FY 2017**	**FY 2016**
FFB collected (tonnes)	154,151	176,019	146,036	171,696	171,301

CPO production (tonnes)	34,002	37,649	33,077	38,736	39,111
CPO Sales (tonnes)	34,008	37,713	32,692	38,373	39,498
Average CPO price tonne	€602	€491	€542	€680	€575
Revenue (All products)	€22.5m	€20.9m	€20.9m	€30.2m	€26.6m
Gross Margin	€2.3m	€1.7m	€1.7m	€6.9m	€6.6m
Gross Margin %	10.2%	8.1%	8.3%	22.8%	24.8%
EBITDA	€1.2m	€0.2m	(€0.2m)	€4.5m	€4.1m
EBITDA %	5.3%	1%	-	14.9%	15.4%
NPAT	(€2.2m)	(€3.3m)	(€3.3m)	€1.6m	€1.3m
NPAT %	-	-	-	5.3%	4.9%

ESG

Progress at Ayenouan this year will not be confined to operations and financials. Following major advances made in 2020 preparing for the Round Table for Sustainable Palm Oil ('RSPO') certification process, we believe we are on course to attain RSPO certification later this year. A pre-audit of the Company's programmes and management systems by Oxford-based environmental consultancy Proforest, as well as an assessment of the processes and procedures to manage environmental and social risks and impacts at Ayenouan, has now been completed. We are currently reviewing the final recommendations of the report ahead of commencing the formal RSPO audit process later this year.

Certification would see Ayenouan become one of the few operations in the region with the RSPO stamp of approval. It would also be a validation of our collaborative model which places local smallholders and communities at the centre of our operations: over 90% of the CPO we produce at Ayenouan originates from fruit harvested by local smallholders; while our state-of-the-art nursery supplies farmers with hundreds of thousands of young trees each year. We have always believed that strong ESG credentials and corporate profitability can go hand in hand, and we believe RSPO certification can demonstrate this. By providing third-party endorsement, RSPO certification will differentiate Dekel from non-ESG focused peers. This has the potential to increase deliveries of fruit grown in the region by local smallholders to Ayenouan for processing, which in turn could help increase CPO production at the project towards the mill's nameplate 60,000tpa capacity. Furthermore, having RSPO certification has the potential to open up export markets for our CPO.

Tiebissou cashew project

Up until now, the financial results of Ayenouan and those of the group as a whole have mirrored each other, at least at the revenue and gross profit levels, as our palm oil operation has been the only one in our portfolio that has been in production. All this is set to change with the imminent commissioning of the 10,000tpa mill at our cashew processing project. Thanks to the progress made during the second half of 2020, we are set to commence production in the coming weeks and are also currently purchasing sufficient volumes of nuts from local co-operatives for processing in the second half. Tiebissou is therefore on track to contribute to Dekel's financial performance in the current year before transforming Dekel's financial profile in 2022, the first full year of production.

We are confident that sufficient volumes of RCN will be secured to fully utilise the plant's capacity because, unlike palm oil, Cote d'Ivoire is not only one of the world's largest RCN producers but there is a major shortfall in cashew processing capacity in the country - just 15-20% of the c. 750,000MT of RCN grown each year is processed domestically. Even after taking into account additional processing capacity that is due to come on stream in the years ahead, we believe RCN supply will continue to outstrip demand from local processing plants for some time to come. This demand / supply imbalance also has positive implications for the project's margins which are expected to be higher than those of our palm oil operations at Ayenouan.

With such favourable RCN demand / supply dynamics and higher margins on offer, we are keen to expand capacity at Tiebissou at the earliest opportunity and we have a roadmap in place to achieve this. The plant we are installing has a nameplate capacity of 15,000tpa, which provides us with the opportunity to ramp up production by 50% at no extra cost by increasing the number of shifts from two to three. We will look to do this within 12-24 months of the commissioning of the plant. From this point onwards we aim to increase the plant's capacity to 30,000tpa which, based on today's prices, could generate annual revenues of around €40 million. The imminent commissioning of the plant is therefore just the first of a series of growth steps at Tiebissou.

That Tiebissou is on track to commence operations in the coming weeks is testament to the hard work of our team on the ground and those of our equipment suppliers in Italy and China in the face of severe disruption caused by the pandemic. The progress made in the second half of the year gave us the confidence to execute the series of transactions, both during the year under review and post period end, that has seen Dekel's interest in the project increase to 70.7%.

Other projects

The development of our pipeline of projects was put on hold during the year in response to COVID-19. As the global situation improves, and once Tiebissou is up and running, we will look to advance these projects, one of which is centred around building a state-of-the-art processing plant for a third commodity. We also have a joint venture with established renewable energy company Green Enesys Holdings to develop a hybrid power project ('HCTPP') in Côte d'Ivoire. This project is at the feasibility study stage and is evaluating the construction of a HCTPP comprising a 30MW solar PV plant and a 5-6MW biomass plant using empty fruit bunches from Dekel's mill at Ayenouan as feedstock. Discussions with the government in Cote d'Ivoire are ongoing.

Financial

During the period under review, total revenues at Ayenouan were €22.5 million, a 7.7% increase on the previous year. The higher revenues were driven by a 22.6% increase in CPO prices achieved and a higher extraction rate which together more than offset lower year on year CPO production at the mill during the period (2020: 34,002 tonnes / 2019: 37,649 tonnes). The higher full year revenues generated a 500% increase in EBITDA to €1.2 million (excluding share based compensation).

In response to the pandemic, management implemented a cost saving programme at both project and corporate levels, resulting in a 12.5% reduction in general administration expenses compared to 2019.

In June 2020, Bloomfield Investment Corporation, the credit rating agent for West Africa, renewed the Company's credit rating as investment grade unchanged: long term BBB- and short term A3.

Outlook

Dekel has emerged from what was a highly challenging year in a strengthened position, both operationally and financially. In spite of the disruption caused by the pandemic, we have reported an improved set of full year financial results for our palm oil operations, we have advanced our large-scale cashew processing project, and we have secured a controlling interest in the same project ahead of the commencement of first production.

The momentum behind the business continues to build in the current year: our palm oil operations are on course to post another improved set of financial results for the first half; the cashew purchasing programme has commenced in anticipation of the plant at Tiebissou commencing processing in the coming weeks; the post period end long term debt refinancing has extended the maturity of our debt profile and strengthened our balance sheet; and the planned completion of the RSPO certification process for our palm oil operations later this year will potentially highlight the attractiveness of our project and open up export routes. Takeaways from each of the above neatly sum up what we at Dekel Agri-Vision are focused on building: a highly cash generative agriculture group; a diversified portfolio of growing revenues streams; a strong balance sheet to support future growth; and a business with best-in-class ESG credentials among its peers.

Finally, I would like to thank the Board, management, our employees and advisers for their support and hard work over the course of the year. It is because of their efforts that Dekel is in the strong position it is today and that shareholders can look forward to an exciting year ahead.

Andrew Tillery

Non-Executive Chairman Date: 23 June 2021

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		31 December	
		2020	**2019**
	Note	**Euros in thousands**	
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents		202	273
Inventory		1,283	917
Accounts and other receivables	4	292	69
Total current assets		1,777	1,259
NON-CURRENT ASSETS:			
Deposits in banks		282	-
Property and equipment, net	6	41,249	30,308
Investment in an associate	5	-	1,998
Total non-current assets		41,531	32,306
Total assets		43,308	33,565

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		31 December	
		2020	**2019**
	Note	**Euros in thousands**	
EQUITY AND LIABILITIES			
CURRENT LIABILITIES:			
Short-term loans and current maturities of long-term loans	9	5,676	3,829
Trade payables		893	680
Advance payments from customers		1,971	1,169
Other accounts payable and accrued expenses	7	1,824	1,016
Total current liabilities		10,364	6,694
NON-CURRENT LIABILITIES:			
Long-term lease liabilities	8	192	90
Accrued severance pay, net		238	33
Long-term loans	9	20,052	13,963
Total non-current liabilities		20,482	14,086
Total liabilities		30,846	20,780
EQUITY ATRIBUTED TO EQUITY HOLDERS OF THE COMPANY	10		
Share capital		142	141
Additional paid-in capital		35,569	34,368
Accumulated deficit		(18,728)	(16,502)
Capital reserve		2,532	2,532
Capital reserve from transactions with non-controlling interests		(7,754)	(7,754)
		11,762	12,785

Non-controlling interests	700	-
Total equity	12,462	12,785
Total liabilities and equity	43,194	33,565

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

, 2021			
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

	Note	**Year ended 31 December 2020**	**2019**
		Euros in thousands (except share and per share amounts)	
Revenues	11	22,546	20,947
Cost of revenues	14a	20,207	19,252
Gross profit		2,339	1,695
General and administrative	14b	2,761	3,158
Operating loss		(422)	(1,463)
Finance cost	14c	1,582	1,829
Share of loss of associate		167	-
Loss before taxes on income		(2,171)	(3,292)
Taxes on income	13	55	47
Loss and total comprehensive loss		(2,226)	(3,339)
Attributable to:			

Equity holders of the Company	2,226	3,339
Non-controlling interests	-	-
Loss and total comprehensive loss	2,226	3,339
Loss per share attributable to equity holders of the Company	-	-
Basic and diluted loss per share	(0.01)	(0.01)
Weighted average number of shares used in computing basic and diluted loss per share	428,930,844	379,838,186

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							
Euros in thousands	**Share capital**	**Additional paid-in capital**	**Accumulated deficit**	**Capital reserve**	**Capital reserve from transactions with non-controlling interests**	**Total**	**Non-controlling interests**	**Total Equity**
Balance as of 1 January, 2019	99	29,862	(13,163)	2,532	(7,754)	11,576	-	-
Loss and total comprehensive loss	-	-	(3,339)	-	-	(3,339)	-	-
Issuance of shares (Note 10)	42	4,186	-	-	-	4,228	-	-
Exercise of options (Note 10)	*)	-	-	-	-	*)	-	-
Share-based compensation	-	320	-	-	-	320	-	-
Balance as of 31 December 2019	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	-	908
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)

*) Represents an amount lower than €1.

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 31 December	
	2020	**2019**
	Euros in thousands	
Cash flows from operating activities:		
Loss	(2,226)	(3,339)
Adjustments to reconcile loss to net cash used in operating activities:		
Adjustments to the profit or loss items:		
Depreciation	1,369	1,357
Share-based compensation	295	320
Accrued interest on long-term loans and non-current liabilities	1,141	1,306
Change in employee benefit liabilities, net	205	1
Share of loss of associate	167	-
Changes in asset and liability items:		

Decrease (increase) in inventories	(366)	626
Decrease (increase) in accounts and other receivables	(39)	351
Decrease in short-term deposits	(18)	-
Increase in trade payables	83	16
Increase (decrease) in advance from customers	802	(1,302)
Increase in accrued expenses and other accounts payable	325	420
	3,964	3,095
Cash paid during the year for:		
Income taxes	(9)	-
Interest	(1,296)	(1,053)
	(1,305)	(1,053)
Net cash provided by (used in) operating activities	433	(1,297)

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year ended 31 December	
	2020	**2019**
	Euros in thousands	
Cash flows from investing activities:		
Increase in cash upon initial consolidation of subsidiary (a)	89	-
Loan to associate	(378)	-
Purchase of property and equipment	(118)	(435)
Net cash used in investing activities	(407)	(435)
Cash flows from financing activities:		
Issue of shares (offering net proceeds)	-	2,231
Long-term lease, net	(12)	(4)
Receipt of short-term loans, net	945	682
Receipt of long-term loans	1,220	7,200
Repayment of long-term loans	(2,250)	(8,366)
Net cash provided by financing activities	(97)	1,743

Increase (decrease) in cash and cash equivalents	(71)	11
Cash and cash equivalents at beginning of year	273	262
Cash and cash equivalents at end of year	202	273
Supplemental disclosure of non-cash activities:		
Issuance of shares in consideration for investment in Pearlside	884	1,998
(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"). 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 54%-owned subsidiary of the Company since December 2020 (formerly a 43.8% owned associate). 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. Pearlside has a wholly-owned subsidiary in Cote d'Ivoire, Capro

CI SA ("Capro"). Capro is currently constructing a Raw Cashew Nut (RCN) processing plant in Cote d'Ivoire near the village of Tiabisu (see also Note 5 and Note 18)..

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

During the last three year the Company has operated in challenging economic conditions. In 2018 due to unusually low fruit yields across Cote d'Ivoire and a decrease in the market price of palm oil, the Group's cash flows generated from operations were nil. In 2019 the fruit yields recovered to normal levels but the market price of palm oil continued to be at cyclical low levels resulting in a negative cash flow from operations of approximately €1.3 million. There was a recovery in market prices at the beginning of 2020 which was reversed with the outbreak of the COVID -19 pandemic, and the subsequent sharp decrease of commodity prices. Despite this, the Group generated positive cash flow from operations of approximately €0.4 million in 2020. CPO prices have continued to increase during the first few months of 2021, and through the date of approval of these financial statements, the Group is continuing to generate positive cash flow from operations. The Group has prepared detailed forecasted cash flows through the end of 2022 based on estimates of commodity prices expected to be in effect during that period, which forecasts indicate that the Group should continue to 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.

As of 31 December 2020, the Group has a deficiency in working capital of approximately € 8.6 million. In December 2020, the Company was in advanced stages of debt refinancing and an equity raise that were completed in early 2021 (see Note 18 "Subsequent events"). These transactions resulted in immediate additional funds of approximately € 9.7 million, with an additional € 9.2 million available to draw down in the future. As of the date of approval of the financial statements, expenditures for the completion of the RCN processing plant of Pearlside have been substantially paid. Additional funding for the initial operation of the plant in the second half of 2021 are in place and are expected to be sufficient until the plant reaches the production level necessary to provide a positive cash flow from its operations.

Based on the above, Company management believes it will have sufficient funds necessary to continue its operations and meets 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 Coronavirus, a virus causing potentially deadly respiratory tract infections originating in China and spreading in various jurisdictions, had a significant effect on the global economic conditions and CPO prices but it had no significant effect on the Company's operations during the reported year. The outbreak of Coronavirus may resume its negative affect 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 are imposing 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 virus' outbreak. The ultimate severity of the Coronavirus 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.

NOTE 1:- GENERAL (Cont.)

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.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

c. Investment in an associate:

The Group's investment in an associate is accounted for using the equity method.

Under the equity method, the investment in the associate is presented at cost with the addition of post-acquisition changes in the Group's share of net assets, including other comprehensive income of the associate. Gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

Goodwill relating to the acquisition of an associate is presented as part of the investment in the associate, measured at cost and not systematically amortized. Goodwill is evaluated for impairment as part of the investment in the associate as a whole.

The financial statements of the Company and of the associate are prepared as of the same dates and periods. The accounting policies applied in the financial statements of the associate are uniform and consistent with the policies applied in the consolidated financial statements of the Group.

Losses of an associate in amounts which exceed its equity are recognized by the Company to the extent of its investment in the associate plus any losses that the Company may incur as a result of a guarantee or other financial support provided in respect of the associate. For this purpose, the investment includes long-term receivables (such as loans granted) for which settlement is neither planned nor likely to occur in the foreseeable future.

d. 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.

e. 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.

f. 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.

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 such as derivatives, including embedded derivatives separated from the host contract, are measured at 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.

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.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

g. 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.

h. Leases:

On January 1, 2019, the Company first applied IFRS 16, "Leases" ("the Standard"). The Company elected to apply the provisions of the Standard using the modified retrospective method (without restatement of comparative data).

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

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

h. 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.

i. 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

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

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.

j. 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 prior years and its recoverable amount. The reversal of impairment loss of an asset presented at cost is recognized in profit or loss.

The following criteria are applied in assessing impairment of these specific assets:

Investment in associate:

After application of the equity method, the Company determines whether it is necessary to recognize any additional impairment loss with respect to the investment in associates. The Company determines at each reporting date whether there is objective evidence that the carrying amount of the investment in the associate is impaired. The test of impairment is carried out with reference to the entire investment, including the goodwill attributed to the associate.

k. Revenue recognition:

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

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.

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.

l. 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.

m. 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.

Basic earnings (loss) per share only include shares that were actually outstanding during the period. Potential Ordinary shares are only included in the computation of diluted earnings (loss) per share when their conversion decreases earnings per share or increases loss per share from continuing operations.

Further, potential Ordinary shares that are converted during the period are included in diluted earnings (loss) per share only until the conversion date and from that date in basic earnings (loss) per share. The Company's share of earnings of investees is included based on the earnings (loss) per share of the investees multiplied by the number of shares held by the Company.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Basic and diluted earnings per share are adjusted retrospectively due to changes in shares outstanding resulting from bonus issues, share splits and share consolidations, including those that occur after the reporting period and through the date the financial statements are approved for issuance.

n. 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 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.

o. 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).

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

p. Share-based payment transactions:

The Company applies the provisions of IFRS 2, "Share-Based Payment". IFRS 2 requires an expense to be recognized where the Company buys goods or services in exchange for shares or rights over shares ("equity-settled transactions"), or in exchange for other assets equivalent in value to a given number of shares of rights over shares ("cash-settled transactions"). The main impact of IFRS 2 on the Company is the expensing of employees' and directors' share options (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.

q. 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 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.

NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

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.

r. 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.

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

Amendment to IFRS 3, "Business Combinations"

In October 2018, the IASB issued an amendment to the definition of a "business" in IFRS 3, "Business Combinations" ("the Amendment").

The Amendment clarifies that in order to meet the definition of a "business", an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. The Amendment also clarifies that a business can exist without including all of the inputs and processes necessary to create outputs. The Amendment includes an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business, with no need for other assessments.

The Amendment is to be applied to business combinations and asset acquisitions for which the acquisition date is on or after January 1, 2020.

The Company has applied the Amendment to the acquisition of the controlling interest in Pearlside in 2020.

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.

b. 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.

c. 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.

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.

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. Early application is permitted.

The Company is presently assessing the accounting implications, if any, of the transition from IBORs to RFRs on the financial instrument contracts that are expected to be in effect on the transition date, including the effects of the application of the above Amendments.

NOTE 4:- ACCOUNTS AND OTHER RECEIVABLES

	31 December	
	2020	**2019**
	Euros in thousands	
Government authorities (VAT)	3	3
Prepaid expenses and other receivables	12	62
Loans to employees	41	4
Advance payment to contractor	236	-
	292	69

NOTE 5:- 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, is in the final stages of development and construction of a Raw Cashew Nut (RCN) processing plant in Cote d'Ivoire, which is expected to be completed and operational in the second half of 2021. The closing of this purchase transaction occurred on 7 January 2019 (See also Note 10 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 is in the process of construction of its RCN plant, the results of operations of Pearlside from the date of acquisition to 31 December 2020 are 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 relates to the construction of the plant. There are a few employees that are involved in the supervision of the construction which is being performed by external contractors. Accordingly, the purchase transaction is 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 approximates 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) is allocated to the RCN plant. The non-controlling interest in the amount of € 700 is 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)

NOTE 6:- 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, **2019**	338	109	1,397	460	26,003	7,543	-	35,850
Acquisitions during the year	5	1	128	4	278	77	-	493
Disposals during the year	(53)	-	(30)	-	-	-	-	(83)
Balance as of 31 December, 2019	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)
<u>Initial consolidation of subsidiary</u>	3	3	26	26	-	-	12,133	12,191
Balance as of 31 December, **2020**	282	106	1,552	490	26,281	7,632	12,133	48,476
<u>Accumulated depreciation:</u>								
Balance as of 1 January 2019	181	81	582	380	2,845	609	-	4,678
Depreciation during the year	35	17	273	14	848	170	-	1,357
Disposals during the year	(53)	-	(30)	-	-	-	-	(83)
Balance as of 31 December 2019	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	182	101	1,005	409	4,569	1,015	-	7,281
Depreciated cost as of 31 December 2020	105	7	594	81	21,712	6,617	12,133	41,249
Depreciated cost as of 31 December 2019	127	12	669	70	22,589	6,841	-	30,308

NOTE 7:- OTHER ACCOUNTS PAYABLE AND ACCRUED EXPENSES

	31 December	
	2020	**2019**
	Euros in thousands	

Employees and payroll accruals	993	272
VAT payable	100	164
Other accounts payable	731	580
	1,824	1,016

NOTE 8:- 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 July 2015 a subsidiary of the Company signed a lease agreement for a vehicle. The lease is for 4 years and the payment is €1,062 per month.

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 6). The balance of the lease liabilities at 31 December 2020 amounted to € 192 (2019 - €90).

NOTE 9:- LOANS

a. Long-term loans:

	Currency	**Interest rate as of 31 December 2020**	**31 December 2020**	**31 December 2019**
			Euros in thousands	
SGBCI	In FCFA	6.2%-7.3%	1	26
NSIA	In FCFA	8.4%	-	207
SOGEBOURSE (c.1)	In FCFA	6.85%	6,387	8,380
SIB (c.2)	In FCFA	8.2%	377	490
AgDevCo (c.3)	In Euro	7.5%	7,200	7,200
BGFI (c.4)	In FCFA	7.25%	1,153	-
BIDC (c.5)	In FCFA	8.5%	4,053	-
NSIA (c.6)	In FCFA	7.75%	1,834	-
NSIA (c.7)	In FCFA	7.75%	762	-
BGFI (c.8)	In FCFA	7.5%	1,524	-

Total loans	23,291	16,303
Less - current maturities	(3,239)	(2,339)
	20,052	13,963

b. Short-term loans and current maturities:

	31 December	
	2020	**2019**
	Euros in thousands	
Short-term loan from bank	2,437	1,490
Current maturities - per a. above	3,239	2,339
	5,676	3,829

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 Libor 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 are to be used as follows: (i) €6.2 million to replace existing NSIA Bank loan (see also 3 above) and (ii) €1.0 million for Environmental, Social and Governance ("ESG") activities and general working capital purposes.

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. In December 2019 a waiver was received for the testing of the above financial covenants till 30 June 2020. AgDevCo then issued an extension to the waiver covering 30 June 2020 and 31 December 2020. The Company is expected to meet these financial covenants during 2021 (see Note 18 Subsequent Events).

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.

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.

NOTE 10:- EQUITY

a. Composition of share capital:

	31 December		**31 December**	
	2020	**2019**	**2020**	**2019**
	Authorized		**Issued and outstanding**	
	Number of shares			
Ordinary shares of €0.0003367 par value each	1,000,000,000	1,000,000,000	457,126,075	423,064,443

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.

In 2019 the Company issued 467,659 ordinary shares to certain brokers in consideration for services provided. The fair value of the shares issued amounting to € 17 thousand was recorded in general and administrative expenses

On 7 January 2019 the Company completed a purchase of 43.8% interest in Pearlside Holding Ltd by way of issuing 52,612,613 Ordinary shares of the Company. 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. Of the total Ordinary shares issued, 36,156,157 Ordinary shares were issued to related parties of the Company.

On 9 April 2019 the CEO of the Company's subsidiary exercised 600,000 options to acquire Ordinary shares granted to him as part of his employment agreement.

On 8 August 2019 the Company raised a total amount of approximately €2.23 million (net of €88 thousands fund raising costs) through the issuance of 69,723,361 Ordinary shares (of which €1.5 million was invested by AgDevCo Limited (see also note 9 c.6).

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 2020, 400,000 Ordinary shares which are fully vested have not yet been issued to the General Manager.

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

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 based on Black-Scholes option pricing model was approximately €820 thousand.

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.

NOTE 10:- EQUITY (Cont.)

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.

The following table lists the inputs used in the measurement of the fair value of options, in accordance with the Black and Scholes option pricing model, with respect to the above plans:

	2019
Risk-free interest rate (%)	0.6%
Dividend yield (%)	0%
Expected volatility (%)	70%
Expected term (in years)	10

A summary of the activity in options for the years 2020 and 2019 is as follows:

	Year ended 31 December			
	2020		**2019**	
	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	18,722,314	0.1734
Exercised	-	-	(600,000)	nil
Granted	-	-	17,600,000	0.0288
Expired	-	-	-	-
Forfeited	-	-	(200,000)	nil
Outstanding at end of year	35,522,314	0.0332	35,522,314	0.0332
Exercisable options	24,222,314	0.0352	12,922,314	0.0408

c. Capital reserve

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

NOTE 11:- REVENUES

a. The Company has one operating segment - production and sale of Palm Oil, Palm Kernel and Palm Kernel Oil. Substantially all of the revenues are derived from the sales of Palm Oil, Palm Kernel Oil and Palm Kernel Cake in Cote d'Ivoire.

b. Major customers:

	Year ended 31 December	
	2020	**2019**
	Euros in thousands	
Revenues from major customers which each account for 10% or more of total revenues reported in the financial statements:		
Customer A -	18,531	13,583
Customer B -	-	3,720

NOTE 12:- 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 €23,291 thousands and € 16,303 thousands (including current maturities) approximates their fair value as of 31 December 2020 and 2019, respectively (level 3 of the fair value hierarchy).

NOTE 13:- 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 federal tax rate is 10%.

The carryforward losses of the Company are approximately €26 thousand, of CS DekelOil Siva Ltd are approximately €17 thousand, and of Pearlside are approximately €9 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.

NOTE 13:- INCOME TAXES (Cont.)

b. Tax assessments:

The Company's subsidiary, DekelOil CI SA, received a final tax assessment through 2017.

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, 2020 relate to tax of the Company's subsidiaries DekelOil CI SA and DekelOil Consulting Ltd.

NOTE 14:- SUPPLEMENTARY INFORMATION TO THE STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2020	**2019**
	Euros in thousands	
a. Cost of revenues:		
Cost of fruits	14,233	14,243
Salaries and related benefits	1,680	1,587
Cultivation & Nursery costs	578	379
Vehicles	372	364
Maintenance and other operating costs	2,111	1,550

Depreciation	1,233	1,129
	20,207	19,252

b. General and administrative expenses:

Salaries and related benefits	1,131	1,189
Subcontractors	310	364
Rents & related office expenses	108	111
Travel expenses	99	98
Legal & accounting and professional fees	283	293
Vehicle maintenance	86	106
Insurance	86	98
Brokerage & nominated advisor fees	82	134
Depreciation	138	228
Share-based compensation	271	296
Other	167	241
	2,761	3,158

c. Finance cost:

Interest on loans	1,144	1,304
Bank fees	429	463
Exchange rate differences	9	62
	1,582	1,829

NOTE 15:- 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	
	2020	**2019**
	Euros in thousands	
Net income(loss)	(2,226)	(3,389)
Weighted average number of Ordinary shares for computing basic and diluted earnings (loss) per share	428,930,844	352,290,622

In 2020 and 2019, share options are excluded from the calculation of diluted earnings per share as their effect is antidilutive.

NOTE 16:- BALANCES AND TRANSACTIONS WITH RELATED PARTIES

	Year ended 31 December	
	2020	**2019**
	Euros in thousands	
a.1 Balances:		
Other accounts payable and accrued expenses	191	31
a.2 Transactions:		
Services and expense reimbursements	33	92
b. Compensation of key management personnel of the Company:		
Short-term employee benefits	379	564
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.

NOTE 16:- BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Cont.)

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 2020 and 2019 was approximately €162 thousand and € 252 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 2020 and 2019 was approximately €146 thousand and € 194 thousand, respectively.

NOTE 17:- 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

	2020	2019
	Euros in thousands	
Financial liabilities measured at amortized cost:		
Trade and other payables	2,717	1,687
Short-term loans	2,437	1,490
Long-term lease liabilities	192	90
Long-term loans (including current maturities)	23,291	16,303
Total	28,637	19,570

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 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.

NOTE 17:- FINANCIAL INSTRUMENTS (Cont.)

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 2019, 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 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

31 December 2019

	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)	3,147	2,863	2,739	1,852	2,421	7,368	20,390
Short-term loan	1,490	-	-	-	-	-	1,490
Trade payables and other accounts payable	1,687	-	-	-	-	-	1,687
Long-term lease liabilities	23	20	20	6	6	334	409
	6,347	2,883	2,759	1,858	2,427	7,702	23,976

(1) Including current maturities.

Movement in financial liabilities:

	Short term loans	Long term loans (1)	Lease liabilities	Total
Balance as of 1 January 2019	670	17,293	94	18,057
Receipt of short-term loan				
Receipt of long-term lease	1,490	-	14	1,504
Repayment of long-term lease	-	-	(18)	(18)
Repayment of loans	(670)	(8,191)	-	(8,861)
Receipt of long-term loans	-	7,200	-	7,200

Balance as of 31 December 2019	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

1) Including current maturities and accrued interest.

NOTE 18:- SUBSEQUENT EVENTS

On 25 January 2021 DekelOil CI SA signed an agreement for a long-term bond of up to €15.2 million (10,000 million FCFA). The first tranch 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%.

On 29 January 2021 the Company raised equity totaling to £3.27 million (€3.69 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 £708,000 (€806 thousand) of the consideration is to be settled in cash with the remaining £354,000 (€403 thousand) to be settled via the issue of 7,080,000 new Ordinary shares at 5 pence per share. Following this acquisition, the Company holds 70.7% of Pearlside (see also Note 6)

END

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