

## FINANCING BY ISSUANCE OF CONVERTIBLE OBLIGATIONS

**Paris & Brussels, 3 May 2017 (18h00) – KKO INTERNATIONAL**, a benchmark in innovative cocoa production, announces the signing of a definitive agreement with Bracknor Fund Ltd. (an investment fund managed by Bracknor Capital Ltd) for the establishment of a flexible bond financing facility of a maximum amount of €3,120,000 of which €3,000,000 in cash, through the issuance of 312 company's convertible bonds ("OCA") to Bracknor Fund Ltd.

On February 21, 2017, the company announced, through a press release, that a non-binding letter of intent had been signed for the issuance of convertible bonds to which subscription rights would be attached. Effective February 21, 2017, the company has negotiated a definitive agreement with Bracknor Fund Ltd. And in this context the parties have deviated from the initial terms and conditions set out in the non-binding letter of intent. The final terms and conditions are set out below. A major change is that the company will no longer grant any subscription rights to Bracknor Fund Ltd., which will be replaced by a conversion fee, equal to 5% of the nominal value of the convertible bonds.

The decision to issue the CBs will be submitted to an extraordinary general meeting of the company, which is scheduled to be held immediately after the ordinary general meeting on the 21 June 2017.

### Purpose of the operation

The proceeds from this operation aims to cover the cash needs of operations in Ivory Coast and in particular, to continue the planting program on the ready-to-plant areas of Akossikro and Kotokonou.

The Company is currently negotiating with several investors in order to obtain long term financial resources to cover the development needs of the plantation project in Ivory Coast.

Rémy Allemane, Chairman and CEO at SOLEA, KKO International's production subsidiary in Ivory Coast said of the transaction: *"This financing secures the company and will enable us to pursue our development program in Ivory Coast"*.

Pierre Vannineuse, Founder and CEO of Bracknor Investment Group comments: *"We are extremely enthusiastic to start our first investment in Belgium with KKO International. Aside from the excellence of the management and the business model, we are convinced that cocoa commodity prices are now at an inflexion point and see the investment as a risk adjusted exposure to the upside of cocoa prices in front of an ever-growing demand"*.

### Terms and conditions of the transaction

The maximum amount of the bond issue is € 3,120,000.

The convertible bonds may be underwritten in 12 sequential tranches of € 250,000 (corresponding to 25 convertible bonds with a par value of € 10,000 each). Each tranche will be underwritten either at the initiative of the company (under certain conditions) or of the Bracknor Fund Ltd., over a

period of 36 months from the date of the above-mentioned Extraordinary General Meeting. These bonds may be converted at any time after the issuance of a tranche and no later than 12 months thereafter. The first installment will be subscribed by a contribution in kind of the receivable arising from an advance of € 250,000 granted by Bracknor Fund Ltd. to the Company upon signature of the Final Agreement.

The CBs will not bear interest. Bracknor Fund Ltd. will nevertheless be entitled to a single commitment fee equal to 4% of the nominal amount of the CBs actually underwritten, which it undertakes to reinvest in the company in return for additional CBs. In addition, Bracknor Fund Ltd. will be entitled to a Conversion Fee equal to 5% of the nominal value of converted CBs, payable by the company in cash upon conversion of the CBs.

The conversion price of the CBs is set at the lower of (i) 85% of the weighted average price of the 30 trading days preceding the conversion notice and (ii) 130% of the weighted average trading price of 30 trading days preceding the underwriting of a tranche of CBs, where this value may not be less than the intrinsic value, as at last closing (30/6/16): €0.565.

#### Dilution

Based on the Company's current market price (EUR 1.68), if all CBs are converted, 2,184,873 new shares will be created, representing a dilution of 18.3%.

The Company will inform the market as the issuances and exercises of the CB progress.

### Next meeting: annual results 2016, 9 May 2017



#### About KKO INTERNATIONAL

World production of cocoa, nowadays mainly small scaled, does not allow food industrials/manufacturers to be supplied with consistent quality and quantity. KKO INTERNATIONAL, pioneer in intensive agriculture, brings an ingenious solution to the growing global demand. In less than 3 years, the staffs of SOLEA, production subsidiary of KKO INTERNATIONAL based in Ivory Coast, have managed to develop innovative agricultural techniques, including a dripping irrigation system at the foot of each plant, significantly improving the production of cocoa beans. With a strong local involvement, the company is a socially responsible business model (RainForest Alliance Certification) and holds a surface of 2 399 hectares including 1 549 hectares in operation. As Africa's largest cocoa plantation, SOLEA aims to grow 3 000 hectares to produce a high-quality cocoa bean year-round. SOLEA is thus set to become a natural and favorite partner of the chocolate industry.

[www.kko-international.com](http://www.kko-international.com)

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