

ANNUAL RESULTS 2015

Continued investments and agricultural development Target confirmed for 3 000 hectares to be operating by the end of 2017

Paris & Brussels, 9th May 2016 (8.30 am) – KKO INTERNATIONAL, the world's leading company in the innovative production of cocoa, has presented its annual results for 2015.

As a reminder, KKO INTERNATIONAL operates in Ivory Coast through its production subsidiary, SOLEA.

Situated in a rural environment, SOLEA currently holds the concessions for a number of agricultural sites in the Bocanda region: Kotokounou and Akossikro, in East-Central Ivory Coast.

As of 31st December 2015, the Company had total holdings of 1 845 hectares¹ divided between:

- 1 188 hectares at Kotokounou I and II, of which 788 hectares are operating, planted and irrigated,
- 657 hectares at Akossikro I and II.

KKO INTERNATIONAL has planted some 1 040 000 trees on the 788 hectares being farmed. With a planting success rate approaching 80%, the number of trees selected to go into production was 840 000 at the end of December 2015.

Annual results 2015: continued investments and business developments

In 2015, the world's main production areas for cocoa were affected by unusual and unfavourable weather conditions. The El Niño current was particularly strong last year, resulting in great drought and in dry, dust-laden Harmattan winds from the Sahara, which contributed to delayed harvests in Africa. Despite these poor conditions, the technology developed by KKO INTERNATIONAL made it possible to offset the adverse effects of the weather on its plantations – as opposed to other operations, which were more severely affected.

The harvest in autumn 2015 was not very large, although it nevertheless brought in 173 K€ of ordinary revenue, compared with 32 K€ at 31st December 2014.

The operating result at 31st December 2015 was a loss of 4 430 K€, compared with a loss of 1 401 K€ one year previously (2014 figures adjusted following the change in accounting treatment). The result was impacted in particular by the fees incurred as part of the IPO, amounting to 1 057 K€, and also by writedowns on biological assets (1 788 K€) caused by the poor weather. As expected, the investment charges were high, while the structure of operating costs remained low.

¹ As a reminder, at the end of 2014, KKO INTERNATIONAL had 788 hectares of land, with 200 hectares being cultivated, all located at Kotokonou

During this period of investment and after taking a non-recurrent interest charge of 211 K€ into account, the net loss (net result) for the period was 4 797 K€, compared with a loss of 2 067 K€ at 31st December 2014 (2014 figures adjusted following the change in accounting treatment).

Finally, after taking the revaluation of the productive plants into account, amounting to 53 K€, the overall result for the period reflected a loss of 4 757 K€, compared with a loss of 1 596 K€ in the previous year.

Highlights of the period

In 2015, KKO INTERNATIONAL conducted three major financial operations:

- An initial capital increase, in April 2015, for 1.5 M€, through a contribution in kind of receivables.
- End of July 2015, KKO INTERNATIONAL SA merged with KKO Investors SA.
- Finally, the IPO on Alternext Brussels and Paris in October 2015 generated gross receipts of 6.54 M€ from institutional and private investors, in addition to a conversion of debt into equity amounting to 8.9 M€, thereby increasing equity capital by 15.4 M€.

At 31st December 2015, net cash was 1 788 K€, compared with -8 257 K€ one year previously.

In addition, KKO INTERNATIONAL continued to strengthen its organisation with the arrival of new key individuals, such as Marc-Henri Decrop to the position of Administration and Finance Director, and the recruitment of a number of agricultural soil scientists in Ivory Coast.

Finally, in 2015, KKO INTERNATIONAL continued its efforts in research and development aimed at significantly reducing the mortality rate of cocoa plants. More specifically, it introduced new protocols aimed at bringing the death rate down to below 5%, compared with the current approximate rate of 15%.

Outlook

The soil studies conducted on the land at Kotokounou II in the fourth quarter of 2015 revealed that a quarter of the area was not suited to growing cocoa. KKO INTERNATIONAL will therefore increase the arable area on the land at Akossikro. The land not used to grow cocoa at Kotokonou will be used to grow yams, a food staple in this area of Africa and a highly profitable business.

In order to bring the Akossikro area into production, SOLEA developed a new plant nursery during the second half of 2015. As a result, at 31st December 2015, SOLEA held more than 1.3 million plants, which is the number required to cover the available hectares at Akossikro.

Also, in the months ahead, SOLEA aims to sign a new concession of 550 hectares at Akossikro. This will enable it to have approximately 1 300 hectares under cultivation over the area. This means that by the end of 2016, SOLEA should have a total of some 2 000 hectares in operation, which is in line with the forecasts made at the time of the IPO.

Aim to have 3 000 hectares under cultivation by the end of 2017 confirmed

Rémy Allemane, Chief Executive Officer of SOLEA, the Ivory Coast production subsidiary of KKO INTERNATIONAL, said, "As expected initially with this type of operation, we encountered numerous setbacks in the second half of 2015 and we are proud of the fact that we were able to respond positively to them. During this learning phase, we have improved constantly and are developing numerous farming, social and environmental innovations. For example, we have implemented a soil-testing laboratory to meet the need for the fast analysis of our soil. Also, to make fertigation even more effective, we have recruited a series of senior people to help structure our teams. At the same time, we have completed the first stage of our Rainforest certification, with a conclusive pre-audit. With the Harmattan wind abating and the implementation of our latest innovations to combat drought, we should be able to bring in our first harvests over the coming months. We are also confident about rolling out the use of our new agricultural land."

Jacques-Antoine de Geffrier, Chairman of the Board of Directors at KKO INTERNATIONAL concluded, "2015 marked an important milestone in the development of KKO INTERNATIONAL, with our flotation on Alternext Brussels and Paris. We are ambitious and will continue our roadmap, reiterating our aim to be farming 3 000 hectares by the end of 2017. I would like to thank all of our shareholders for their confidence: together we will make KKO INTERNATIONAL one of the largest producers of cocoa and a preferred partner for the manufacturers of chocolate."

Availability of the Annual Financial Report

KKO INTERNATIONAL can announce that its Annual Financial Report, lodged today with the Financial Markets Authority (FMA) and the Financial Services and Markets Authority (FSMA), is available from the KKO INTERNATIONAL website: www.kko-international.com in the section headed "Investors / Documentation / Annual Financial Report".



A propos de KKO INTERNATIONAL

La production mondiale de cacao, aujourd'hui essentiellement artisanale, ne permet pas aux industriels de l'agro-alimentaire de s'approvisionner avec une qualité et une quantité constantes. KKO INTERNATIONAL, pionnier dans la culture intensive, apporte une solution ingénieuse à la demande mondiale grandissante. En moins de 3 ans, les équipes de SOLEA, filiale de production de KKO INTERNATIONAL basée en Côte d'Ivoire, ont réussi à développer des techniques agronomiques innovantes, notamment un système d'irrigation goutte à goutte de chaque arbre, améliorant significativement les rendements de production de fèves de cacao. Avec une forte implication locale, la société est un modèle d'entreprise socialement responsable (certification RainForest Alliance en cours) et dispose à ce jour d'un foncier de 1 949 hectares dont 620 hectares en exploitation. Plus grande plantation de cacao d'Afrique, SOLEA ambitionne d'exploiter 3 000 hectares fin 2017, pour produire en toute saison un cacao de qualité élevée. SOLEA a ainsi pour vocation de devenir un partenaire naturel et favori de l'industrie chocolatière. www.kko-international.com

Prochain communiqué : résultats semestriels 2016, le 19 oct. 2016

Vidéo de présentation de KKO INTERNATIONAL et de ses ambitions :

<https://www.labourseetlavie.com/strategie-et-resultats/remy-allemane-administrateur-kko-international-nous-sommes-a-jour-pour-notre-plan-de-marche>

Alternext Paris & Bruxelles
Isin : BE0974284169 – ALKKO
Eligible au PEA-PME

KKO INTERNATIONAL
info@kko-international.com

CALYPTUS
Sophie Boulila/Grégory Bosson
kko-international@calyptus.net
Tél. : + 33 (0)1 53 65 68 62



Annexes – Financial statements

In €	31 Dec. 2015	31 Dec. 2014 reprocessed*
	12 months	12 months
Revenue from ordinary activities	173 337	32 431
Variation in the fair value of biological assets	209 124	13 581
Raw materials and consumables used	25 031	4 862
Writedowns on biological assets	1 788 198	359 889
Staff benefits	155 962	62 796
Depreciation	248 793	196 447
Other operating expenditure	2 594 556	822 574
Operating result	(4 430 079)	(1 400 556)
Financial result	(210 841)	(414 172)
Result before tax	(4 640 920)	(1 814 727)
Tax on the result	(156 166)	(252 732)
NET RESULT FOR THE PERIOD	(4 797 086)	(2 067 459)
Revaluation of productive plants	52 758	621 933
Tax on the associated result	(12 741)	(150 197)
OVERALL RESULT FOR THE PERIOD	(4 757 069)	(1 595 723)
ASSETS		
Non-current assets	5 473 752	4 598 331
Intangible fixed assets	1 828	-
Tangible fixed assets	2 577 131	2 144 208
Biological assets	2 883 685	2 442 053
Other non-current assets	11 107	12 070
Current assets	3 853 177	197 569
Including cash and cash equivalents	3 575 023	6 710
LIABILITIES		
Equity capital	6 275 110	(4 176 667)
Non-current liabilities	719 734	548 473
Including deferred tax liability	690 760	521 874
Current liabilities	2 332 085	8 424 094
TOTAL BALANCE SHEET	9 326 929	4 795 900

**The 2014 financial year has been reprocessed following the modification of the IAS 41 Agriculture standard*