



**2016**

**CONSOLIDATED FINANCIAL  
STATEMENTS**

**DEKELOIL PUBLIC LTD.**

**CONSOLIDATED FINANCIAL STATEMENTS**

**AS OF 31 DECEMBER 2016**

**EUROS IN THOUSANDS**

**INDEX**

	<u>Page</u>
<b>Chairman's Statement</b>	<b>3-6</b>
<b>Company Information</b>	<b>7</b>
<b>Information on the Board of Directors</b>	<b>8</b>
<b>Professional Advisers</b>	<b>9</b>
<b>Directors' Report</b>	<b>10-12</b>
<b>Statement of Directors' Responsibilities</b>	<b>13</b>
<b>Independent Auditors' Report</b>	<b>14</b>
<b>Consolidated Statements of Financial Position</b>	<b>15-16</b>
<b>Consolidated Statements of Comprehensive Income</b>	<b>17</b>
<b>Consolidated Statements of Changes in Equity</b>	<b>18</b>
<b>Consolidated Statements of Cash Flows</b>	<b>19-20</b>
<b>Notes to Consolidated Financial Statements</b>	<b>21-47</b>

## CHAIRMAN'S STATEMENT

In just four years since our IPO, we have grown DekelOil tremendously, to the point that we intend to deliver a maiden dividend to shareholders this year. This is a major achievement for us and follows yet another year of record breaking production and sales, validating our decision to increase our interest to 100% in the profitable and vertically integrated Ayenouan palm oil project in Côte d'Ivoire during 2016. There are also further opportunities for growth in the years ahead. The Mill is currently operating at about 70% of its capacity and while it is highly profitable even at these levels, this bodes well for the future of the Project given that we are focused on driving more fruit to the Mill. With full exposure to this opportunity now in hand with our full ownership of the Project, we look forward to the year ahead positively with the multiple products of CPO, PKO and Palm Kernel Cake ('PKC') the Mill now produces.

### *Operations at Ayenouan*

Our first palm oil operation employs over 300 local staff. The Project consists of a 60t/hour palm oil mill ('the Mill'), which achieves an extraction rate better than many of the major producers in the sector, and a 60t/day Kernel Crushing Plant ('KCP'). As this is the first full year that the KCP was producing Palm Kernel Cake ('PKC') and Palm Kernel Oil ('PKO'), we have therefore benefitted from the addition of two further revenue streams.

The majority of our feedstock is derived from thousands of local Ayenouan smallholders with whom we have developed long term commercial relationships. We also have 1,968 hectares of company-owned estates which have maturing plantations for FFB production. Our integrated operation is completed with our nursery, which sells high quality plants to local farmers. We are encouraging continued record uptakes of our palm oil plants by the smallholders by working alongside the World Bank, which has commenced an initiative through which it subsidises the cost to buy our products in order to aid the development of a further 10,000ha of palm oil plantations in the region. It is anticipated that these smallholders will become new or more significant trading partners with DekelOil once these new plants start producing FFBs.

Since the Mill was commissioned three years ago, we have focused on increasing production incrementally towards full capacity. This has been successful and our full year production for the year totalled 39,498 tonnes of CPO which represents a 10.4% increase compared to FY 2015. With this in mind, we are reporting revenue for the year of €26.6m, EBITDA of €4.1m (2015: €3.7 m) and a profit after tax of €1.3m (2015: €0.1 million), building substantially on 2015, our first year of profit. We are proud to have achieved this despite the constrained crude palm oil price environment and the lower yields of FFB experienced by producers across the industry in 2016. Q1 2017 demonstrates just what we can achieve when these factors work in our favour, most notably a much improved CPO and PKO pricing environment.

We anticipate that growth will continue over the next two-three years given that our company-owned estates will be closer to reaching maturity, and therefore contributing more in terms of feedstock. Additionally, due to our presence in the region and also due to support of the World Bank scheme at our nursery, smallholders

have been implementing more effective farming practices, and increasing the size of their farms. This means we expect to see an increase in the volumes of feedstock from both sides.

We modelled our business based on our estates only contributing 20% of the feedstock for the fully operating Mill and, unlike other palm oil producers, we have committed not to override the contributions from smallholders with produce from our own hectares. However, if smallholder feedstock contributions continue to increase, then we would consider expanding our existing Mill and/or constructing additional mills around this area to service this increased production, and in turn augment our overall production profile and profitability. Importantly, we have proved that our business model delivers compelling finances therefore de-risking any future roll out substantially.

Investments have also been made over the past year to fuel growth and to enhance the Project's profitability. The first of these was our investment in the acquisition of an Empty Fruit Press to extract additional crude palm oil from empty fruit bunches. This is expected to increase the total CPO extraction rate by at least 0.5 percentage points, thereby improving the Project's margins. This became operational in March 2017 and the payback on this investment of €485,000 is anticipated to be under a year. We also completed construction of an additional 3,000 tonne tank to increase the overall CPO storage capacity to 8,000 tonnes. This capital investment of €390,000 will give us the flexibility to choose when to sell CPO, allowing us to hopefully achieve higher sales prices. And finally, we are making a total investment of €1.25 million, (a €0.2 million capital investment deposit was paid and a further €0.55m was paid post year end), for an additional back up boiler for the Mill to minimise downtime in the event of a break-down. While this is unlikely as the existing machinery is new and state of the art, we believe it is important to de-risk the Project wherever possible.

### *Corporate and Financial*

	<b>FY 2016</b>	<b>FY 2015</b>	<b>Increase / Decrease</b>
CPO Sales (tonnes)	39,498	35,773	10.4%
Average CPO price tonne	€575	€604	-4.8%
Revenue (All products)	€26.6m	€23.4m	13.7%
Gross Margin	€6.6m	€5.4m	22.2%
Gross Margin %	24.8%	23.1%	7.4%
EBITDA*	€4.1m	€3.7m	10.8%
EBITDA %	15.4%	15.8%	-2.5%
NPAT	€1.3m	€0.1m	1,200%
NPAT %	4.9%	0.4%	1,125%

*\*includes €0.3m in both years of notional share based compensation expense which are typically not included in external EBITDA calculations*

The 10.4% increase in CPO volumes to 39,498 tonnes (2015: 35,773) represents a third consecutive record full year performance at our 70,000 tonnes per annum CPO extraction mill in Ayenouan. We view this as testament to the effectiveness of the logistics solution we put in place across our area of operations to make it

as easy as possible for local smallholders to deliver fruit to the Mill. This has helped establish DekelOil as a reliable buyer of FFBs and an integral contributor to the local community.

Record CPO production combined with a first year's contribution from the kernel crushing plant, drove full year revenues 13.7% higher to €26.6 million (2015: €23.4m), more than offsetting the negative impact of a 4.8% decrease in average CPO prices during 2016.

Gross Margins continue to improve thanks largely to sales of value add products from the KCP. The Directors believe that the 7.4% increase in Gross Margin to 24.8% (2015: 23.1%) would have been even higher had it not been for the Nigerian currency crisis which impacted CPO sales prices in the 2016 high season; and lower than expected production of FFBs in the low season, notably in Q4 2016, which put upward pressure on FFB prices.

EBITDA growth of 10.8% to €4.1 million (2015: €3.7m) was delivered in spite of higher full year fixed overheads, primarily due to the addition of running and maintenance costs for the KCP; a one-off salary increase for middle management; and cost increases associated with the general expansion of operations over the course of the year.

During the period, we increased our stake in Ayenouan from 51% to 100% in phases, providing us with full exposure to the existing and future profits that this Project delivers. With the support of our major shareholders, including Miton Group, we were able to buy out our project partner. This was only completed in December 2016.

With profitability now firmly established, going forward we are focused on allocating DekelOil's growing resources towards three key initiatives. Firstly, we plan to allocate a portion of profits now, and in the future, towards the payment of a regular and growing dividends. To have reached this point is a tremendous milestone for DekelOil and sees us delivering on one of our core objectives. Joining the dividend list reflects the progress made both on the ground at Ayenouan and at the corporate level, including the refinancing of senior debt on improved terms and the cancellation of certain capital notes, the settlement of which ranked above the payment of dividends to ordinary shareholders.

Dividends will be distributed to qualifying shareholders following the release of the Company's audited results for the financial year ended 31 December 2016. The total maiden dividend to be paid in 2017 is expected to be £500,000 and shareholders will have the option to receive either cash or shares by way of a scrip dividend. Shareholders are advised that the default option is cash and that the appropriate documentation will be sent to shareholders together with the annual general meeting documentation.

As mentioned above during the year, we strengthened the Company by refinancing, on improved terms, an €8.6 million project development loan which had an interest rate of 10.5%, secured to help fund the construction of our Mill. In October 2016, we were delighted to secure a new seven year €8.4 million unsecured loan with interest payable at a rate of 6.85% completed with a syndicate of leading regional financial institutions including Ecobank Asset Management (and its affiliates) and SOGEBOURSE (and other affiliates

of the Société Générale Group). The Company's net debt currently stands at €15.9 million (2015: €16.6m) and we are well positioned to reduce this level of debt from current and future cash flows.

Finally, the concluding portion of our profits is planned for re-investment in DekelOil to fuel our growth.

#### *Outlook*

By turning traditional palm oil practices on their head, DekelOil has achieved cash flow and profitability much quicker than is the norm for agricultural companies that typically develop their own estates. Production growth has been a core outcome for DekelOil in 2016, but I am also pleased that we enter the 2017 financial year with a balance sheet that is both streamlined and strengthened thanks to the implementation of a range of initiatives this year. As a result, our financing costs will be sharply lower which, when combined with having a 100% ownership of Ayenouan, will help to facilitate our expansion going forward.

Investors can therefore look forward to a year of further production growth, with our multiple revenue streams now all in operation. We expect to be able to provide updates in respect to the development of our second project area Guitry, also in Cote d'Ivoire. We also expect to receive accreditation from the Roundtable of Sustainable Palm Oil in the current year. Our model has already dramatically transformed the lives of communities surrounding our operation.

I would like to thank investors for their continued support during the 12 months under review and I look forward to providing further updates on our progress in the year ahead.



Andrew Tillery  
Non-Executive Chairman

Date: 5 June 2017

## COMPANY INFORMATION

Directors	Andrew James Tillery, Non-Executive Chairman Youval Rasin, Chief Executive Officer Yehoshua Shai Kol, Chief Financial Officer Lincoln John Moore, Executive Director Orli Arav, Non-Executive Director
Secretary	Absolute Trust Nominees Ltd
Registered Office	38 Agias Fylaxeos, Nicolas Court First Floor, Office 101 P.C. 3025
Company Registration Number	HE 210981
Country of Incorporation	Cyprus

## **INFORMATION ON THE BOARD OF DIRECTORS'**

### **Andrew Tillery, Non-Executive Chairman**

Mr Tillery is an experienced project manager and investment executive with over 25 years' operational management and private equity experience in Africa and other emerging markets. This includes eight years (1996-2003) as a CEO in Côte d'Ivoire, West Africa where he had responsibility for managing a group of oil palm operations and also founding a natural rubber business. Mr Tillery has an MA and MSc from Oxford University, an MBA from the University of Chicago and worked with CDC Group Plc (the UK Government development finance institution) from 1989 until 2004. Following this he spent several years in emerging markets investment management, including four years as a Senior Investment Manager with Norfund, the Norwegian Investment Fund for Developing Countries. He is currently on the board of three African agribusiness and adviser to several agribusiness investment funds in sub-Saharan Africa. He also recently joined the AXYS Group, a Dubai based corporate advisory firm, as director responsible for African agribusiness.

### **Youval Rasin, Chief Executive Officer**

Mr Rasin is the co-founder of DekelOil and has held senior management positions in various companies within the Rina Group, a family holding company with diverse interests including agriculture, mining and hotels in Africa and Europe. By profession, Mr Rasin is a qualified lawyer and has been active in Côte d'Ivoire since 2002, with 7 years experience in agro-industrial projects including 7 years in the palm oil industry with DekelOil.

### **Yehoshua Shai Kol, Deputy CEO and Chief Financial Officer**

Mr Kol is the co-founder of DekelOil. By profession, Mr Kol is a Chartered Accountant, and has an MBA from Tel Aviv University. Mr Kol worked for 13 years in finance, with significant business & international exposure. Mr Kol is a former employee of KPMG Corporate Finance and Professional Practice. He was also the Financial Director for Europe, Middle East and Africa for an international software company, Director of Finance and Business Development for Yellow Pages Ltd in Israel, during which time he lead fund raising and Mergers & Acquisitions activities.

### **Lincoln John Moore, Executive Director**

For the past 6 years Mr Moore has been actively involved in establishing and raising finance for oil palm projects in Liberia, Sierra Leone and Côte d'Ivoire. Mr Moore was the former Chief Financial Officer of Sierra Leone Agriculture Ltd until September 2011 and a co-founder and former director of Ragnar Capital Ltd, where he played a key role in raising over \$US50m for oil palm projects in West Africa. This included the Biopalm investment into DekelOil of €8.3 million. Mr Moore is a Chartered Accountant and former senior manager in the restructuring division of Deloitte and Touche.

### **Orli Arav, Non-Executive Director**

Orli currently holds the position of Director of Investments at The Soros Economic Development Fund (SEDF) and prior to this Orli was the Chief Investment Officer ("CIO") of Impala Energy an independent power development company for SSA. Orli also previously held the position of Managing Director of the Emerging Africa Infrastructure Fund ("EAIF"), a dedicated open-end commercial debt fund focused on infrastructure projects in SSA, where she was involved in the financing of over 35 infrastructure projects in SSA (approximately US\$800 million of commitments) across 16 countries. Orli has also held roles in the project finance divisions of global accountancy firms PriceWaterhouseCoopers and TASC - Ernst & Young . Orli is currently a director and the treasurer of Tel Aviv University Trust UK and a director and a member of the Investment Committee of GSCM (Global Sustainable Capital Management (UK) Limited).

## **PROFESSIONAL ADVISERS**

### **Nominated Adviser and Lead Broker**

Cantor Fitzgerald Ltd  
1 Churchill Place  
London E14 5RD  
United Kingdom

### **Joint Brokers**

Optiva Securities Limited  
2 Mill Street  
Mayfair  
London W1S 2AT  
United Kingdom

Beaufort Securities Ltd  
131 Finsbury Pavement  
London EC2A 1NT  
United Kingdom

### **Auditor**

Kost Forer Gabbay & Kasierer  
(a member of Ernst & Young Global)  
3 Aminadav St.  
Tel-Aviv 67067  
Israel

### **Bankers**

Bank Leumi (UK) plc  
20 Stratford Pl  
London W1C 1BG  
United Kingdom

### **Solicitors**

Hill Dickinson LLP  
The Broadgate Tower  
20 Primrose Street  
London EC2A 2EW  
United Kingdom

### **Registrars**

Cymain Registrars Ltd  
26 Vyronos Avenue  
1096 Nicosia  
Cyprus

## **DIRECTORS REPORT**

The Directors present their annual report and the audited Financial Statements for the year ended 31 December 2016.

### **Principal Activities**

DekelOil Public Ltd. is a Cyprus based holding company which owns 100% per cent. of and is the operator of DekelOil Cote d'Ivoire SA, an oil palm development company established in the Republic of Cote d'Ivoire.

### **Group Results**

The Group results are set out from page 15 and are stated in thousands Euros. The Group made operating net profit after tax of €1.3 million (2015 - €0.1 million). The Directors recommend the payment of a dividend of £500,000 (2015 - £Nil).

### **Review of the Business**

A review of the business for the year is set out in the Chairman's Statement.

### **Key Performance Indicators**

The Group implemented the following key performance indicators during 2016:

<b>Key Performance Indicator</b>	<b>Budget</b>	<b>Actual</b>
FFB Received	170,000tn	171,391 tn
CPO Extraction Rate	23.6%	22.8%
CPO Produced	40,120 tn	39,111 tn

### **Future Developments**

Future Developments are outlined in the Outlook section of the Chairman's Statement.

### **Going Concern**

The Directors have prepared cash flow forecasts and budgets that show that, for a period of at least twelve months from the date of signing these Financial Statements, the Group expects to have sufficient resources to continue its business. Accordingly, the Directors believe that it is appropriate to prepare the Financial Statements on a going concern basis.

### **Events After the Reporting Period**

Events after the Reporting Period are outlined in Note 21 to the Financial Statements.

## Directors

Details of Directors are set out on page 8. Details of Directors' interests as at 5 June 2016 in share options and warrants are set out in the table below:

	Number of Ordinary Shares	Number of warrants	Number of Vested Options	Number of Unvested Options
Andrew Tillery	-	-	1,178,512	621,488
Youval Rasin	47,964,514	3,125,103	1,178,512	621,488
Yehoshua Shai Kol	10,649,174	-	1,178,512	621,488
Lincoln John Moore	1,367,500	-	1,800,000	0
Orli Arav	-	-	589,256	310,744

## Substantial Shareholding

As at 5 June 2016, the Company had been notified of the following substantial shareholdings in the ordinary share capital:

<b>Directors</b>	
Youval Rasin	16.2%
Shai Kol	3.5%
Over 3%	
Miton UK Microcap Trust plc	15.9%
Yossi Inbar	5.4%

## Corporate Governance

Audit and Remuneration Committees have been established and in each case comprise Andrew Tillery, Lincoln Moore and Orli Arav.

The role of the Remuneration Committee is to review the performance of the executive Directors and to set the scale and structure of their remuneration, including bonus arrangements. The Remuneration Committee also administers and establishes performance targets for the Group's employee share schemes and executive incentive schemes for key management. In exercising this role, the terms of reference of the Remuneration Committee require it to comply with the Code of Best Practice published in the Combined Code.

The Audit Committee is responsible for making recommendations to the Board on the appointment of the auditors and the audit fee, and receives and reviews reports from management and the Company's auditors on the internal control systems in use throughout the Group and its accounting policies.

## Suppliers' Payment Policy

It is the Group's policy to agree appropriate terms and conditions for its transactions with suppliers by means ranging from standard terms and conditions to individually negotiated contracts and to pay suppliers according to agreed terms and conditions, provided that the supplier meets those terms and conditions. The Group does not have a standard or code dealing specifically with the payment of suppliers.

Trade payables at the year end all relate to sundry administrative overheads and disclosure of the number of days purchases represented by year end payables is therefore not meaningful.

## **Directors' Indemnities**

In accordance with the Companies (Audit Investigations and Community Enterprise) Act 2004, which came into force on 6 April 2005, the Company has indemnified the Directors against liability to third parties, and undertaken to pay Directors' legal costs as incurred, provided that they are reimbursed to the Company if the individual is convicted.

By Order of the Board

A handwritten signature in black ink, appearing to read 'Lincoln Moore', written in a cursive style.

Lincoln Moore, Executive Director

Date: 5 June 2016

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Financial Statements for each financial year. Under that law the Directors have elected to prepare the Group Financial Statements under IFRS. The Financial Statements are required by law to give a true and fair view of the state of affairs of the Group and company and of the profit or loss of the Group for that period.

In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis, unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the Directors are aware:

- there is no relevant audit information of which the Group's auditors are unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.



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## INDEPENDENT AUDITORS' REPORT

To the Shareholders of

DEKELOIL PUBLIC LTD.

We have audited the accompanying consolidated financial statements of DekelOil Public Ltd. and its subsidiaries ("the Group"), which comprise the consolidated statements of financial position as of 31 December 2016 and 2015, and the consolidated statements of comprehensive income, changes in equity and cash flows for each of the years then ended, and the related notes to the consolidated financial statements, which, as described in Note 2 to the consolidated financial statements, have been prepared on the basis of International Financial Reporting Standards as adopted by the European Union.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 31 2016 and 2015, and the results of its operations and its cash flows for the each of the years then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

5 June, 2017  
Tel-Aviv, Israel

  
KOST FORER GABBAY & KASIERER  
A Member of Ernst & Young Global

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Note	31 December	
		2016	2015
		Euros in thousands	
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents		1,978	411
Inventory		1,129	872
Accounts and other receivables	5	583	262
<u>Total</u> current assets		3,690	1,545
<b>NON-CURRENT ASSETS:</b>			
Property and equipment, net	6	30,325	28,964
<u>Total</u> non-current assets		30,325	28,964
Total assets		34,015	30,509

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

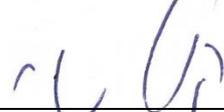
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Note	31 December	
		2016	2015
		Euros in thousands	
<b>EQUITY AND LIABILITIES</b>			
<b>CURRENT LIABILITIES:</b>			
Short-term loans and current maturities of long-term loans	9	2,737	4,930
Trade payables		538	768
Advance payments from customers		1,265	281
Other accounts payable and accrued expenses	7	524	1,064
<u>Total current liabilities</u>		<u>5,064</u>	<u>7,043</u>
<b>NON-CURRENT LIABILITIES:</b>			
Long-term financial lease	8	62	73
Accrued severance pay, net		61	40
Long-term loans	9	15,722	12,116
Capital notes	10	1,979	1,760
<u>Total non-current liabilities</u>		<u>17,824</u>	<u>13,989</u>
<u>Total liabilities</u>		<u>22,888</u>	<u>21,032</u>
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>			
Non-controlling interests		-	5,041
<u>Total equity</u>	12	<u>11,127</u>	<u>9,477</u>
<u>Total liabilities and equity</u>		<u>34,015</u>	<u>30,509</u>

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

5 June, 2017  
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	
		2016	2015
		Euros in thousands (except share and per share amounts)	
Revenues	13	26,551	23,436
Cost of revenues	17a	(19,921)	(17,998)
Gross profit		6,630	5,438
General and administrative	17b	(3,192)	(2,518)
Operating profit		3,438	2,920
Finance cost	17c	(2,079)	(2,776)
Income before taxes on income		1,359	144
Taxes on income	15	(13)	(26)
Net income and total comprehensive income		1,346	118
Attributable to:			
Equity holders of the Company		316	(316)
Non-controlling interests		1,030	434
Net income and total comprehensive income		1,346	118
Net income (loss) per share attributable to equity holders of the Company:			
Basic and diluted income per share		0.00	0.00
Weighted average number of shares used in computing basic and diluted income per share		205,798,786	153,365,032

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					Total	Non-controlling interests	Total equity
	Share capital	Additional paid-in capital	Accumulated deficit	Capital reserve	Capital reserve from transactions with non-controlling interests			
					Euros in thousands			
Balance as of 1 January 2015	50	6,891	(10,891)	2,532	3,175	1,757	2,148	3,905
Net income and total comprehensive income	-	-	(316)	-	-	(316)	434	118
Capital contribution to subsidiary by non-controlling interests (Note 11)	-	-	-	-	-	-	200	200
Reclassification of warrants to equity (Note 12d)	-	318	-	-	-	318	-	318
Conversion of liability to non-controlling interests to equity in subsidiary (Note 10b)	-	-	-	-	2,351	2,351	2,259	4,610
Issuance of shares	*) -	37	-	-	-	37	-	37
Exercise of options	*) -	-	-	-	-	-	-	-
Share-based compensation	-	289	-	-	-	289	-	289
Balance as of 31 December 2015	50	7,535	(11,207)	2,532	5,526	4,436	5,041	9,477
Net income and total comprehensive income	-	-	316	-	-	316	1,030	1,346
Issuance of shares, net of expenses (Note 12)	33	14,760	-	-	-	14,793	-	14,793
Acquisition of non-controlling interests (Note 12a)	12	4,529	-	-	(13,280)	(8,739)	(6,071)	(14,810)
Share-based compensation	-	321	-	-	-	321	-	321
Balance as of 31 December 2016	95	27,145	(10,891)	2,532	(7,754)	11,127	-	11,127

\*) 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	
	2016	2015
<u>Euros in thousands</u>		
<u>Cash flows from operating activities:</u>		
Net income	1,346	118
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Adjustments to the profit or loss items:		
Depreciation	705	728
Share-based compensation	321	289
Accrued interest on long-term loans and non-current liabilities	1,995	2,777
Change in employee benefit liabilities, net	21	(16)
Changes in asset and liability items:		
Increase in inventories	(257)	(571)
Decrease (increase) in accounts and other receivables	(298)	27
Decrease in trade payables	(272)	(672)
Increase (decrease) in advance from customers	984	(1,049)
Increase (decrease) in accrued expenses and other accounts payable	(540)	619
	<u>2,659</u>	<u>2,132</u>
Cash paid during the year for:		
Taxes	(23)	(24)
Interest	(2,456)	(2,361)
	<u>(2,479)</u>	<u>(2,385)</u>
Net cash provided by (used in) operating activities	<u>1,526</u>	<u>(137)</u>

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

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Year ended 31 December	
	2016	2015
	Euros in thousands	
<u>Cash flows from investing activities:</u>		
Long-term deposits	-	119
Purchase of property and equipment	(2,024)	(1,672)
Net cash used in investing activities	(2,024)	(1,553)
<u>Cash flows from financing activities:</u>		
Purchase of non-controlling interests	(14,810)	-
Net proceeds from issuance of shares	14,793	37
Capital contribution to subsidiary by non-controlling interests	-	200
Repayment of short-term loans	-	(1,440)
Receipt (repayment) of long-term lease	(11)	54
Receipt of long-term loans	18,266	1,158
Repayment of long term loans	(16,173)	-
Net cash provided by financing activities	2,065	9
Increase (decrease) in cash and cash equivalents	1,567	(1,681)
Cash and cash equivalents at beginning of year	411	2,092
Cash and cash equivalents at end of year	1,978	411
<u>Supplemental disclosure of non-cash activities:</u>		
Conversion of capital note to equity in subsidiary	-	4,611
Reclassification of warrants to equity	-	318
Purchase of non-controlling interests by issuance of shares	4,541	-
Non-cash purchase of property and equipment	42	-

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE 1:- GENERAL**

- a. DekelOil Public Limited ("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, was a 51%-owned subsidiary of the Company while the remaining 49% of its shares were owned by Biopalm Energy Limited ("Biopalm"). During 2016 the Company purchased all of Biopalm's holding in DekelOil Siva, and presently 100% of DekelOil Siva is owned by the Company.
- c. The Company established a subsidiary in Cote d'Ivoire, DekelOil CI SA, currently held 99.85%, by DekelOil Siva. DekelOil CI SA 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.
- d. DekelOil Consulting Ltd, located in Israel and a wholly-owned subsidiary of DekelOil Siva, is engaged in providing services to the Company and its subsidiaries.
- e. In 2014 the Company completed the construction of its palm oil extraction mill and commenced production and sale of palm oil. Since then, the mill generated positive cash flows from its operations. Company's management expects the positive cash flows to continue to grow as the mill increases its production capacity. However, there is no certainty that the mill will be able to meet the Company's projections as to increased production and positive cash flows from such production. Furthermore, the operations of the mill are subject to various market conditions that are not under the Company's control that could have an adverse effect on the Company's cash flows.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE 1:- GENERAL (Cont.)**

Based on the Company's current resources and its projected cash flows from its operations, Company management believes that it will have sufficient funds necessary to finance its operations and meet its obligations as they come due at least for the next twelve months from the date the financial statements are approved.

## g. Definitions:

The Group - DEKELOIL PUBLIC LIMITED and its subsidiaries.

The Company - DEKELOIL PUBLIC LIMITED.

Subsidiaries - Companies that are controlled by the Company- CS DekelOil Siva Ltd, DekelOil CI SA, DekelOil Consulting Ltd.

**NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES**

The following accounting policies have been applied consistently in the financial Statements for all periods presented.

## 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 nature 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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

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.

c. 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.

d. 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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

## e. Financial instruments:

## 1. Loans and receivables:

Loans and receivables are investments with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at fair value plus directly attributable transaction costs.

After initial recognition, loans are measured based on their terms at amortized cost using the effective interest method and less any impairment losses. Short-term receivables are measured based on their terms, normally at face value.

## 2. Financial liabilities:

Financial liabilities are initially recognized at fair value. Loans and other liabilities measured at amortized cost are presented net of directly attributable transaction costs. After initial recognition, loans and other liabilities are measured based on their terms at cost less directly attributable transaction costs using the effective interest method.

## 3. 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 or the Company has transferred its contractual rights to receive cash flows from the financial asset or assumes an obligation to pay the cash flows in full without material delay to a third party and has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

## b) Financial liabilities:

A financial liability is derecognized when it is extinguished, that is when the obligation is discharged or cancelled or expires. A financial liability is extinguished when the debtor (the Group) discharges the liability by paying in cash, other financial assets, goods or services; or is legally released from the liability.

## 4. Extinguishing financial liabilities with equity instruments:

Equity instruments issued to extinguish a financial liability to shareholders are measured at the carrying amount of the financial liability extinguished.

## f. 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.

## g. Leases:

The criteria for classifying leases as finance or operating leases depend on the substance of the agreements and are made at the inception of the lease in accordance with the following principles as set out in IAS 17.

*The Group as lessee:*

## 1. Finance leases:

Finance leases transfer to the Group substantially all the risks and benefits incidental to ownership of the leased asset. At the commencement of the lease term, the leased assets are measured at the lower of the fair value of the leased asset or the present value of the minimum lease payments. The liability for lease payments is presented at its present value and the lease payments are apportioned between finance cost and a reduction of the lease liability using the effective interest method.

The leased asset is amortized over the shorter of its useful life or the lease term.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

#### 2. Operating leases:

Lease agreements are classified as an operating lease if they do not transfer substantially all the risks and benefits incidental to ownership of the leased asset. Lease payments are recognized as an expense in profit or loss on a straight-line basis over the lease term.

#### 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:

	<u>%</u>
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.

#### 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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

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.

k. Revenue recognition:

Revenues are recognized in profit or loss when the revenues can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Revenues are measured at the fair value of the consideration received less any trade discounts, volume rebates and returns.

Following are the specific revenue recognition criteria which must be met before revenue is recognized:

*Revenues from the sale of goods:*

Revenues from the sale of goods are recognized when all the significant risks and rewards of ownership of the goods have passed to the buyer and the seller no longer retains continuing managerial involvement. The delivery date is usually the date on which ownership passes.

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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

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.

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:

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)

- 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).

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 or 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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE 2:- SIGNIFICANT ACCOUNTING POLICIES (Cont.)**

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.

**NOTE 3:- 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.

The key assumptions made in the financial statements concerning uncertainties at the reporting date and the critical estimates computed by the Group that may result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- Deferred tax assets:

Deferred tax assets are recognized for unused carryforward tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the timing and level of future taxable profits, its source and the tax planning strategy.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE 4:- DISCLOSURE OF NEW STANDARDS IN THE PERIOD PRIOR TO THEIR ADOPTION**

## a. IFRS 9, "Financial Instruments":

In July 2014, the IASB issued the final and complete version of IFRS 9, "Financial Instruments" ("IFRS 9"), which replaces IAS 39, "Financial Instruments: Recognition and Measurement". IFRS 9 mainly focuses on the classification and measurement of financial assets and it applies to all assets in the scope of IAS 39.

According to IFRS 9, the provisions of IAS 39 will continue to apply to derecognition and to financial liabilities for which the fair value option has not been elected.

IFRS 9 also prescribes new hedge accounting requirements.

IFRS 9 is to be applied for annual periods beginning on 1 January 2018. Early adoption is permitted.

The Company believes that the amendments to IFRS 9 are not expected to have a material impact on the consolidated financial statements.

## b. IFRS 15, "Revenue from Contracts from Customers":

In May 2015, the IASB issued IFRS 15, "Revenue from Contracts with Customers." The new standard provides a framework that replaces existing revenue recognition guidance in IFRS. Entities will apply a five-step model to determine when to recognize revenue and at what amount. The new standard also provides guidance on when to capitalize costs of obtaining or fulfilling a contract.

IFRS 15 is effective for annual periods beginning on 1 January 2018, with early adoption permitted. An entity may adopt IFRS 15 on a full retrospective basis or using the cumulative effect approach.

The Company is evaluating the possible impact of IFRS 15, but is presently unable to assess its effect, if any, on the consolidated financial statements.

## c. IFRS 16, "Leases":

In January 2016, the IASB issued IFRS 16, "Leases", ("the new Standard"). According to the new Standard, a lease is a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

In respect of all leases, lessees are required to recognize an asset against a liability in the statement of financial position (except in certain cases) similarly to the accounting treatment of finance leases according to the existing IAS 17, "Leases".

The new Standard is effective for annual periods beginning on or after 1 January 2019. Earlier application is permitted provided that IFRS 15, "Revenue from Contracts with Customers", is simultaneously applied.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****NOTE 4:- DISCLOSURE OF NEW STANDARDS IN THE PERIOD PRIOR TO THEIR ADOPTION (Cont.)**

The Company believes that the new Standard is not expected to have a material impact on the consolidated financial statements.

- d. Amendments to IAS 7, "Statement of Cash Flows", regarding additional disclosures of financial liabilities:

In January 2016, the IASB issued amendments to IAS 7, "Statement of Cash Flows", ("the amendments") which require providing additional disclosures of financial liabilities. The amendments require presenting the movement between the opening balance and the closing balance of financial liabilities, including changes arising from cash flows from financing activities, changes arising from obtaining or losing control in investees, the effect of changes in foreign exchange rates and changes in fair value.

The amendments are effective for annual periods beginning on or after 1 January 2017. No disclosure is required for comparative figures in previous periods before the effective date of the amendments. Earlier application is permitted.

The Company will include the necessary disclosures in the financial statements when applicable.

**NOTE 5:- ACCOUNTS AND OTHER RECEIVABLES**

	<b>31 December</b>	
	<b>2016</b>	<b>2015</b>
	<b>Euros in thousands</b>	
Government authorities (VAT)	7	4
Prepaid expenses and other receivables	542	254
Loans to employees	34	4
	<u>583</u>	<u>262</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## 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	Total
	Euros in thousands						
<b>Cost:</b>							
Balance as of 1 January 2015	152	81	676	344	21,236	6,626	29,115
Acquisitions during the year	78	3	223	32	1,022	275	1,633
Disposals during the year	-	-	(8)	-	-	-	(8)
Capitalized borrowing costs	-	-	-	-	39	-	39
Balance as of 31 December 2015	230	84	891	376	22,297	6,901	30,779
Acquisitions during the year	64	5	299	84	1,363	222	2,037
Disposals during the year	-	-	(56)	-	-	(36)	(92)
Capitalized borrowing costs	-	-	-	-	29	-	29
Balance as of 31 December, 2016	294	89	1,134	460	23,689	7,087	32,753
<b>Accumulated depreciation:</b>							
Balance as of 1 January 2015	52	33	156	336	473	41	1,091
Depreciation during the year	22	9	116	9	489	83	728
Disposals during the year	-	-	(4)	-	-	-	(4)
Balance as of 31 December 2015	74	42	268	345	962	124	1,815
Depreciation during the year	44	7	191	7	273	183	705
Disposals during the year	-	-	(56)	-	-	(36)	(92)
Balance as of 31 December 2016	118	49	403	352	1,235	271	2,428
Depreciated cost as of 31 December 2016	176	40	731	108	22,454	6,816	30,325
Depreciated cost as of 31 December 2015	156	42	623	31	21,335	6,777	28,964

\*reclassified

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****NOTE 6:- PROPERTY AND EQUIPMENT, NET (Cont.)**

\*)

On 9 December 2014 a subsidiary of the Company, DekelOil CI SA, signed an agreement with Modipalm for the manufacture and supervision over installation and commissioning of a Kernel Crashing Plant to be installed as an extension to the existing Crude Palm Oil extraction mill for the production of Palm Kernel Oil. The total value of the agreement is € 889,600. The Kernel Crashing Plant was installed and commenced production in March 2015, and was accepted in November 2016. As of 31 December 2016 DekelOil CI SA owes Modipalm an amount of €42 thousand, which has been accrued, and is due upon the end of the warranty period and not due at this date.

For further information about the Company lease agreement see also Note 8.

**NOTE 7:- OTHER ACCOUNTS PAYABLE AND ACCRUED EXPENSES**

	<b>31 December</b>	
	<b>2016</b>	<b>2015</b>
	<b>Euros in thousands</b>	
Employees and payroll accruals	202	374
VAT payable	212	544
Other accounts payable	110	146
	<u>524</u>	<u>1,064</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**


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**NOTE 8:- LONG-TERM FINANCIAL LEASES**

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.

**NOTE 9:- LOANS**

## a. Long-term loans:

	Currency	Interest rate as of 31 December 2016	31 December	
			2016	2015
			Euros in thousands	
EBID (c. 2)	In SDR	-	-	8,727
BOAD (c. 1)	In FCFA	-	-	7,057
SGBCI (c.3)	In FCFA	7%	208	188
BGFI(c. 7)	In FCFA	10%	534	-
NSIA (c.4 and c.5)	In FCFA	7.1 – 8.4%%	9,332	1,074
SOGEBOURSE (c.6)	In FCFA	6.9%	8,383	
Total loans			18,457	17,046
Less - current maturities			(2,735)	(4,930)
			<u>15,722</u>	<u>12,116</u>

## b. Short-term loans and current maturities:

	31 December	
	2016	2015
Euros in thousands		
Short-term loan from bank	2	-
Current maturities - per a. above	2,735	4,930
	<u>2,737</u>	<u>4,930</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### NOTE 9:- LOANS (Cont.)

- c. 1. On 3 August 2010, DekelOil CI SA signed a loan agreement with the West Africa Development Bank ("BOAD") according to which the subsidiary received a loan at the amount of FCFA 4,431,000 thousand (approximately € 6,756 thousand). The BOAD loan shall bear interest at a rate of 10.5% per annum. On October 2016 this loan was fully repaid (see also 6 below).
2. On 5 February 2010, DekelOil CI SA, signed a loan agreement with the agreement with the Bank of Investment and Development of CEDEAO ("EBID") according to which EBID agreed to grant DekelOil CI SA a facility of 6,681,000 SDR (approximately € 8,504 thousand). The EBID loan shall bear interest at a rate of 10.5% per annum. On March 2016 the loan was paid in full (see also 5 below).
3. On 7 May, 2013, DekelOil CI SA signed a line of credit agreement with the Societe Generale de Banque Cote d'Ivoire ("SGBCI) for financing the purchase of vehicles, according to which the subsidiary received a loan amount of up to FCFA 146 million (approximately € 223 thousand). The loan is for a term of three years from the date of each loan withdrawal. The effective interest rate of the loan is between 6.2 - 7.3% per annum.
4. In June 2015 DekelOil CI SA signed a loan agreement with NSIA Banque ("NSIA") according to which NSIA agreed to grant DekelOil CI SA a loan of FCFA 700 million (approximately € 1,067 thousand). The loan is for 4 years and shall bear interest at a rate of 8.4% per annum.
5. In March 2016 DekelOil CI SA signed a long-term loan agreement with NSIA Bank for FCFA 6 billion (approximately €9.15 million) in order to refinance the Bank of Investment and Development of CEDEAO ("EBID") loan (See also 2 above). The loan shall be repaid over 7 years in equal monthly payments. The loan shall bear annual interest at the basic bank rate minus 3.7% which is currently equal to 7.1%. According to the agreement the financial covenants that DekelOil CI SA should maintain are (1) net debt to EBITDA lower or equal to five, and (2) Debt service cover ratio greater than 1.2. As of 31 December 2016, DekelOil CI SA has met these financial covenants.  
On 22 March 2016 NSIA transferred the funds and the EBID loan was repaid in full.
6. In September 2016 DekelOil CI SA signed a long-term loan 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 in order to refinance the West Africa Development Bank ("BOAD") loan (see also 1 above). The loan shall be repaid over 7 years in fourteen semi annual payments. The loan shall bear 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### NOTE 9:- LOANS (Cont.)

7. In October 2016 DekelOil CI SA signed a loan agreement with the Banque Gabonaise Francaise International ("BGFI") for FCFA 350 million (approximately €534 thousand) to finance certain investments (EFB press). The loan is for a term of four years with a grace period of one year. The loan shall bear interest at a rate of 10% per annum.

### NOTE 10:- CAPITAL NOTES

- a. Due to shareholders

	<u>31 December</u>	
	<u>2016</u>	<u>2015</u>
	<u>Euros in thousands</u>	
Balance due	<u>1,979</u>	<u>1,759</u>

In the years 2008 to 2010, the shareholders of the Company invested certain amounts in the Company by way of capital notes.

The capital notes are linked to the Euro and are payable by the earlier of: (a) prior to first dividend distribution by the Company to its shareholders, or (b) on 31 January 2017, provided the Company has profits available for distribution. Payment of the principal of these capital notes is subordinated and junior in right of payment to the Company's obligation to pay principal and interest on its indebtedness.

The differences between the face amounts of the capital notes according to their terms and their fair value at the date of investment were recorded as a capital reserve in the aggregate amount of € 2,532 thousand.

In 2013 a portion of the capital notes were cancelled in consideration for the issuance of Ordinary shares and warrants. As of 31 December 2016, the face amount of the outstanding capital notes amounts to € 2,000,000.

See also Note 21 – Subsequent Events

- b. Due to Biopalm

In 2010 in connection with Biopalm's acquisition of a 49% interest in DekelOil SIVA, Biopalm also invested € 3.3 million in DekelOil SIVA as a capital note. In the second half of 2015, Biopalm and the Company agreed to cancel this capital note by way of contribution to the equity of DekelOil SIVA. In exchange for the cancellation, the Company agreed to waive Biopalm's outstanding equity contribution totaling to approximately € 1.1 million. The carrying amount of the capital note on the date of conversion was approximately € 4.6 million, of which approximately € 2.4 million was credited in the consolidated financial statements to capital reserve from transactions with non-controlling interests.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****NOTE 11:- CAPITAL CONTRIBUTIONS TO SUBSIDIARY**

During 2015 both the Company and Biopalm made capital contributions to the subsidiary, CS DekelOil Siva Ltd. The contribution of Biopalm in the amount of €200 thousand was recorded as an addition to non-controlling interests in equity.

**NOTE 12:- EQUITY**

- a. Composition of share capital:

	<u>31 December</u>		<u>31 December</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	<u>Authorized</u>		<u>Issued and outstanding</u>	
	<u>Number of shares</u>			
Ordinary shares of € 0.0003367 par value each	<u>400,000,000</u>	<u>400,000,000</u>	<u>283,279,151</u>	<u>154,131,995</u>

Ordinary shares:

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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE 12:- EQUITY (Cont.)**

In 2015 the Company issued 238,900 Ordinary shares to certain brokers in consideration for services provided. The fair value of the shares issued amounting to £25.4 thousand (€ 37 thousand) was recorded in general and administrative expenses.

In April 2015 the Company issued 695,036 Ordinary shares for options exercised by several employees.

In June 2016, the Company consolidated all of the issued and unissued shares so that every 10 Ordinary shares of nominal value of €0.00003367 per share were consolidated into one Ordinary share of €0.0003367 each. All share and per share amounts in these financial statements have been retroactively adjusted to reflect this consolidation.

In June 2016, the Company increased its equity by £14,793 thousand (€15,961 thousand before fund raising costs of €1,168 thousand) by issuing 93,322,208 new Ordinary shares for funds raised. The proceeds were used to purchase an additional 34.75% of the issued share capital of CS DekelOil Siva Limited from Biopalm Energy Limited.

On 20 December 2016, Biopalm Energy Limited exercised an option it had following this purchase to sell to the Company its remaining 14.25% holdings in CS DekelOil Siva Limited in consideration for 35,455,111 new Ordinary shares issued by the Company. As a result of the acquisition of the entire non-controlling interest, the Company recorded a charge to capital reserve in equity of € 13,280 thousand.

b. Share option plan:

On 15 January 2015 the Company granted directors and senior employees 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 employees 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.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**


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**NOTE 12:- EQUITY (Cont.)**

A summary of the activity in options for the years 2016 and 2015 is as follows:

	Year ended 31 December			
	2016		2015	
	Number of options	Weighted average exercise price-Euro	Number of options	Weighted average exercise price-Euro
Outstanding at beginning of year	9,900,000	0.2122	695,039	0.000367
Exercised	-	-	(695,039)	0.000367
Granted	-	-	9,900,000	0.2122
Outstanding at end of year	9,900,000	0.2122	9,900,00	0.2122
Exercisable options	<u>6,025,620</u>	<u>0.1723</u>	<u>2,716,529</u>	<u>0.1630</u>

c. Capital reserve

The capital reserve comprises the contribution to equity of the Company by the controlling shareholders – see Note 10.

d. Warrants

In 2013, the Company granted warrants to purchase 3,331,767 Ordinary shares in connection with the cancellation of capital notes (Note 10). Each warrant upon grant entitled the holder to purchase one Ordinary share at an exercise price of £ 0.10 per share. The warrants can be exercised at any time until February 2018.

On 1 January 2015, the Company and the holders of the warrants agreed to establish the exercise price of the warrants in Euro in the amount of € 0.128 for one Ordinary share. As a result, the fair value of the warrants on that date in the amount of €318 thousand was reclassified to equity of the Company.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### NOTE 13:- REVENUES

- a. The Company has one operating segment - production and sale of Palm Oil, Palm Kernel and Palm Kernel Oil. In March 2014 the Company commenced production and sale of Palm Oil and Palm Kernel from its palm oil extraction mill. Substantially all of the revenues were derived from the sales of Palm Oil, Palm Kernel Oil and Palm Kernel Cake in Cote d'Ivoire.
- b. Major customers:

	<b>Year ended 31 December</b>	
	<b>2016</b>	<b>2015</b>
	<b>Euros in thousands</b>	
Revenues from major customers which each accounts for 10% or more of total revenues reported in the financial statements:		
Customer A -	16,453	12,539
Customer B -	3,471	4,933
Customer C -	2,033	3,025

### NOTE 14:- 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 € 18,457 million (including current maturities) approximates their fair value as of 31 December 2016 (level 3 of the fair value hierarchy).

### NOTE 15:- INCOME TAXES

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

The Company and its subsidiary, CS DekelOil Siva Ltd, were incorporated in Cyprus and are taxed according to Cyprus tax laws. The statutory federal tax rate is 10%.

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

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE 15:- INCOME TAXES (Cont.)**

b. Tax assessments:

The Company's subsidiary, DekelOil CI SA, received a final tax assessment through 2015. As of 31 December 2016 the Company and all its other subsidiaries had not yet received final tax assessments

c. Carryforward losses:

As of 31 December 2016, the tax loss carryforwards of DekelOil CI SA, the Company's subsidiary in Cote d'Ivoire amounted to approximately € 2,510 thousand, which may be carried forward, in order to offset taxable income in the future, for an indefinite period.

Deferred tax assets relating to carryforward losses and other temporary deductible differences in excess of temporary taxable differences have not been recognized because their utilization is expected in the period of full tax exemption.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 16:- SUPPLEMENTARY INFORMATION TO THE STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2016	2015
	<u>Euros in thousands</u>	
a. Cost of revenues:		
Cost of fruits	16,082	14,797
Salaries and related benefits	1,475	1,244
Cultivation costs	587	504
Vehicles	362	274
Maintenance and other operating costs	745	515
Depreciation	670	664
	<u>19,921</u>	<u>17,998</u>
b. General and administrative expenses:		
Salaries and related benefits	1,467	1,086
Subcontractors	149	116
Rent and office maintenance	320	191
Travel expenses	197	117
Legal & accounting fees	155	109
Vehicle maintenance	88	72
Insurance	117	84
Brokerage & nominated advisor fees	88	151
Depreciation	35	64
Share-based compensation	321	289
Other	256	239
	<u>3,192</u>	<u>2,518</u>
c. Finance cost:		
Interest on loans and capital notes	1,970	2,784
Bank loans and fees	57	48
Exchange rate differences	52	(56)
	<u>2,079</u>	<u>2,776</u>
Net of amounts capitalized	<u>29</u>	<u>39</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**


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**NOTE 17:- PROFIT PER SHARE**

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

	<b>Year ended 31 December</b>	
	<b>2016</b>	<b>2015</b>
	<b>Euros in thousands</b>	
Profit (Loss) attributable to equity holders of the Company	<u>316</u>	<u>(316)</u>
Weighted average number of Ordinary shares for computing basic and diluted earnings (loss) per share	<u>205,798,786</u>	<u>153,365,032</u>

In 2016 the inclusion of share options in the calculation of diluted earnings per share has no effect on basic earnings per share. In 2015 all share options have been excluded from the calculation of diluted loss per share as their effect would be anti-dilutive.

**NOTE 18:- BALANCES AND TRANSACTIONS WITH RELATED PARTIES**

	<b>Year ended 31 December</b>	
	<b>2016</b>	<b>2015</b>
	<b>Euros in thousands</b>	
a(1). Balances:		
Capital notes (1)	1,979	1,759
Other accounts payable and accrued expenses	34	32
a(2) Transactions:		
Services and expense reimbursements (2)	410	267
Interest on capital notes	220	195
b. Compensation of key management personnel of the Company:		
Short-term employee benefits	619	555
Share-based compensation	321	263

1) See Note 12

2) See c. 3; c. 4 and c.5.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE 19:- BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Cont.)**

## 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 Consulting and the chairman of the Board of Directors of DekelOil CI SA.

Under the employment agreement, the director 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 including management fee (see also (3) below) paid to the employee during 2016 was app. €281 thousands.

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 terms as the employee described in c(1) above. The total annual salary and social benefits paid to the employee during 2016 was app. €221 thousands.
3. On 20 May 2008, the Company signed a service agreement with Starten Ltd, a related company for a total remuneration of € 5,000 per month. The Company and Starten can terminate the agreement with a notice of 60 days. During 2015 and 2016 the amount of € 30 thousand and € 88 thousand, respectively, was paid per year under this service agreement. The amount was paid to the party in c.1 above.
4. In July 2012 a subsidiary of the Company entered into an agreement with a related party of a shareholder who is also a director of the Company and the chairman of the Board of Directors of the Company's subsidiary. For these services the related party is entitled to receive € 4,000 per month.
5. In March 2014 a subsidiary of the Company entered into an agreement with a related party for renting tractors for its mill and logistic centers operation. During 2015 and 2016 the subsidiary paid to the related company for these services approximately €162 thousand and €254 thousand.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**


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**NOTE 20:- 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 IAS 39:

	<b>31 December</b>	
	<b>2016</b>	<b>2015</b>
	<b>Euros in thousands</b>	
Financial liabilities measured at amortized cost:		
Long-term capital lease	62	73
Long-term loans (including current maturities)	18,457	17,046
Capital notes	<u>1,979</u>	<u>1,759</u>
Total	<u><u>20,498</u></u>	<u><u>18,878</u></u>

## 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 bear also variable interest rates which are linked to the inter banking interest rate in Cote d'Ivoire, 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 €91 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 2016 the foreign exchange risk is immaterial.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 20:- FINANCIAL INSTRUMENTS (Cont.)

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 2016

	<u>Less than one year</u>	<u>1 to 2 years</u>	<u>2 to 3 years</u>	<u>3 to 4 years</u>	<u>4 to 5 years</u>	<u>&gt; 5 years</u>	<u>Total</u>
<u>Euros in thousands</u>							
Long-term loans (1)	3,882	3,966	3,763	3,483	3,083	4,045	22,222
Trade payables and other accounts payable	2,327	-	-	-	-	-	2,327
Long-term capital lease	18	18	18	13	5	345	417
Capital note (2)	-	2,000	-	-	-	-	2,000
	<u>8,227</u>	<u>5,984</u>	<u>3,781</u>	<u>3,496</u>	<u>3,088</u>	<u>4,390</u>	<u>26,966</u>

#### 31 December 2015

	<u>Less than one year</u>	<u>1 to 2 years</u>	<u>2 to 3 years</u>	<u>3 to 4 years</u>	<u>4 to 5 years</u>	<u>&gt; 5 years</u>	<u>Total</u>
<u>Euros in thousands</u>							
Long-term loans (1)	4,789	4,990	4,626	4,279	4,225	506	23,415
Trade payables and other accounts payable	2,044	-	-	-	-	-	2,044
Long-term capital lease	18	18	18	18	13	350	435
Capital note	-	2,000	-	-	-	-	2,000
	<u>6,851</u>	<u>7,008</u>	<u>4,644</u>	<u>4,297</u>	<u>4,237</u>	<u>856</u>	<u>27,894</u>

- (1) Including current maturities.  
(2) See also Note 21: Subsequent Events.

### NOTE 21:- SUBSEQUENT EVENTS

On 16 January 2017 all of the outstanding capital notes (see Note 10) were converted into 12,578,616 new Ordinary shares at 13.25 pence per share. The carrying amount of the capital notes of € 2 million was recorded in equity.

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