

21 February 2024

Subject: Update and Guidance on Delivery and Supply of Our Cocoa Products

Dear Valued Customers,

Firstly, allow me to thank you and your team for your continued support and collaboration, especially through the recent period of transition and adjustments within our supply chain. In the light of our ongoing commitment to transparency, I want to provide you with an update and further guidance regarding the delivery and supply of our cocoa products.

Production Update

We have recently completed an expansion of our cocoa factory in Germany; the new line, after some initial ramping up, is now operating smoothly. During this period, we also encountered some challenges with the quality of the cocoa beans received. As a company that never compromises on quality, we have reinforced our quality screening processes to address potential issues at an earlier stage. Although these changes have temporarily disrupted our production schedules, we are confident that these steps will ultimately strengthen our ability to support your growth in the long term and we apologize for the impact they may have had on our supply chain.

Bean Supply Outlook

The global supply and availability of high-quality cocoa beans has become more difficult this year, primary due to the harvest of crops in key regions such as West Africa. Unfortunately, the outlook for the next several months suggests a continuing trend of scarcity; likely affecting both the availability and pricing of cocoa products. Rest assured, we are fully leveraging our origin sourcing strengths to secure a consistent supply of high quality cocoa powder and other cocoa ingredients to our customers.

Adjustments to Delivery Time

Given the current scenario, we have had to recalibrate our delivery lead times as follows:

- 8-10 weeks for natural cocoa powders from our Hamburg facility.
- 16 weeks for alkalised cocoa powders from Hamburg.
- 12 weeks for all cocoa powders from our Louviers site.

Availability for New Contracts

Due to the current supply situation and the projection for the coming months, we have also limited the availability of our cocoa products for new contracts to ensure we can prioritize and protect our existing contracted volumes. At the moment, alkalised cocoa powders from Louviers and Hamburg will start to have availability starting in September, but with some expected volume restrictions through to the end of the year. Natural cocoa powders will be available in May. We will inform you of any updates as soon as they are available.

Our Commitment

Please be assured that our team is working diligently with our supply chain partners to ensure uninterrupted supply of our cocoa products to our customers. You have my personal commitment along with the entire sales and customer service team that we will do everything possible to support you during this time.

Sincerely,



Richard Fahey
Vice President, Cocoa Western Europe