

ANNUAL RESULTS 2016

New Strategic Plan KKO International duplicates its development model in Ivory Coast

Paris & Brussels, May 9, 2017 (5:45 pm) – KKO INTERNATIONAL (BE0974284169 – ALKKO.BR – PEA-PME), a leading company in the innovative production of cocoa, today publishes its 2016 annual results as of 31 December 2016, with audit procedures still in progress.

Enters into production in 2016 with more than 100 tons of cocoa sold

Since October 2016, the Group has carried out its first harvests on the plots of Kotokonou 1 and Goutouké and as of the end of December 2016, has totaled 130 tons of harvested beans and 106 tons sold.

Parallel to these first harvests, KKO International continues to develop its plots and has planted cocoa on two thirds of the surface covering "Akossikro 1 and 2". As of December 31, 2016, the Group totaled 862,704 trees selected (living, non-nursery) distributed as follows: 527,709 trees in Kotokonou, 287,060 in Akossikro and 47,935 in Goutouké.

KKO International's total land holdings at December 31, 2016 amounted to 1,976 hectares (signed leases) of which 1,115 hectares were developed. As a reminder, at the end of December 2015, the Group had 683 hectares of developed land.

Moreover, the yam cultivation on Kotokounou 2 gave encouraging results with a production of 292 tons including 146 tons sold over the year.

Annual Results 2016

With the completion of the initial harvests, in 2016, the Group recorded € 251 000 in revenue, up 45% on the previous year, including € 180,000 worth of cocoa and € 61,000 Sales of yams.

As expected, operating income still stood at a loss of € 4,223K compared with a loss of € 4,430K in 2015, as the company is still in investment and plantation phase. In addition, given the fall in the cocoa field price for the 2017 season, mortality and prolonged delays in the time-to-maturity of its cocoa, trees, the Group recorded €1,978,000 of losses on its biological assets in 2016.

KKO International, although in a development phase, is particularly attentive to its expenses and has pursued rigorous management control procedures. Thus, while Akossikro was being developed over the financial year, operating expenses increased by 7% after adjusting of € 1,098k relatives to 2015 IPO fees, non-recurring charge.

After taking into account tax and loss related to the revaluation of productive plants of € 309 thousand, the overall result for the year shows a loss of 4,537 K, a decrease of 4.6% compared to 2015 (loss of € 4,757 thousand).

As regards the Group's financial position at December 31, 2016, the balance sheet total amounted to € 6,446 thousand, compared to € 9,327 thousand in 2015, which was impacted by the financial year loss and a high cash burn rate resulting from the development phase.

As of December 31, 2016, available cash amounted to € 48,000 compared to € 3,575,000 in 2015. Financing for development is covered by new borrowings from shareholders and by an increase in supplier credit. In addition, the Group has just finalized the implementation of a flexible bond financing with Bracknor Fund Ltd for an amount of € 3,120k. The decision to issue the OCA will be submitted to an Extraordinary General Meeting of the Company, which is scheduled to take place immediately after the Ordinary General Meeting of 21 June 2017.

Strategic Plan

After launching, over three years ago, a major human and entrepreneurial venture to develop a single industrial plantation of 3,000 hectares of cocoa beans in Côte d'Ivoire, KKO International is pursuing the current development model by adjusting it to take better advantage of the results obtained in the integration of innovative irrigation and fertilization systems in cocoa culture.

In view of the problems encountered in the development of the plantation in Bocanda, a complex geographic zone affected by recent major climate changes and delays in the deployment of irrigation and fertigation systems, the management has decided to evolve its strategic plan while remaining in line with the Company's current vision and objectives.

KKO International continues to focus on added-value generation by focusing on increasing productivity and reaffirms its goal of producing 4 to 5 tonnes of dry beans on average per hectare in order to become the world's leading producer of quality cocoa and in the process, the partner of choice for chocolate manufacturers.

This strategy is based on several operational axes. KKO International has decided to extend its activities in Côte d'Ivoire beyond the Bocanda region and will thus limit the development in this region to 1,500 hectares compared to 3,000 hectares originally planned. The Company will deploy its development plans to M'Brimbo and Taabo, two micro-regions with soil conditions very much favorable to cocoa cultivation. Land acquisition is currently underway. In order to concentrate its efforts in Côte d'Ivoire, KKO International has decided not to pursue development projects in Ecuador and Madagascar until further notice. In addition, in order to rapidly deploy its development plan, the Company is working to establish strategic co-development partnerships.

In order to implement its development plan, the Company, after finalizing the implementation of a flexible bond financing line for a maximum amount of € 3,120,000, is continuing to study long-term financing solutions and several discussions are underway.

Auditor's statement and availability of the Annual Financial Report

The auditor, KPMG Réviseurs d'Entreprises, represented by Benoit Van Roost, confirmed that its control procedures, which are close to completion, did not reveal any significant adjustments to be made to the accounting information contained in this Press release.

The 2016 Annual Financial Report will be published on May 17, 2017 and filed with the Financial Markets Authority (FMA) and the Financial Services and Markets Authority (FSMA). It will be also available from the KKO International website: www.kko-international.com in the section headed "Investors / Documentation / Annual Financial Report".



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 1,976 hectares including 1,115 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

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Annexes – Financial Statements – In French

Annexe 1 – Synthèse de l'état consolidé du résultat

En €	31 déc. 2016	31 déc. 2015
Produit des activités ordinaires	251 171	173 337
Variation de juste valeur des actifs biologiques	138 657	209 127
Gain sur reconnaissance des stocks	40 231	-
Matières premières et consommables utilisés	(258 939)	(25 031)
Perte de valeur sur actifs biologiques	(1 978 014)	(1 788 198)
Avantages du personnel	(296 151)	(155 962)
Amortissements	(519 702)	(248 793)
Autres dépenses opérationnelles	(1 600 443)	(2 594 556)
Résultat d'exploitation	(4 223 190)	(4 430 079)
Résultat financier	(3 919)	(210 841)
Résultat avant impôts	(4 227 109)	(4 640 920)
Impôts sur le résultat	(68 292)	(156 166)
RESULTAT NET DE L'EXERCICE	(4 295 401)	(4 797 086)
Revalorisation des plantes productrices	(317 972)	52 758
Impôts sur le résultat y relatif	76 798	(12 741)
RESULTAT GLOBAL DE L'EXERCICE	(4 536 575)	(4 757 069)

Annexe 2 – Synthèse de l'état consolidé de la situation financière

En €	31 déc. 2016	31 déc. 2015
ACTIF	6 446 465	9 326 928
Actifs non-courants	6 236 484	5 473 752
Immobilisations incorporelles	1 506	1 828
Immobilisations corporelles	3 342 678	2 577 131
Actifs biologiques	2 878 700	2 883 685
Autres actifs non courants	13 600	11 107
Actifs courants	209 982	3 853 177
Dont trésorerie et équivalent de trésorerie	48 431	3 575 023
PASSIF	6 446 465	9 326 928
Capitaux propres	2 093 645	6 275 110
Passifs non courants	730 325	719 734
Dont Passif d'impôt différé	682 254	690 760
Passifs courants	3 622 495	2 332 085