

[August 26th, 2025]

Statement to Shareholders

Management response to the recommendations contained in the Independent Report of Pricewaterhouse Coopers Caribbean (PwC)

Dear Shareholders:

On behalf of the management team of Ecuador Kakao Processing Proecuakao S.A. (Ecuakao), we present our response to the Summary Report and recommendations presented by independent, external consultants, PricewaterhouseCoopers SRL (PwC), on their internal audit review into the circumstances surrounding the purchase of unmatched cocoa futures in 2024.

The management team has received the Summary Report and already implemented several of the recommendations based on the four areas of focus in the report, namely:

- Delegation of Authority and Governance Structure
- Hedging Strategy Design and Execution
- Financial Controls and P&L Attribution
- Performance Monitoring and Risk Oversight

This report provides a detailed breakdown of the actions already taken, as well as the recommendations that will be implemented and the timeline for delivery. This report has also noted the actions taken by GEL to ensure consistency and alignment in governance structures across the group.

As a company committed to upholding the principles of transparency, accountability, and good governance, we take the findings and recommendations by PwC very seriously. We will ensure that the right structures, systems, and processes are implemented across our operations, in alignment with the Manufacturing Division, to strengthen our company and make it more sustainable for the future.

Here is a breakdown of the recommendations, including those already implemented.

Delegation of Authority (DoA) and Governance Structure

- Formalised Delegation of Authority framework – A Group-wide DoA is already in place; Ecuakao's tailored commercial DoA matrix will be reviewed and approved to ensure clarity of roles, decision rights, and accountability by August 31st, 2025.
- Strengthened governance capacity – The Risk Committee currently meets monthly to address exposures and control gaps; a Chief Risk Officer for the GEL Group and a Chief Financial Officer for the Manufacturing Division will be recruited to further enhance oversight and operational discipline.
- We are in the process of implementing a centralised workflow approval system to document all key approval processes to create a clear audit trail and reinforce compliance with DoA.

Hedging Strategy Design and Execution

- We have an enhanced hedging framework with an updated manual that clearly defines Ecuakao's risk tolerance, escalation protocols, differential management approach, and hedge effectiveness measurement methodology.

- Internalised hedging execution – All hedging is now conducted in-house, eliminating external dependencies and introducing stricter control measures.
- Structured “Differential Game Plan” – Monthly reviews and validation against actual results, with weekly sourcing forecasts approved by both GM and Commercial & Trading Team, ensuring hedging aligns tightly with market movements and operational needs.
- Proactive stress and scenario testing – Conducted monthly to anticipate market volatility and inform strategic positioning.

Financial Controls and P&L Attribution

- Strengthened hedge accounting governance – Collaboration with EY Mexico for advisory and EY Ecuador for audit ensures external oversight and compliance with accounting standards. Both EY entities operate independently for impartial oversight.
- Effectiveness Testing & Documentation - New procedures for effectiveness testing are being implemented. The Risk Management Committee will review hedge accounting practices. Ecuakao and EY are developing documentation to ensure accounting compliance.
- Quarterly effectiveness testing – Finance Team tests hedge relationships and reports directly to GEL’s CFO; results independently verified by auditors to safeguard hedge accounting status.
- CTRM implementation – Transition from the Keystone software application to a modern system (by November 30th, 2025) that will automate trade capture, risk reporting, and P&L attribution, reducing reliance on manual processes and improving accuracy, timeliness, and decision-making confidence.
- Workflow approval tools are under review with a deadline of September 30th, 2025.

Performance Monitoring and Risk Oversight

- Structured, recurring reporting – Weekly commercial and monthly risk reports provide management with consistent, data-backed insights; all reports are archived in SharePoint for transparency and audit readiness.
- Technology-driven oversight – CTRM system will deliver real-time exposure monitoring and risk analytics; planned AI assistant for automated, accurate meeting documentation to be implemented by August 31st, 2025.
- Supplier and customer performance assurance – A systematic process to identify, evaluate, and monitor critical suppliers and customers, reducing operational dependency risk and ensuring supply chain resilience. This includes tracking customer performance in terms of receivables, which helps manage cash flow and strengthens overall financial stability.

Personnel & Contracts

- Timothy Johnson is no longer the General Manager of Ecuakao, nor a shareholder.
- Nexus, the company that provided Ecuakao with end-to-end management, administrative, and governance services to support financial, operational, and compliance obligations such as risk management, logistics, and financial reporting, will reach end-of-contract on October 11th, 2025.

- Consultants and experts (e.g., StoneX) will advise the Risk Committee biannually.
- A non-executive director with commodity expertise who was on the GEL Board of Directors in 2024 and currently sits on the Board has also joined Ecuakao's Risk Committee.

Operational Policies

- Critical supplier performance to be assessed by November 30, 2025.
- Sales strategy includes more "cost +" contracts to manage price volatility.