

## FINANCING PROJECT THROUGH THE RESERVED ISSUE OF OCABSA

**Paris & Brussels, 21th February 2017 (8.30 am) – KKO INTERNATIONAL**, a leading company in the innovative production of cocoa, announces the signing of a non-binding letter of intent with Bracknor Capital Ltd relating to the placement of a flexible line of bond financing through the issue of bonds convertible into shares ("OCA") of the Company, as well as subscription rights ("BSA"), abbreviated to "OCABSA", in favour of Bracknor Fund Ltd (an investment fund managed by Bracknor Capital Ltd). The line in the process of being negotiated relates to a maximum bond loan amount of €3 million. Completion of the operation is subject to negotiation and the signing of an investment agreement.

The bonds may be subscribed to in 12 sequential tranches of OCABSA of €250 000 (corresponding to 25 convertible bonds, each with a face value of €10 000). Each tranche will be subscribed to at the request of the Company over a period of 36 months from the date on which the transaction is completed.

The aim of this operation is to cover the cashflow requirements of operations in Ivory Coast and in particular to continue the maintenance of the pre-developed land at Akossikro and Kotokonou, pending the closing of a long-term financing agreement. In doing so, the Company puts herself in a position to minimise the number of tranches it has to issue.

In addition, the company is currently negotiating with several investors in order to obtain, in the long term, the financial resources required to cover the needs of the SOLEA plantation project in Ivory Coast and in particular to finalise the placement in production of the 3 000 hectares planned. The lack of financing these last months has delayed the development of the plantation. The realisation of the 3,000ha, previously foreseen for the end of 2017, is now expected in the course of 2018.

Rémy Allemane, Chief Executive Officer of SOLEA, KKO International's production subsidiary in Ivory Coast, Côte, concluded: *"This flexible line gives the Company security and will enable us to continue our development programme for the total 2,399 hectares of land that we currently hold in Ivory Coast."*

### **Indicative terms of the operation:**

The bonds will not return any interest. However, Bracknor Fund Ltd will be entitled to a one-off Commitment Fee equivalent to 4% of the amount of the OCA effectively subscribed to, which it undertakes to reinvest in the Company in return for additional OCA (without BSA).

The conversion price of the OCA will be set at 85% of the weighted average of prices during the 30 days of listing prior to notification of the conversion (however, without this value being less than the intrinsic value).

The BSA provide an entitlement to subscribe to a number of shares equivalent to the number of shares resulting from the conversion of the corresponding OCA tranche. The exercise price of the BSA will be set at 130% of the weighted average of prices during 15 days of listing prior to

subscription of the OCA to which they will be attached (however, without this value being less than the intrinsic value).

Based on recent prices, i.e. €2.07 per share (and at constant prices thereafter), the operation could result in an injection of equity capital of €3 million via the OCA and approximately €4.6 million via exercise of the BSA.

#### Dilution

If all of the OCA are converted, those in connection with the Commitment Fee included, and if all of the BSA are exercised, 3 478 261 new shares will be created as a result, representing a dilution of 35.65%.

The Company will notify the market progressively of issues and exercises of OCA and BSA.

**Next significant date: 2016 annual results, 28th April 2017 (prior to the market)**



#### 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 3000 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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