

## 2018 ANNUAL RESULTS

**Established on the basis of annual accounts, not yet certified**

**Increase of more than 80% in the production of dried beans (harvest as of 31/12/2018) and improvement of productivity from cocoa trees that reached the end of the year, 2.5 X average of Côte d'Ivoire.**

**Improved results with continued reduction of operating losses (-25%)**

Paris & Brussels, 28 June 2019 (17h45) – KKO INTERNATIONAL (ISINFR 0013374667), Global reference in the innovative production of cocoa, guaranteeing 100% traceability, from the tree to factory for the beans produced, KKO International presents today its 2018 annual results as of December 31, 2018, in the course of certification, such as approved by the Board of Directors this Thursday, June 27, 2019.

**Production surges with more than 271 tons of dried cocoa beans produced and increasing productivity of planted trees.**

KKO International is pursuing its strategic plan to increase the production of its cocoa beans and the productivity of some 800,000 cocoa trees from its Ivorian subsidiary SOLEA. For more than 3 years, this policy has been to develop plant banks (clonal gardens) and select the best specimens in terms of quality, yield and resistance. So, already, a hundred thousand of seedlings transplanted in nurseries replaced less productive plants and allowed to densify the production areas. At the end of 2018, this policy resulted in a very strong increase (+ 80%) in production, which reached 271 tonnes of beans and increased productivity. This virtuous circle will continue, increasingly, to bear fruit.

As part of this policy of increasing and improving the production and productivity of its land, KKO International decided to develop a production of hybrid coffee "Arabusta" in areas less adapted to cocoa trees. In addition to increasing the productivity and overall profitability of its cultivated land, this policy has many agronomic and environmental benefits. Thus, in cooperation with the Coffee Cacao Council of Ivory Coast, coffee nurseries have been established on each of the Kotokonou and Akossikro plantations. The first hectares were planted in April 2019. If this experiment proves conclusive 200 Ha will be planted by the end of 2019. The production of a high-quality coffee has many synergies with that of cocoa beans and chocolate.

Finally, KKO International continues to develop its teak plantations that participate not the natural protection of cocoa and reforestation of land with all the associated environmental benefits but are economically very promising assets.

## Improved results with a 25% reduction in operating loss

KKO International recorded revenue of € 326,000 in 2018, up 24% compared to 2017 (€ 263,000).

The operating loss decreased from € 1,125 thousand in 2018 to € 2,049 thousand, compared with € 3,175 thousand at the end of 2017, as a result of rigorous management of expenses, particularly operating expenses.

The book value of organic assets rose sharply, reaching € 6,455,000 at the end of 2018 compared to € 3,533,000 in 2017. It gradually incorporates the reality of their economic value. The accounts will not fully translate this economic and financial value of biological assets (production of beans, coffee and teaks) until fiscal year 2020.

Impairment losses on biological assets are roughly stable, rising from € 353,000 to € 392,000 and staff costs have stabilized at € 1,462,000 compared with 1 € 502 thousand in 2017

After taking into account tax and financial charges, the net loss for the 2018 financial year amounted to € 2,612,000, down € 792,000 from the 2017 financial year.

With regard to the Group's financial position as of December 31, 2018, the balance sheet total amounted to € 9,924 thousand versus € 6,801 thousand a year earlier. Cash available amounts to € 30,000.

## Perspectives

The year 2018 saw production progress significantly. Tree yields are now - thanks to grafting - in line with production targets for 2019/2020.

The rationalization of production and the savings plans will fully bear fruit during fiscal year 2019.

The company plans to put in place new processes for post-harvest treatments to allow the production of high-quality beans and, later, chocolate.

The establishment of additional financing to guarantee the execution of the development plan is envisaged in 2019.



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

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## Appendix - Unaudited Financial Statements (in French only)

	Exercice clos le 31 déc. 2018 en EUROS	Exercice clos le 31 déc. 2017 en EUROS
<b>Actif</b>		
<i>Actifs non-courants</i>	<u>9 539 522</u>	<u>6 709 450</u>
Immobilisations incorporelles nettes	942	(0)
Immobilisations corporelles nettes	3 031 079	3 162 446
Actifs biologiques	6 454 716	3 533 404
Autres actifs non-courants	52 785	13 600
<i>Actifs courants</i>	<u>384 788</u>	<u>91 892</u>
Stocks	-	-
Créances commerciales et autres débiteurs	354 773	74 419
Trésorerie et équivalents de trésorerie	30 015	17 473
<b>Total de l'actif</b>	<b><u>9 924 309</u></b>	<b><u>6 801 342</u></b>
<b>Capitaux propres et passif</b>		
<i>Capitaux propres attribuables aux propriétaires de la société</i>	<u>1 104 958</u>	<u>1 768 862</u>
Capital	295 803	11 234 510
Prime d'émission	5 000	8 634
Réserve de réévaluation	2 307 018	793 936
Résultats non distribués	(1 502 863)	(10 268 218)
<i>Participations ne donnant pas le contrôle</i>	<u>694</u>	<u>(10 966)</u>
<b>Total des capitaux propres</b>	<b><u>1 105 652</u></b>	<b><u>1 757 896</u></b>
<i>Passifs non-courants</i>	<u>4 104 337</u>	<u>1 342 286</u>
Avantages du personnel	63 164	59 398
Passifs d'impôt différé	1 551 234	842 888
Dettes financières	2 489 938	440 000
<i>Passifs courants</i>	<u>4 714 320</u>	<u>3 701 160</u>
Dettes envers les propriétaires de la Société	2 546 590	2 197 482
Dettes commerciales et autres créditeurs	2 167 730	1 503 678
<b>Total du passif</b>	<b><u>8 818 657</u></b>	<b><u>5 043 446</u></b>
<b>Total des capitaux propres et du passif</b>	<b><u>9 924 309</u></b>	<b><u>6 801 342</u></b>

	Exercice clos le 31 déc. 2018	Exercice clos le 31 déc. 2017
	en EUROS	en EUROS
Produit des activités ordinaires	326 363	263 380
Variation de juste valeur des actifs biologiques	822 854	54 661
Gain sur reconnaissance des stocks	-	-
Matières premières et consommables utilisés	(350 307)	(106 988)
Perte de valeur sur actifs biologiques	(392 346)	(352 958)
Avantages du personnel	(1 462 955)	(1 502 797)
Amortissements	(283 198)	(319 990)
Autres dépenses opérationnelles	(709 939)	(1 210 584)
<b><i>Résultat d'exploitation</i></b>	<b>(2 049 527)</b>	<b>(3 175 276)</b>
Produits d'intérêts	-	-
Charges d'intérêts	(336 121)	(202 787)
Autres charges financières	-	(32 740)
Autres produits non opérationnels	-	-
<b>Résultat avant impôts</b>	<b>(2 385 648)</b>	<b>(3 410 803)</b>
Impôts sur le résultat	(226 595)	5 978
<b>RESULTAT NET DE L'EXERCICE</b>	<b>(2 612 243)</b>	<b>(3 404 826)</b>