

## **ANNUAL RESULTS 2018**

**Established on the basis of annual accounts  
duly certified by the auditors**

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

**« Improved results with continued reduction of operating losses »**

**Paris & Bruxelles, le 22 July 2019 – KKO INTERNATIONAL (FR0013374667 – ALKKO – PEA-PME)**, a global reference in the innovative production of cocoa, guarantees a perfect traceability of its beans. Following the publication of its unaudited financial statements of June 28, 2019 and in accordance with the commitments made, KKO International - today presents its annual results as of December 31, 2018, certified by the Statutory Auditors, and as approved by the Board of Directors on 19 July 2019.

**« Production surge with more than 271 tons of dried cocoa beans »**

KKO International is pursuing its strategic plan to increase the production of its cocoa beans and the productivity of some 800,000 cocoa trees, overseen by its Ivorian subsidiary SOLEA. For more than 3 years, the policy has been to develop internal clonal gardens and select the best specimens in terms of quality, productivity and resistance. Resultantly, a hundred thousand seedlings have been grafted in nurseries that have replaced less productive plants and therefore allowed to densify the production areas.

*This approach has resulted in a strong increase (+ 80%) in production at the end of 2018, which reached 271 tonnes of beans. This virtuous circle will continue to bear fruit consistently.*

**« Diversified production for a better productivity and respect for the environment »**

KKO International decided to develop the production of a hybrid coffee named "Arabusta" in areas that are less adapted to cocoa. In addition to increasing the productivity and overall profitability of cropland, this policy has many agronomic and environmental benefits. Thus, in cooperation with the Coffee Cacao Council (CCC), nurseries have been established on each of the Kotokonou and Akossikro plantations. « Arabusta » possesses numerous aromatic and nutritional qualities. 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.

## « Building biological assets favorable to the environment »

KKO International continues to build its teak plantations that participate in the natural protection of its cocoa trees as well as in the reforestation of land. It is also economically very promising. These plantations will continue to be expanded in the years to come.

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

KKO International recorded revenues of € 326,000 in 2018, up 24% compared to 2017 (€ 263,000). The operating loss decreased from € 3,175,000 at the end of 2017 to € 2,049,000, therefore € 1,125,000 of reduction in losses in 2018. The effort will continue in 2019 to quickly reach a balanced operating result.

The book value of biological assets has progressed remarkably (83%) reaching 6,455 K € at the end of 2018 compared to 3,533 K € in 2017. This progression is a result of a gradual integration of the real economic value of the assets. The accounts will fully reflect this growth (beans production, coffee, teak) from the year 2020.

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

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. Available cash amounted to € 30,000 on 31 December 2018.

## Perspectives

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

The rationalization of production, the savings plan and the short-term achievement of major strategic objectives will fully bear fruit in the course of the 2019 financial year, in order to quickly achieve financial equilibrium.

The company plans to set up new processes for post-harvest treatments to allow for the production of high quality cocoa beans, and in the near future, a premium chocolate. The implementation of additional financing to ensure the execution of our strategic objectives in 2019 is well advanced.

Jacques-Antoine de GEFFRIER, Chairman of the Board of Directors of KKO International comments:

*« 2018 was an eventful year that called for all our resources, dedication and energy to ensure the growth and stability of the company. The arduous process of moving headquarters from Brussels to Paris took longer than expected, and resulted in significant costs savings that are already being felt for KKO International, thereby freeing additional resources for SOLEA.*

*We are grateful to our shareholders for their patience, as the introduction of new accounting standards in Côte d'Ivoire and the transfer of audit and accounting operations from Brussels to Paris somewhat delayed the publication of the audited accounts.*

*As we continue to innovate within the cocoa sector, the Board of Directors congratulates our management, our agronomists and all of our teams who are working hard to achieve our strategic and financial goals in the short term. »*

Remy ALLEMANE, CEO of SOLEA (Ivorian subsidiary of KKO International) comments:

« With a 80% increase in tonnage compared to 2017 and a productivity per tree multiplied by 2.5x compared to the prevailing standards in Côte d'Ivoire, I would like to thank our engineers and all the staff for their continued dedication.

We have faced many challenges associated with an innovative and ambitious strategy, and our confidence in the ability to achieve these objectives is stronger than ever. In the world's largest cocoa producing region, our achievements, with 100% traceability and vigorous planting material (source from in-house nurseries), have demonstrated a unique approach that should become an industry paradigm.

Our model goes beyond the current fragmented approach which does not allow a total traceability of the beans from the tree to the plant nor the respect of high environmental and social. It aims to meet the requirements of end-customers and consumers.

We will continue to build on one of West Africa's most important biodiversity programs, reflecting our continued commitment to a sustainable ecosystem. »

## Ordinary General Meeting of September 10, 2019

Shareholders of KKO International are invited to participate in the Ordinary General Meeting which will take place at 9 avenue Bugeaud, Paris (France), on September 10, 2019 at 11:00 am.

Documents and information relating to this Ordinary Shareholders' Meeting are made available on the company's website: [www.kko-international.com](http://www.kko-international.com) in the Shareholder area under the section dedicated to the General Meeting.

## Availability of the Annual Financial Report

KKO International has deposited with the Autorité des Marchés Financiers (AMF) and the Financial Services and Markets Authority (FSMA) its annual financial report for the financial year beginning on January 1, 2018 and ending on December 31, 2018.

This document is available to the public and can be consulted on the Company's website under « [Investors/Documentation/Annual Financial Report 2018](#). »



### About KKO INTERNATIONAL

The world production of cocoa, which is today mainly artisanal, does not allow agri-food manufacturers to stock up on cocoa beans that is of a consistent quality and quantity. KKO INTERNATIONAL brings an ingenious solution to the growing global demand.

It offers an ecosystem based on a fully traceable and quality production with crops stimulated by irrigation, grafting and the use of organic fertilizers.

Teams from SOLEA, a subsidiary of KKO INTERNATIONAL based in Côte d'Ivoire, have succeeded in developing innovative agronomic techniques, significantly improving cocoa bean production yields. With a strong local involvement, the company is a socially responsible business model. KKO INTERNATIONAL aims to become a natural and favorite partner of the chocolate industry.

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

### Alternext Paris & Brussels

Isin : FR0013374667 – ALKKO  
Eligible for PEA-PME

### KKO INTERNATIONAL

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## Appendix – Financial accounts (in French)

### Appendix 1 – Summary of the consolidated statement of income

En €	31 déc. 2018	31 déc. 2017
<b>Produit des activités ordinaires</b>	<b>323 363</b>	<b>263 378</b>
<b>Variation de juste valeur des actifs biologiques</b>	822 854	54661
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	-1 072 332	-1 502 797
Amortissements	-283 198	-319 990
Autres dépenses opérationnelles	-1 093 648	-1 210 584
<b>Résultat d'exploitation</b>	<b>- 2 042 614</b>	<b>-3 175 278</b>
<b>Résultat financier</b>	-336 121	-235 529
<b>Résultat avant impôts</b>	<b>- 2 378 735</b>	<b>-3 410 806</b>
Impôts sur le résultat	-226 595	5 978
<b>RESULTAT NET DE L'EXERCICE</b>	<b>-2 605 330</b>	<b>-3 404 828</b>
Revalorisation des plantes productrices	1 994 834	689 968
Impôts sur le résultat y relatif	360 881	-166 611
<b>RESULTAT GLOBAL DE L'EXERCICE</b>	<b>-249 615</b>	<b>-2 881 471</b>

### Appendix 2 - Summary of the Consolidated Statement of Financial Position

En €	31 déc. 2018	31 déc. 2017
<b>ACTIF</b>	<b>9 924 309</b>	<b>6 801 342</b>
<b>Actifs non-courants</b>	<b>9 539 522</b>	6 709 450
Immobilisations incorporelles	942	0
Immobilisations corporelles	3 031 079	3 162 446
Actifs biologiques	6 454 716	3 533 404
Autres actifs non courants	52 785	13 600
<b>Actifs courants</b>	<b>384 788</b>	<b>91 892</b>
Dont trésorerie et équivalent de trésorerie	30 015	17 473
<b>PASSIF</b>	<b>9 924 309</b>	<b>6 801 342</b>
<b>Capitaux propres</b>	1 948 285	1 757 896
<b>Passifs non courants</b>	3 362 278	1 342 286
Dont Passif d'impôt différé	708 601	842 888
<b>Passifs courants</b>	<b>4 613 746</b>	<b>3 701 160</b>