BARRY CALLEBAUT

ANNUAL REPORT 2023/24

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This is Barry Callebaut

We are committed to delivering the World's best Chocolate Solutions and Services to our Customers.

To empower sustainable growth for our customers globally, we strive to deliver:

Best Value: We offer relevant innovations at the right price.

Best Service: We deliver our products on time and in full.

Best Sustainability: We are the industry leader in sustainable sourcing and traceability.

Best Quality & Food Safety: Our products consistently meet all quality and safety standards.

Sales volume
2.3 million
In tonnes

Volume development
0.0%

EBIT recurring[1]
704.4
In CHF million

Sales revenue
10.4 billion
In CHF

25 Chocolate Academy™ Centers

Around **110,000** chocolate professionals trained online and in-person in 2023/24

62 factories worldwide

More than **13,000** employees

More than **175 years** of chocolate heritage

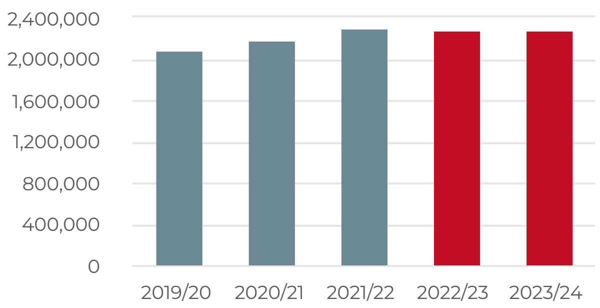
Doing business in **147** countries

[1] Refer to page 149 for the detailed recurring results reconciliation.

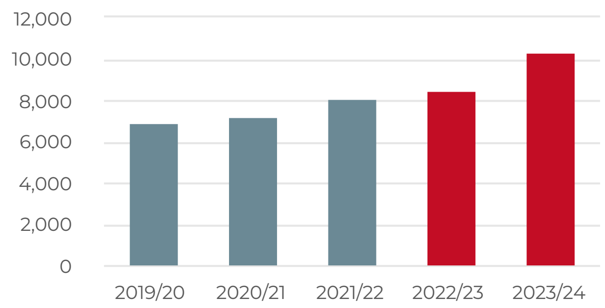
Key Figures 2023/24

Sales volume	EBIT recurring[2]	Net profit recurring[2]	Free cash flow	Proposed dividend
2.3	**704.4**	**417.5**	**-2,330.7**	**29.00**
million tonnes	**CHF million**	**CHF million**	**CHF million**	**CHF per share**
	+12.7% in local currencies	-2.0% in local currencies		

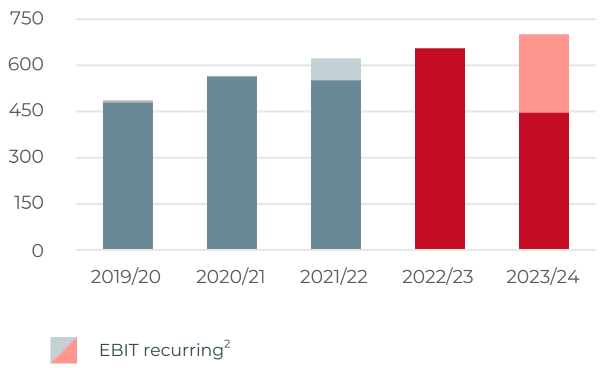
Sales volume
In tonnes



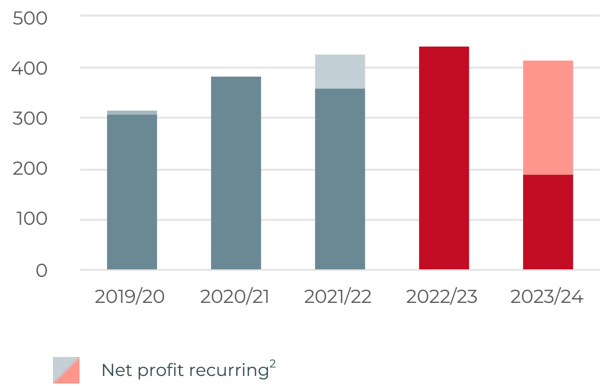
Sales revenue
In CHF million



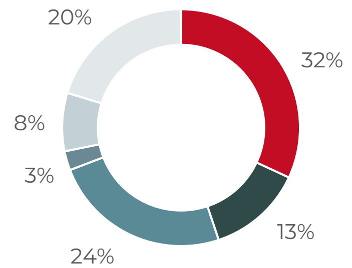
EBIT reported
In CHF million



Net profit reported
In CHF million

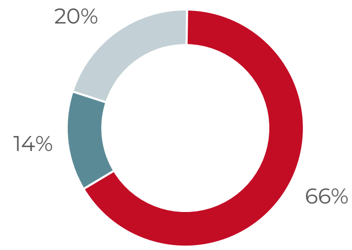


Sales volume by Sales Group
In tonnes



Western Europe	727,844
North America	554,190
Central and Eastern Europe	295,309
Asia Pacific, Middle East and Africa	181,570
Latin America	59,381
Global Cocoa	461,517

Sales volume by Product Group
In tonnes



Food Manufacturers	1,508,701
Gourmet	309,593
Cocoa Products	461,517

[2] Refer to page 149 for the detailed recurring results reconciliation.

Fiscal Year 2023/24 in Brief

- **Demonstrated resilience with slightly positive volume for Global Chocolate and flat volume for the Group in FY 23/24, despite significantly disrupted environment and new operational rigor to safeguard quality & food safety**
- **Sales revenue increased +28.1% in local currencies (+22.6% in CHF) to CHF 10.4 billion, driven by the acceleration in cocoa bean prices**
- **Operating profit (EBIT) recurring[3] at CHF 704.4 million, up +12.7% in local currencies (+6.8% in CHF)**
- **Free cash flow of CHF -2,330.7 million as operational improvements were more than offset by the CHF 2,696.7 million increase in inventory value given significantly higher cocoa bean prices**
- **Major milestones achieved in first year of BC Next Level strategic investment program**
- **Proposed dividend of CHF 29.00 per share, in line with prior year**

	Global Chocolate	Global Cocoa
Volume growth in Tonnes vs. prior year[4]	+0.3 %	-1.4%
EBIT recurring[3] in LC vs. prior year[4]	+14.3 %	-3.2%

[3] Refer to page 149 for the detailed recurring results reconciliation.
[4] Prior-year figures are restated, please refer to Note 1 of the Consolidated Financial Statements on page 34 for details.

Letter to Shareholders

Successfully navigated market challenges while delivering on BC Next Level milestones

Dear valued Shareholders,

In the fiscal year 2023/24 we not only launched BC Next Level, the biggest investment program in our company's history, but we continued to be a trusted partner for our customers, supporting them in a time of unprecedented market challenges. We would like to sincerely thank our employees around the globe for demonstrating passion and resilience in these demanding times.

For our most important ingredient, cocoa, extreme weather conditions, along with destructive diseases affecting cocoa trees, have ravaged crops across the world. This impact has been most notable in our largest sourcing countries Ghana and Côte d'Ivoire. The discussions about the EU Deforestation Regulation (EUDR) and actions by speculative market players further fueled the increase in cocoa prices, disrupting the global supply and demand environment.

Despite these significant hurdles, our journey towards profitable and sustainable growth continues.

Thanks to the hard work and dedication of our teams worldwide, we successfully navigated these challenges, while simultaneously reaching major milestones with BC Next Level to boost services for our customers globally, and to improve ways of working within the company.

In fiscal year 2023/24, we demonstrated resilience despite a significantly disrupted environment and new rigor to safeguard quality and food safety. Global Chocolate saw slightly positive volume, while the Group saw flat sales volume of 2,279,811 tonnes, which aligns with our guidance. Sales revenue increased by +28.1% in local currencies (+22.6% in CHF) to CHF 10.4 billion, driven by the significant cocoa bean price increases. The operating profit (EBIT) recurring[5] rose by +12.7% in local currencies (+6.8% in CHF), reaching CHF 704.4 million, already including initial cost savings from BC Next Level. In this fiscal year, operational improvements were more than offset by the impact of the substantial rise in cocoa bean prices affecting our working capital, leading to a free cash flow of CHF -2,330.7 million. We are making solid progress on our four growth pillars (Deepen Outsourcing Partnerships, Gourmet 2.0, Scale up Specialties & Fair Share in AMEA - Asia Pacific, Middle East and Africa), which have already contributed positively to our performance.

At the virtual Annual General Meeting of Shareholders on December 4, 2024, the Board of Directors will propose a dividend of CHF 29.00 per share. The proposal is consistent with our plan that during the BC Next Level transition period, the dividend per share will not be lower than in fiscal year 2022/23.

Delivering on important milestones in the first year of BC Next Level

BC Next Level is designed to unlock the full potential of Barry Callebaut by moving us closer to markets and customers, while fostering simplicity and digitalization. It is the biggest investment program in our company's history and focuses on areas most critical to our customers. The program consists of investments of net CHF 500 million and will in turn unlock CHF 250 million of cost savings, of which we are expecting 75% to flow-through to the bottom line.

To standardize and simplify services for our customers and streamline operations within Barry Callebaut, we made good progress by launching our two new Global Business Service (GBS) Centers in Monterrey, Mexico and Hyderabad, India. At the same time, we are effectively leveraging our existing centers in Lodz, Poland, and Kuala Lumpur, Malaysia. The centralizing of enabling functions in a dispersed manner is ongoing and will continue throughout fiscal year 2024/25.

The optimization of our manufacturing network is also well underway. Masterplans for core sites have been developed, and closures have been completed for the factories in Norderstedt (Germany) and Port Klang (Malaysia). Our intention to close the site in Intra (Italy) has been announced, the negotiations with the social partners are ongoing.

Importantly, we have launched the Barry Callebaut Operating System (BCOS) to boost operational performance and agility across our global supply network.

We would like to sincerely thank our social partners as we have reached a framework agreement with our European Works Council. We have also reached final

[5] Refer to page 149 for the detailed recurring results reconciliation.

agreements for Germany (Norderstedt and Hamburg), the Netherlands, Poland, France, and Malaysia (Port Klang).

In addition, we have adopted a new operational rigor, taking decisive action to safeguard quality and food safety, including the roll out of 100% positive product release and investments into plant infrastructure as well as testing capabilities.

Significant progress has also been made to simplify our product portfolio, with around 25% of SKUs already phased out, so that we are well on track to reach our target of at least 30% reduction.

Furthermore, we have strengthened our commitment to implementing end-to-end traceability, reinforcing our leadership position in sustainability. We made significant progress in building a sustainable and traceable cocoa and chocolate supply chain. The key focus has been implementing a rigorous, organization-wide approach to prepare for EUDR. This has strengthened our traceability efforts and sets a new benchmark for supply chain transparency.

Reaffirming long-term growth and profitability ambitions

In fiscal year 2024/25, we expect to defend market share in a persistently challenging environment, with significant uncertainty on how cocoa-related price increases will impact short-term demand. In that context, we expect flat volume, with slightly positive growth for Global Chocolate, and a double-digit EBIT increase on a recurring basis in constant currency.

Having demonstrated resilience with our fiscal year 2023/24 results, we are committed to navigating the market challenges as we enter the second year of BC Next Level. Our focus remains on building the capabilities and undertaking the actions necessary to create the profitable growth platform that unlocks Barry Callebaut's full potential and delivers long-term value.

As we move ahead at full speed, we extend our gratitude to our employees for their dedication, our customers for their trust they put in us, and you, our shareholders, for your confidence. Together, we will achieve our purpose to create the world's best chocolate solutions and services for our customers globally.

Patrick De Maeseneire
Chairman of the Board

Peter Feld
Chief Executive Officer

Overview

5-Year Overview

Key Figures Barry Callebaut Group[1]

		CAGR (%)	2023/24	2022/23	2021/22	2020/21	2019/20
Consolidated Income Statement							
Sales volume	Tonnes	2.1 %	2,279,811	2,280,925	2,306,681	2,191,572	2,095,982
Sales revenue	CHF m	10.8 %	10,386.3	8,470.5	8,091.9	7,207.6	6,893.1
Gross profit	CHF m	6.8 %	1,382.3	1,348.5	1,217.2	1,147.2	1,063.7
EBITDA (recurring)[2]	CHF m	7.5 %	950.5	897.3	860.6	795.2	711.9
Operating profit (EBIT)	CHF m	(2.0)%	446.1	659.4	553.5	566.7	483.2
Operating profit (EBIT, recurring)[2]	CHF m	9.4 %	704.4	659.4	624.7	566.7	491.0
EBIT (recurring)[2] / sales revenue	%		6.8 %	7.8 %	7.7 %	7.9 %	7.1 %
EBIT (recurring)[2] per tonne	CHF	7.2 %	309.0	289.1	270.8	258.6	234.2
Net profit for the year	CHF m	(11.5)%	190.9	443.1	360.9	384.5	311.5
Net profit for the year (recurring)[2]	CHF m	6.9 %	417.5	443.1	428.5	384.5	319.3
Free cash flow	CHF m		(2,330.7)	113.0	266.2	355.0	317.0
Adjusted Free cash flow[3]	CHF m		(874.6)	251.8	358.5	314.9	403.8
Consolidated Balance Sheet							
Net working capital	CHF m	33.7 %	3,808.0	1,466.2	1,293.1	1,241.8	1,192.0
Non-current assets	CHF m	1.6 %	2,979.4	2,911.0	3,001.6	2,977.9	2,800.1
Capital expenditure	CHF m	0.4 %	285.1	241.2	275.9	275.2	280.9
Total assets	CHF m	20.7 %	15,159.3	8,432.7	7,760.9	7,244.0	7,141.1
Net debt	CHF m	29.3 %	3,818.0	1,308.7	1,199.0	1,281.3	1,365.9
Shareholders' equity	CHF m	4.8 %	2,839.4	2,896.1	2,902.0	2,682.9	2,353.5
Ratios							
Return on invested capital (ROIC)	%		6.6 %	13.1 %	11.5 %	12.2 %	10.3 %
Return on invested capital (ROIC, recurring)[2]	%		11.0 %	13.1 %	13.2 %	12.2 %	10.6 %
Return on equity (ROE)	%		6.7 %	15.3 %	12.4 %	14.3 %	13.2 %
Return on equity (ROE, recurring)[2]	%		14.7 %	15.3 %	14.8 %	14.3 %	13.6 %
Debt to equity ratio	%		134.5 %	45.2 %	41.3 %	47.8 %	58.0 %
Interest coverage ratio			3.3	7.2	6.5	7.8	6.9
Net debt / EBITDA (recurring)[2]			2.7	1.4	1.4	1.7	1.9
Capital expenditure / sales revenue	%		2.7 %	2.8 %	3.4 %	3.8 %	4.1 %
Shares							
Share price at fiscal year-end	CHF	(8.9)%	1,376	1,542	2,004	2,334	2,000
Number of shares issued			5,488,858	5,488,858	5,488,858	5,488,858	5,488,858
Market capitalization at year-end	CHF m	(8.9)%	7,552.7	8,463.8	10,999.7	12,811.0	10,977.7
EBIT (recurring)[2] per share	CHF	9.4 %	128.6	120.3	114.0	103.4	89.6
Basic earnings (recurring)[2] per share	CHF	6.5 %	76.0	81.0	78,2	70.0	59.1
Cash earnings per share	CHF		(425.4)	20.6	48.6	64.8	57.8
Payout per share	CHF	7.2 %	29.0	29.0	28.0	28.0	22.0
Payout ratio	%		83 %	36 %	43 %	40 %	39 %
Price-earnings ratio at year-end			39.7	19.0	30.4	33.3	34.7
Other							
Employees		2.1 %	13,423	13,754	13,418	12,783	12,355
Beans processed	Tonnes	0.8 %	1,015,632	991,007	1,000,080	987,991	982,725

1 Non-IFRS measures are defined under the Alternative Performance Measures on page 148.
2 Refer to page 149 for the detailed recurring results reconciliation.
3 Adjusted Free cash flow is adjusted for the cash flow impact of cocoa bean inventories regarded by the Group as readily marketable inventories (RMI).

Risk Overview

Enterprise Risk Management

The Group operates in the food industry and faces a wide range of uncertain opportunities and threats (risks) that could impact its strategic objectives. To manage these risks effectively, the Group has implemented an Enterprise Risk Management (ERM) framework designed to ensure that the effects of uncertainty on objectives are thoroughly evaluated throughout the organization and integrated into critical decision-making processes. The ERM framework fosters the adoption of tailored risk management practices that are fully integrated into the Group's business processes. Risk considerations are seamlessly incorporated into strategic planning and daily operations, thereby avoiding any isolation from other business activities. In addition to the implementation of specific embedded risk management practices, the Group employs a comprehensive ERM process. This structured approach systematically identifies, analyzes, aggregates and evaluates all types of risks, encompassing strategic, external, operational, financial, or compliance related risks, including the integration of ESG related risks. As a result, a comprehensive view of the Group's risk landscape is established, ensuring clear accountabilities, evaluations, and prioritization of the Group's key risks in alignment with the overall business strategy.

This holistic approach to risk management helps the Group navigate uncertainties and seize opportunities that align with its resilience objectives by:

- Raising awareness among key internal stakeholders about the Group's risks and their potential impacts.
- Providing critical, risk-relevant information that empowers leadership to make well-informed, timely decisions.
- Leveraging strategic opportunities that arise from a comprehensive understanding of risks.
- Protecting the Group's desired credit rating to ensure funding and liquidity, thereby ultimately safeguarding shareholder interests.
- Enhancing compliance with corporate governance standards, practices, and applicable laws and regulations.

Governance and Organization

The ultimate responsibility for establishing, reviewing, and adapting the organization-wide governance, risk management, control, and compliance procedures lies with the Board of Directors (Board). The Board has assigned the evaluation of the Group's governance, risk, and control frameworks to the Audit, Finance, Risk, Quality & Compliance Committee (AFRQCC). Additionally, the Board has entrusted the Executive Committee (ExCo) with the duty of implementing and carrying out risk management processes, which are then cascaded and integrated into regional and functional management.

The responsibility for fostering risk awareness, incorporating significant risks into pertinent decision-making processes, and ensuring the efficacy of measures and controls lies with regional and functional management. Moreover, they are tasked with implementing supplementary mitigation actions when deemed necessary. The Group Risk Management function plays a pivotal role in facilitating the comprehensive enterprise risk assessment process. It aids in the identification and comprehension of the Group's principal risks, allocation of ownership, and enforcement of appropriate measures to mitigate said risks.

Monitoring and Reporting

The Group's continuous monitoring of its primary risks and the corresponding risk management efforts are deeply embedded in regular management review meetings and dedicated committees. The AFRQCC convenes as frequently as necessary, holding a minimum of three meetings per fiscal year, to address any notable concerns raised by Management, Assurance functions (including Group Risk Management, Quality Assurance, Safety Health and Environment, Digital Security, ESG, Compliance, Internal Audit, etc.), or external authorities and regulators.

Furthermore, Group Risk Management facilitates the evaluation of key risks with the ExCo and AFRQCC on an annual basis, while also providing regular reports on the progress of key initiatives. This ensures continuous oversight and responsiveness to emerging risks, thereby aligning risk management activities with the Group's strategic objectives.

While it is acknowledged that the Group faces many risks, the Board has identified the key risks, which includes topics identified in the Group's Double Materiality Assessment, that could potentially impact the achievement of the Group's strategic objectives, as outlined in the table on the subsequent pages.

To delineate the approach of how the Group integrates ESG material topics into its Enterprise Risk Management framework, the subsequent table enumerates ESG material topics as identified in the Group's Double Materiality Assessment from one to five and associates them with pertinent keywords in the risk description and mitigation section. For instance, ESG material topic one, pertaining to climate and energy, is linked to the risk of climate change, denoted as one. This approach is intended to facilitate stakeholders' comprehension of the integration of ESG considerations within risk management, thereby underscoring the Group's dedication to transparency and accountability in addressing ESG-related risks.

Key Risks	Risk Description	Mitigation/Measures	ESG Material Topic
Environmental, Social and Governance (ESG)	The Group's strategic and operational business objectives and associated performance frameworks are linked to a complex, highly interconnected and continuously evolving global ESG transition and physical risk landscape. Factors such as the effects of climate change (1), carbon emissions (1), deforestation (1,2), human rights abuse (4), business ethics, diversity and inclusion, equality and stakeholder impact represent a wide source of uncertain drivers that can lead to opportunity and threats in the pursuit of business objectives and the creation of stakeholder value. ESG-related transition risk factors include uncertainties in relation to stakeholder expectations (civil society, customers, investors, NGOs, regulators and suppliers) associated with social and environmental accountability towards governance, strategy, risk management, metrics and reporting. Furthermore this encompasses continued uncertainty over the adequate operational implementation of various recent and emerging ESG regulations such as end to end supply chain traceability (5) and due diligence. Uncertainty on enforcement practices (1-5) by relevant competent authorities could expose the Group to supply chain disruptions and litigation and negatively impact the Group's commercial position and reputation.	The Group has a long-standing commitment to sustainability. The Group identifies material ESG topics according to the double materiality assessment principles and outlines in detail its plan to make sustainable chocolate the norm in its Annual Social and Environmental Impact Report. Key elements of the Group's sustainability strategy and performance are described in more detail in the Annual Social and Environmental Impact Report (1-5). The Group is committed to continuously improving and implementing ESG specific oversight structures, agile resilience and adaptation measures, robust supply chain traceability and due diligence processes (5) and effective reporting frameworks (1-5). A dedicated ESG task force is employed to oversee, coordinate and align all relevant ESG activities in order to achieve those objectives. The aforementioned principles are also actively promoted in the Group's dealings with suppliers and customers and are as far as possible, imposed through the Group's contractual relationships with these stakeholders. Further stakeholder assurance is obtained through external ratings and audits. The Group publicly discloses sustainability performance, policies, programs, actions, and metrics (1-5) to address the needs of its stakeholders. The Group's progress is reflected in several renowned ESG performance benchmarks and assessments. Dedicated teams are proactively monitoring the evolving regulatory landscape to ensure the Group complies with emerging regulatory requirements as they develop.	The Group links the following ESG material topics directly to this key risk pillar: (1) climate and energy (2) biodiversity and ecosystems (3) workers in the value chain (4) affected communities (5) supply chain traceability
Long-term sustainable supply of cocoa and other agricultural raw materials	The Group is dependent on a sustainable supply of quality cocoa beans and other agricultural raw materials so that it can produce high-quality cocoa and chocolate products. ESG risk factors such as declining productivity attributable to poor agricultural practices (3), nutrient-depleted soils and aging cocoa trees (3), waning interest from the next generation in becoming cocoa farmers (3), child labor in supply chains (4), shift in the cultivation preferences of farmers from cocoa and other related raw materials to alternative, more attractive crops (3), and the long-term impacts of deforestation (1,2) and climate change (1) could lead to a shortfall in high-quality cocoa beans and other essential agricultural raw materials in the mid- to long-term.	Under the umbrella of its overall sustainability strategy Forever Chocolate, the Group focuses and reports on four pillars to make sustainable chocolate the norm: Prospering Farmers (3), Human Rights (4), Thriving Nature (1-2)) and Sustainable Ingredients (1-2). Long-term measures also include the continuous evaluation and diversification of supply sources in origin countries (1), developing improved and innovative agricultural practices for cocoa farms (2) and maintaining an industry dialogue with key stakeholders in origin and consumer countries (1-5). The Group's sustainability strategy and framework is described in more detail in the Sustainability section of the Annual Social and Environmental Impact Report.	The Group links the following ESG material topics directly to this key risk pillar: (1) climate and energy (2) biodiversity and ecosystems (3) workers in the value chain (4) affected communities (5) supply chain traceability

Risk Overview

Key Risks	Risk Description	Mitigation/Measures	ESG Material Topic
Rapidly shifting trends	Rapidly evolving trends among customers such as food manufacturers, chefs, artisans, and consumers have the potential to disrupt market dynamics and impact the Group's future growth. Societal shifts, environmental concerns, technological advancements, dietary preferences, political developments, and regulatory changes significantly shape both customer and consumer habits. These factors collectively influence preferences and behaviors, driving changes in market demand and reshaping industries. A deep understanding of these forces is crucial for anticipating shifts and adapting effectively to evolving customer and consumer needs, ensuring sustained growth and continued market relevance.	Trend analysis by the Group's marketing and customer insight teams, together with cross-functional commercial and operational teams working closely with customers, aim to identify trends in the marketplace, both positive and negative, at an early stage. The Group constantly invests in consumer and customer research, data analytics, R&D and operational capabilities as part of a well-structured process, enabling the Group to develop new products, capabilities and distribution channels which proactively address evolving trends and changing demand patterns.	Customer and consumer sentiments are impacted by ESG material topics. Nevertheless, the Group does not explicitly establish a direct correlation in this disclosure. However, it does acknowledge the indirect association between ESG material topics and customer and consumer sentiments.
Business transformation	The timely commencement and successful implementation of business transformation initiatives (1-5) are critical in pursuing strategic objectives, avoiding disruptions, enhancing agility, and adapting to evolving market conditions. Ineffective project portfolio management and execution, insufficient due diligence, inaccurate assumptions in the business plan, or inadequate acquisition and divestment processes can all lead to unfavorable outcomes. Investing in technology that is no longer competitive or rapidly becomes obsolete may further impede the successful execution of business transformation. These factors have the potential to result in an underperforming business, diminished benefits, or higher than anticipated costs.	All major business transformation initiatives are prioritized and overseen by the Business Transformation and Strategy Team, which is carefully selected by the Group's ExCo. The Group assigns specialized teams with significant experience, proficiency and capability to handle each specific business transformation project (1-5). These teams proactively follow market, technology and other trends and work in close collaboration with functional and regional experts, external advisors, and the Group's ExCo. A clearly defined process for the evaluation, execution and integration of major business transformations is employed. The performance of major transformational projects is periodically reviewed against their goals. A similar process is employed for the execution of major acquisitions and divestitures.	The Group links the following ESG material topics directly to this key risk pillar: (1) climate and energy (2) biodiversity and ecosystems (3) workers in the value chain (4) affected communities (5) supply chain traceability

Key Risks	Risk Description	Mitigation/Measures	ESG Material Topic
External political and economic environment	Uncertain political and economic conditions, shaped by the increasing complexity of a multipolar world, characterized by shifting global power dynamics, growing regional influence, and fragmented alliances, may require the Group to reassess key long-term assumptions underlying its global strategy and operating model. Moreover, sudden major crises, such as pandemics, regional blackouts, armed conflicts, terrorist attacks, natural disasters, trade embargos, financial crises, hyperinflation, or economic depressions, could severely disrupt markets, operations, supply chains and access to critical raw materials. These challenges may lead to reduced demand for cocoa and chocolate products, create obstacles to expansion, necessitate adjustments to the Group's footprint, and negatively affect financial performance. Failure to adapt swiftly to these evolving conditions could compromise the Group's strategic objectives and long-term sustainability. Nonetheless, the Group could also find growth opportunities in regions experiencing economic expansion and through new trade agreements, positioning itself to benefit from these developments.	The Group operates in both developed and emerging markets, maintaining a well-diversified portfolio across various markets, products, and customer segments. Leveraging its global operations and innovation networks, the Group is well-positioned to swiftly respond to customer demands and provide flexible, optimized solutions that adapt to evolving market conditions. By continuously monitoring global political and economic developments, particularly in regions of heightened uncertainty, the Group anticipates potential scenarios and makes informed decisions on how to prepare. The Group's adaptable organization and robust strategy, business transformation and issue management processes enable it to address both temporary supply and demand shocks, as well as structural shifts in the political and economic landscape. To further enhance robustness against unforeseen external events beyond the Group's control, the Customer Supply and Development team considers a wide range of external factors when making strategic decisions about the Group's operational footprint to improve resilience, while the treasury department carefully manages capacity across multiple funding sources to maintain financial stability and secure access to liquidity in the face of such events.	Various ESG material topics constitute a highly significant foundation of local, regional, and global political and economic deliberations and frameworks. However, the group does not explicitly establish a direct connection, but rather recognizes its interconnectedness as part of this disclosure.
Long-term outsourcing agreements	The Group has entered into a number of important long-term outsourcing agreements with customers. Failure to renew, early termination of existing long-term outsourcing agreements, failure to enter into new agreements or failure to negotiate terms that are attractive could have a material impact on the result of operations.	The Group has a highly diversified global customer base representing a healthy mix of small, medium and large customers. For global strategic customers, the Group has established long-term outsourcing agreements governing mutual cooperation, addressing standards for quality, quantity commitments, pricing, service levels, innovation and ethics. For these customers, the Group has appointed dedicated teams that develop and maintain a close relationship in order to respond to customer needs professionally and promptly and to provide high-quality services that are mutually beneficial for all stakeholders concerned. These teams have expertise in customer relationships, service and innovation, as well as in commercial and pricing matters.	The Group recognizes the inherent interconnectedness between ESG material topics and its customer value proposition. Although the Group does not explicitly establish a direct correlation in this disclosure, it acknowledges the substantial relevance of these factors for its customers.

Risk Overview

Key Risks	Risk Description	Mitigation/Measures	ESG Material Topic
Talent and workforce management	Failure to attract, retain and develop a talented workforce with the right capabilities and skills could impact the Group's ability to achieve its strategic objectives. Tight and competitive labor markets (accelerated by shifting skill requirements, new ways of working and demographic or technological shifts or other factors) could lead to a shortage of skilled labor or talent in selected regions and functions. Sustained shortages and increased turnover rates could further impact the Group's costs and operational reliability.	Every effort is made to nurture a diverse and inclusive work environment that is supported with optimal processes and policies to attract, select, develop, reward and retain talent with the right capabilities and skills needed to achieve the Group's strategic objectives. The Group employs succession planning, talent reviews, remuneration benchmarking, long- and short-term incentive plans, training and leadership development programs, as well as the tools to support and measure the success of all these processes. The Group's strategy for Diversity & Inclusion is described in more detail in the "Our People" section of the Annual Social and Environmental Impact Report. Further, the Group continuously invests in business process technology and automation to make work more productive, collaborative and rewarding for its employees.	Various ESG material topics may influence the Group's employer branding proposition and have the potential to affect its workforce in factories or the supply chain. While the Group does not expressly establish a direct correlation within this disclosure, it acknowledges the inherent interconnectedness.
Quality & food safety	Products that fail to meet the established standards of quality and food safety pose a significant risk to the Group. Such non-compliant products can result in business disruptions, legal disputes, claims related to product liability and recalls. Additionally, the Group's reputation may be adversely affected, leading to potential revenue loss and a decline in market share. There is also a possibility of accidental or malicious contamination of raw materials or finished products at various stages of the supply chain, which further amplifies the risk. Furthermore, the occurrence of other product defects is possible, attributable to human error, equipment malfunction, or other contributing factors.	The quality management programs and systems of the Group encompass clear cross-functional responsibilities, robust standards, guidelines, and procedures. The Group's extensive quality program is continuously enhanced and encompasses various aspects including supplier strategy and requirements, factory design, and testing processes. Furthermore, a program promoting a culture of quality and food safety, endorsed by the Group's Executive Committee, is effectively implemented throughout the entire organization to ensure that all employees maintain a mindset of zero defects. A well-governed process for managing issues is in place, regularly evaluated, and simulated to ensure prompt and appropriate response in the event of a food safety incident.	The quality and food safety risk landscape of the Group may be influenced by various ESG material topics, necessitating adjustments to the Group's quality management systems and procedures. Although this disclosure does not explicitly establish a direct correlation, the Group recognizes the inherent interconnectedness between these factors.
Operations and supply chain	The Group's operations and supply chain network could face disruptions from a variety of climate-related acute and chronic physical risks, including adverse weather events (1), such as natural disasters, water stress (1), energy shortages (1), disease outbreaks (impacting humans or crops) (1,2), political instability, sabotage, workforce disruptions, and other factors that may hinder the Group's ability to produce and deliver products to customers. Furthermore, interdependencies with transition risk factors, such as ESG-related regulations (5), geopolitical or geoeconomic shifts in global trade flows, and other regulatory changes, could further undermine the resilience of the Group's global operations and supply chain network.	The Group's sourcing, operations, and supply chain departments manage a well-diversified and flexible operations network, underpinned by a structured and coordinated global, regional, and local sales and operations planning process. Additionally, a comprehensive issue management system is in place to ensure business continuity and recovery in times of disruption. The global sourcing teams continuously monitor key risk indicators, including weather patterns, harvest conditions, political risks, and other relevant factors to proactively mitigate potential supply shortages or disruptions affecting raw materials, machinery, equipment, indirect materials, logistics, and other services. Short-term mitigation strategies include maintaining adequate safety stock levels and utilizing a diversified regional supply network. Long-term adaptation and resilience measures involve strategic reviews of the Group's sourcing, operations, and supply chain footprint (1).	The Group links the following ESG material topics directly to this key risk pillar: (1) climate and energy (2) biodiversity and ecosystems (5) supply chain traceability

Risk Overview

Key Risks	Risk Description	Mitigation/Measures	ESG Material Topic
Digital security	The Group's business processes, including interactions with customers, suppliers, and remote employees, rely heavily on the reliability and security of its information and operations systems. Cyberattacks targeting our critical information and operations technology assets, environmental or physical damage to global data centers, widespread network failures, or any other significant security incidents could compromise the availability or integrity of these essential technology assets. This could result in business interruptions, loss of confidential data, direct financial losses, and non-compliance with data protection laws or other regulatory requirements. Major cyber incidents may also harm the Group's reputation, potentially leading to a loss of revenue and market share.	The Group's Digital department, in conjunction with the Operations Department, has established comprehensive end-to-end cybersecurity risk management frameworks. These frameworks provide a holistic approach to cybersecurity by defining clear governance and strategy, which includes active involvement from senior management and key business stakeholders. To safeguard the Group's critical business applications and locations, a range of preventive measures has been implemented. These include advanced technical solutions, regular internal awareness campaigns, and cybersecurity training for all employees and select contractors. These measures are continually reviewed and improved. In the event of a significant incident, robust incident response and disaster recovery solutions, plans, and procedures are in place and are regularly updated. Additionally, a mid-term plan to enhance information and operations technology security is consistently developed and executed to ensure ongoing improvement.	The digital strategy of the Group plays a crucial role in facilitating the achievement of objectives across various business domains, encompassing matters pertaining to various ESG material topics. While this disclosure does not explicitly establish a direct correlation, the Group acknowledges the inherent interdependencies between Digital as a crucial enabler to address material ESG topics.
Price volatility of raw materials and other input factors	Market prices for raw materials, energy and other input factors, as well as the structure of the terminal markets could have an influence on the Group's liquidity and operational results. To manage its exposure to these factors, the Group uses derivative financial instruments and forward physical commitments. Liquidity and operating results may be affected by ineffective hedging strategies or by positions taken. Furthermore, the Group's profitability can be affected by its exposure to the volatility of the combined cocoa ratio, which expresses the combined sales prices for cocoa butter and cocoa powder in relation to the cocoa bean price.	The Group's commodity risk management policies require that all risk exposures are hedged back-to-back in accordance with the related limit framework from the moment such exposures are entered into. For its contract business, namely the Food Manufacturers Product Group, which accounts for the majority of the business, the Group mitigates the impact of volatility in prices of raw material and other input factors through a cost-plus pricing model. Raw material price exposures arising at contract signing are hedged in accordance with the commodity risk management limit framework. Price exposures to other input cost factors are managed through index based pricing mechanisms. In the Gourmet Product Group, the Group applies a price list model whereby forecasted sales are hedged and price lists are adapted on a regular basis. Adherence to the limit framework is regularly monitored by experts on local, regional as well as on group level. In the Cocoa Product Group, the Group attempts to mitigate the effects of the volatility of the combined ratio by means of a central management system which monitors the positions and exposures related to cocoa products globally, taking into account both internal and external demand. The Group's financial risk management framework related to commodities, foreign currencies, interest rates and liquidity is described in more detail in note 3.7 to the Consolidated Financial Statements.	Exchange traded commodities' prices and volatility are affected by various risk factors, including various ESG material topics. While the Group doesn't explicitly state a direct correlation in this disclosure, it recognizes the implicit interconnection.

Risk Overview

Key Risks	Risk Description	Mitigation/Measures	ESG Material Topic
Funding and liquidity	The Group's operations are exposed to liquidity, interest rate, foreign currency and credit risks. Volatility in raw material prices and supply chain requirements affect the Group's working capital requirements and cash flows and could result in funding and liquidity issues. Failure to deliver on key parameters including cash flow could result in a downgrade of the Group's credit rating and restrict its access to financial markets.	The Group has established a robust financial risk management framework and governance structure. The Group's liquidity is ensured by means of regular Group-wide monitoring and planning of liquidity coordinated by the Group's centralized treasury department. Financing needs are covered through a combination of adequate credit lines with reputable financial institutions and short- and long-term debt capital market products. In addition, the Group's treasury policy requires that all foreign currency exposures in a floating currency regime as well as interest rate risk exposures are hedged in accordance with the related limit framework from the moment such exposures are entered into. The Group's financial risk management framework related to financing and liquidity is described in more detail in note 3.7 to the Consolidated Financial Statements.	Credit rating evaluations conducted by rating agencies, along with market prices and volatility pertaining to interest rates and foreign currency exchange rates, are impacted by a multitude of risk factors, encompassing also various ESG material topics. Although the Group does not explicitly articulate a direct correlation within this disclosure, it acknowledges the implicit interconnectedness.
Legal, regulatory and compliance	The Group is subject to both international and national laws, regulations and standards in such diverse areas as product safety, product labeling, environment (1,2), health and safety, employment and human rights (3,4), intellectual property rights, antitrust, anti-bribery and corruption, trade sanctions, data privacy, supply chain traceability (5) & supplier due diligence, climate and social related laws and regulations (1,2,3,4,5), corporate transactions and taxes in the countries in which it operates, as well as stock-exchange-listing and disclosure regulations in a constantly changing regulatory environment. Failure to comply with applicable laws and regulations could expose the Group to investigations, litigation, administrative and/or criminal proceedings potentially leading to significant costs, fines and/or criminal sanctions against the Group and/or its directors, officers and employees with possible reputational damage.	Dedicated regional and local functional managers, supported by specialized corporate functions and external advisors, ensure compliance with applicable laws and regulations. The Group has robust policies, processes and controls in place in the relevant areas. The Group's Legal & Compliance department oversees the Group's compliance program, which ensures awareness of the compliance risks and the Group's compliance standards. The Code of Conduct, the Supplier Code and other Group policies set out the legal and ethical standards of behavior expected from all employees and selected stakeholders.	The Group links the following ESG material topics directly to this key risk pillar: (1) climate and energy (2) biodiversity and ecosystems (3) workers in the value chain (4) affected communities (5) supply chain traceability

Business Highlights

Financial Review

Business Performance Review Fiscal Year 2023/24

Sales volume developments

The Barry Callebaut Group saw resilient sales volume in a challenging environment of 2,279,811 tonnes (0.0% year-on-year) in fiscal year 2023/24 (ended August 31, 2024).

Global Chocolate saw +0.3% volume growth in fiscal year 2023/24, ahead of an overall declining chocolate confectionery market according to Nielsen (-1.1%)[1].

Volume development for Food Manufacturers (-1.5%) was impacted by soft demand from large global customers, partly offset by resilient performance for Private Label customers. Gourmet delivered +9.8% volume growth, with strong performance across geographies and market segments.

Looking at regional performance within Global Chocolate, Asia Pacific, Middle East and Africa (+5.2%) was the strongest contributor, with double-digit growth in the second half of the year supported by continued strong growth in India and improved performance in Indonesia. Volume in Western Europe (+0.8%) was solid as growth for Gourmet offset slower demand for Food Manufacturers. Latin America saw strong volume growth of +7.2% led by strong momentum in Brazil, particularly for Gourmet customers. Central and Eastern Europe (-1.2%) was impacted by lower volumes for several large global and regional customers. North America reported a volume decrease of -1.8%, driven by slower demand for large Food Manufacturers, while regional accounts and Gourmet saw continued momentum.

Global Cocoa saw a -1.4% decrease in sales volume, in the context of a significant increase in cocoa prices. Sales of cocoa butter and cocoa liquor were impacted by the supply constrained environment. Demand for cocoa powder remained robust, with particular strength in India and Indonesia.

Raw material price developments

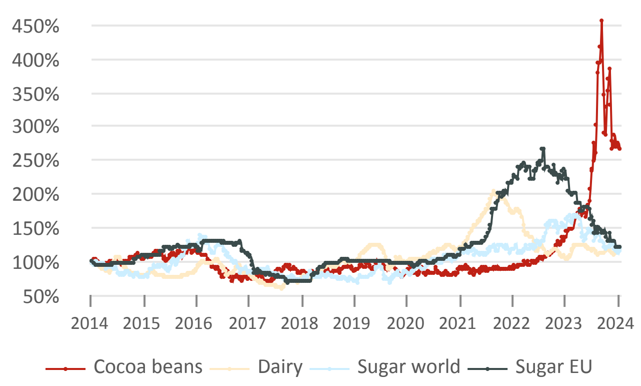
The vast majority of Barry Callebaut's business is running on a cost-plus model, passing on price fluctuations of raw materials as well as other production cost components like energy cost or freight and transportation cost.

During the fiscal year 2023/24, terminal market[2] prices for cocoa beans fluctuated between GBP 2,869 and GBP 9,835 per tonne and closed at GBP 5,332 per tonne on August 31, 2024. On average, cocoa bean prices increased by +131% versus the prior-year period. The period was marked by the materialization of a significant deficit for crop year 2023/24, and consequently low cocoa bean availability. This fundamental supply gap paired with persistently lower market participation (and resultantly low liquidity) led to significant volatility and intraday price fluctuations.

The world market price of sugar was on average +4% higher than in the prior-year period, given lower sugar production in two major exporting countries, India and Thailand. This was due to El Niño's impact on sugarcane development during 2023. In Europe, sugar prices were on average -32% lower due to sugar beet acreage gains announced for the 2024/25 campaign, higher domestic supply coupled with the strong pace of Ukrainian exports in 2023/24, and lower energy prices.

Dairy prices decreased on average by -10% compared to the prior year, given the high inflationary environment last year. However, over the course of the fiscal period, dairy prices rose steadily as milk supply struggled in most major exporting regions, and demand was stable at elevated levels.

Raw material prices
September 2014 to August 2024



Source: Company compiled data, based on key market price indicators

[1] Source: Nielsen volume growth excluding e-commerce – 26 countries, September 2023 to August 2024, data subject to adjustment to match Barry Callebaut's reporting period. Nielsen data only partially reflects the out-of-home and impulse consumption.
[2] Source: London terminal market prices for 2nd position, September 2023 to August 2024. Terminal market prices exclude Living Income Differential (LID) and country differentials.

Foreign currencies

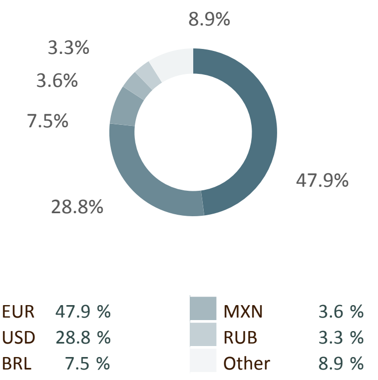
In fiscal year 2023/24, foreign exchange markets remained volatile and the Swiss franc continued to strengthen against most major currencies. The Group is naturally hedged to the extent that it produces and sells products locally and hedges any remaining currency exposure that arises from commercial transactions. The impact arising from the translation of results into the Group's reporting currency (Swiss franc), however, is not hedged.

For the fiscal year under review, the average exchange rate for the Euro, which accounts for nearly half of the Group's sales revenue, depreciated by -2.1% against the Swiss franc. The average exchange rate for the US dollar, accounting for around a third of the Group's sales revenue, depreciated by -3.9% against the Swiss franc. Throughout the fiscal year 2023/24, several key emerging market currencies experienced significant volatility. The Russian ruble saw a decline of -20.6% and the Brazilian real dropped by -4.3% against the Swiss franc. In contrast, the Mexican peso appreciated by +1.4%.

The currency translation effects mentioned above had a cumulative negative impact of -5.5% on sales revenue and -5.8% on EBIT recurring[3].

Sales revenue

In functional currencies



Consolidated Income Statement

Sales volume in fiscal year 2023/24 was stable (0.0%) at 2,279,811 tonnes.

Sales revenue increased +28.1% in local currencies (+22.6% in CHF), to CHF 10,386.3 million. The increase was driven by significant price increases to reflect the acceleration in cocoa bean prices, which Barry Callebaut manages through its cost-plus pricing model for the majority of its business.

Gross profit amounted to CHF 1,382.3 million, up +7.7% in local currencies (+2.5% in CHF), supported by the company's cost-plus pricing model and mix.

Marketing and sales expenses increased by +1.3% to CHF 165.6 million, which reflects the impact of an overall inflationary environment.

General and administration expenses increased by +11.5% to CHF 560.6 million. The increase is mainly attributed to program costs related to the BC Next Level initiative (CHF 61.0 million), which are considered non-recurring.

Other income increased to CHF 13.5 million from CHF 4.8 million in the prior year. The increase relates mainly to the non-recurring recovery of indirect tax credits of CHF 5.8 million from prior fiscal periods and the compensation obtained from insurance providers related to claims.

Other expense increased to CHF 223.5 million, compared to CHF 27.9 million in the prior year. The increase was largely attributed to non-recurring costs related to the BC Next Level strategic investment program (CHF 199.3 million). The non-recurring other expense mainly comprises the following: restructuring costs of CHF 110.4 million, impairments of property, plant and equipment in the amount of CHF 43.7 million and goodwill impairment of CHF 42.7 million.

Operating profit (EBIT) recurring[3] increased by +12.7% in local currencies (+6.8% in CHF) to CHF 704.4 million, compared to CHF 659.4 million in the prior year. The strong increase reflected the pass-through of higher financing costs through the cost-plus model, which are offset below the EBIT level, as well as mix and initial BC Next Level cost savings. During the year, quality costs increased with proactive action to ensure customer service in the case of incidents as well as tightened testing regimes and quality control. EBIT recurring[3] for Global Chocolate was CHF 725.5 million, up +14.3% in local currencies (+7.6% in CHF), similarly reflecting the strength of the Group's cost-plus model. EBIT recurring[3] for Global Cocoa was CHF 100.7 million, down -3.2% in local currencies (-6.0% in CHF). The decrease was a result of lower volumes in a supply constrained market as well as higher carry costs and futures rolling costs. The Corporate segment saw EBIT recurring[3] of CHF -121.8 million, down -7.9% in local currencies (+0.3% in CHF). EBIT recurring[3] per tonne improved to CHF 309, up +12.7% in local currencies (+6.9% in CHF).

Operating profit (EBIT) reported amounted to CHF 446.1 million compared to CHF 659.4 million in the prior year, as a result of one-off BC Next Level program expenses of CHF 264.5 million. Within this, CHF 171.4 million represent cash relevant non-recurring Next Level program and restructuring costs. Meanwhile, CHF 93.1 million of the one-off items were non-cash impairments and write-downs related to site closures.

Finance income increased to CHF 23.9 million from CHF 13.4 million in the prior year as a result of higher average benchmark interest rates.

Finance expense amounted to CHF 231.2 million, compared to CHF 137.5 million in the prior year. The increase was driven by a higher debt level in the context of the cocoa price acceleration in combination with higher average benchmark interest rates.

Income tax expense decreased to CHF 47.9 million, from CHF 92.1 million in the prior year, resulting from a

[3] Refer to page 149 for the detailed recurring results reconciliation.

lower net profit before income taxes. The Group's effective tax rate amounted to 20.1%, compared to 17.2% in the prior year. The increase in effective tax rate was mainly attributable to non-recurring, partly non tax effective impairments and restructuring costs related to the BC Next Level program. On a recurring[4] basis, income tax expense decreased to CHF 74.8 million from CHF 92.1 million in the prior-year period. This corresponds to an effective tax rate of 15.2% (prior-year period: 17.2%). The decrease in effective tax rate on a recurring basis mainly resulted from a somewhat more favorable mix of profit before taxes and the positive effect related to the Swiss Tax Reform that was introduced on January 1, 2020.

Net profit for the period recurring[4] decreased by -2.0% in local currencies (-5.8% in CHF) to CHF 417.5 million, compared to prior-year Net profit recurring[4]. The decrease reflects the longer pricing cycle in the Gourmet business to fully pass-through accelerating costs, as well as higher quality costs. Net finance costs increased significantly, mostly as a result of the higher debt level in the context of the cocoa bean price acceleration.

Net profit reported amounted to CHF 190.9 million, including one-off BC Next Level program expenses.

Consolidated Balance Sheet

Total assets increased to CHF 15,159.3 million at the end of August 2024, compared to CHF 8,432.7 million in the prior year. The increase was attributable to higher levels of derivative financial assets, inventories and receivables, which were all significantly impacted by increases in raw material prices, particularly for cocoa.

Net working capital increased to CHF 3,808.0 million, compared to CHF 1,466.2 million in the prior year. The increase was entirely due to the substantial negative impact from higher cocoa bean prices, given the long cycle between bean contracting and customer sales, as well as a significant increase in initial margins required by futures exchanges given the volatile environment.

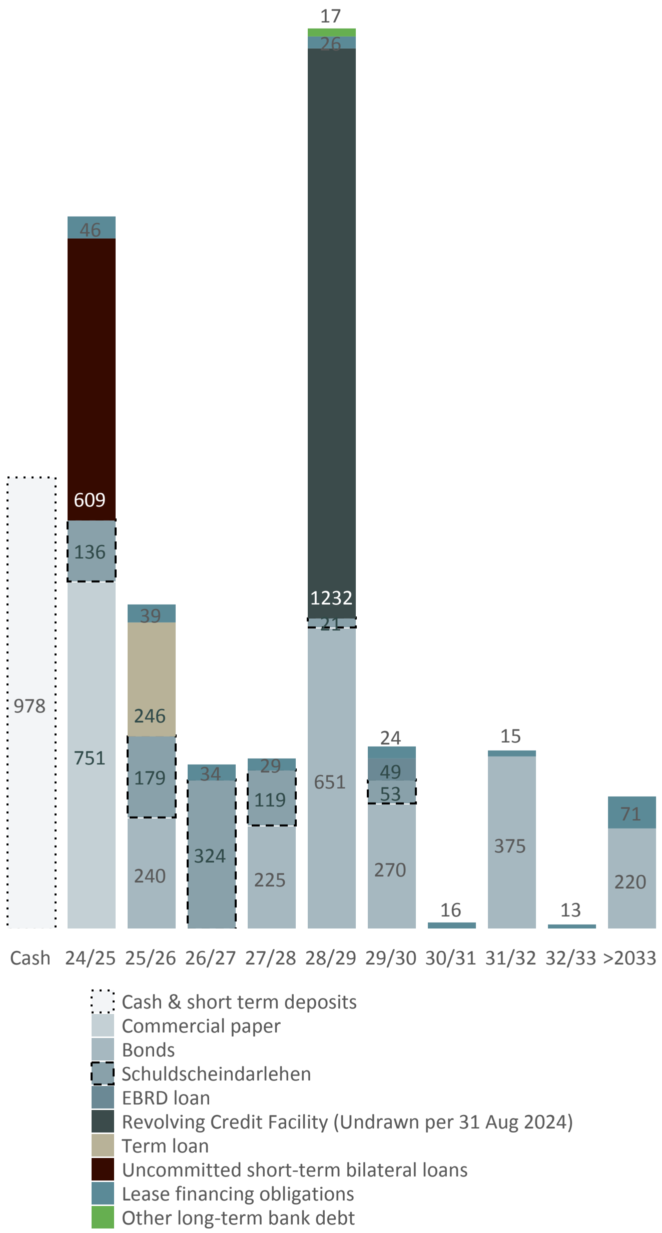
Net debt increased to CHF 3,818.0 million from CHF 1,308.7 million. The increase is predominantly due to the CHF 2,696.7 million increase in inventory value due to the cocoa bean price acceleration.

Equity including equity attributable to the shareholders of the parent company and non-controlling interests, amounted to CHF 2,841.6 million, compared to CHF 2,897.1 million in the prior year. Equity slightly decreased, as the Net profit generated for the year was more than offset by the dividend paid and significant currency translation adjustment stemming from the continued strengthening of the Swiss franc against most major currencies.

The debt-to-equity ratio amounted to 134.5%, compared to 45.2% in the prior year. The return on invested capital (ROIC) recurring[4] deteriorated to 11.0% from 13.1% in the prior year due to the higher cocoa price.

[4] Refer to page 149 for the detailed recurring results reconciliation.

Liquidity - debt maturity profile



Consolidated Cash Flow Statement

Operating Cash flow amounted to CHF -2,064.0 million, compared to CHF 330.6 million the year before, mainly due to the impact of higher Net working capital as a result of a significant increase in cocoa prices.

Investing Cash flow amounted to CHF -266.7 million, compared to CHF -217.6 million the year before. The increase was largely related to investments in property, plant and equipment.

Financing Cash flow amounted to an inflow of CHF 2,766.7 million, compared to an outflow of CHF -555.0 million in the prior-year period. In the period under review this inflow consisted mainly of proceeds from the issuance of long term debt in the form of multiple Swiss Senior bonds in the total of CHF

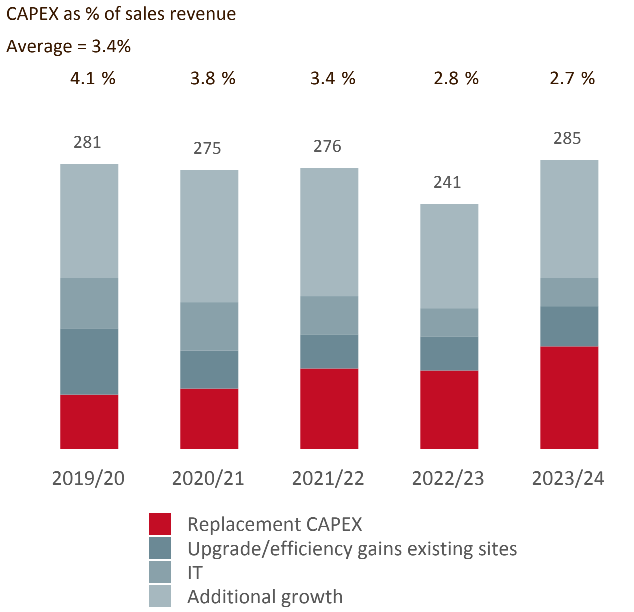
1,330 million and a Euro Senior bond of EUR 700 million. The debt was issued to finance increased Net working capital requirements due to the unprecedented cocoa price surge during the period under review.

Free Cash flow amounted to CHF -2,330.7 million, compared to CHF 113.0 million in prior year. Operational improvements were driven by actions on planning and operational excellence, resulting in an improved cash conversion cycle. This was more than offset by the substantial cocoa bean price related working capital increase as well as BC Next Level program investments.

Capital expenditure

Capital expenditure (CAPEX) reflected in the cash flow statement amounted to CHF 285.1 million, an increase compared to the prior fiscal period (CHF 241.2 million). The Group's investments relate mainly to enhanced manufacturing capabilities, food safety improvements and efficient asset usage.

Capital expenditure
in CHF million



Barry Callebaut share performance

Barry Callebaut shares closed at CHF 1,376 on August 31, 2024, -10.8% below the previous year's closing price. The broad Swiss Performance Index (price) was up +9.7%. The performance of Swiss Small and Mid Caps (SMIM) was up +1.9%. The EURO STOXX Food & Beverage Index (price) increased +0.8%.

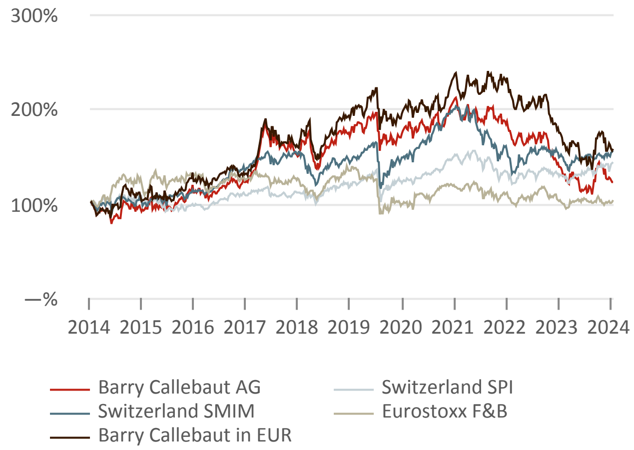
Key share data

as at August 31, 2024	
Shares outstanding	5.5 million
Closing share price	CHF 1,376
Market capitalization	CHF 7.6 billion
52-week high (closing)	CHF 1,612
52-week low (closing)	CHF 1,230
Average daily volume	13,785 shares

Source: FactSet and SIX Swiss Stock Exchange.

The chart below illustrates the long-term performance of Barry Callebaut shares compared to the relevant indices (2014–2024).

Share price development Barry Callebaut vs. indices
September 2014 to August 2024



Source: FactSet and SIX Swiss Stock Exchange.

Over a ten-year period (2014–2024), Barry Callebaut shares (+22.0%) underperformed the SMI Small and Mid Cap Index (+55.0%) and the broader SPI Index (price) (+43.0%). Barry Callebaut outperformed against the EURO STOXX Food & Beverage Index (+3.0%), particularly when calculating Barry Callebaut's share price in EUR (+57.0%).

Dividend

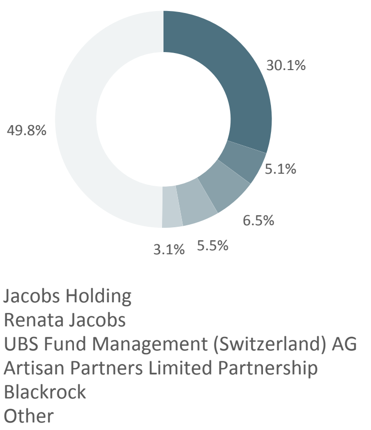
The Board of Directors is proposing to shareholders at the virtual Annual General Meeting of Shareholders (vAGM) on December 4, 2024, a dividend payout of CHF 29.00 per share. This is consistent with the Group's previous communication that during the BC Next Level transition period, the dividend per share will not be lower than in fiscal year 2022/23. The dividend will be paid to shareholders on, or around, January 9, 2025, subject to approval by the AGM.

Key share capital data

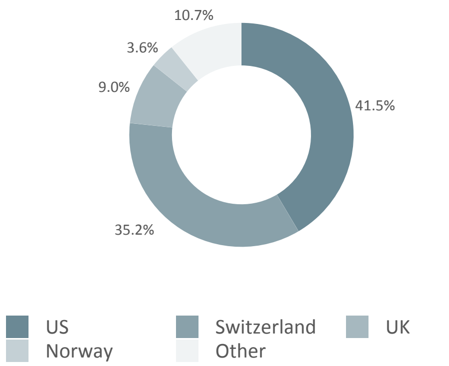
The share capital of Barry Callebaut AG as at August 31, 2024, amounted to CHF 109,777, consisting of 5,488,858 fully paid-in shares with a nominal value of CHF 0.02 each. There is one single class of shares in which every share has the same voting power and grants the same entitlement to dividends.

The free float, excluding the reference shareholders (Jacobs Holding AG and Renata Jacobs), at the end of August 2024 was 64.9%[5] with the majority held by institutional shareholders (holding 47% of total outstanding shares) that are predominantly based in the US and Switzerland, followed by the UK.

Ownership structure[5]
as at August 31, 2024



Country split
of institutional shareholders



Source: NASDAQ.

Analyst recommendations

During the fiscal year 2023/24, the number of institutions covering Barry Callebaut AG increased to 15 (compared to 13 in the prior year). At the end of August 2024, six had a buy recommendation and seven had a hold recommendation.

Sustainability ratings

CDP, an independent organization that assesses the carbon reduction strategies of over 21,000 companies, awarded Barry Callebaut an 'A' and recognized us as a CDP Leader for our efforts in reducing carbon emissions and engaging suppliers to address Scope 3 emissions - which includes emissions beyond our direct supply chain. This recognition reinforces our dedication to transparency, proactive risk management, and setting ambitious, impactful targets for climate action. For our customers and partners, this highlights our unwavering commitment to supporting their sustainability goals. With a proven track record in implementing cutting-edge environmental practices, we continue to lead the way in sustainability innovation and excellence. Additionally, CDP also ranked Barry Callebaut as ‘A-’ for Forest Stewardship, recognizing our transparency in forest stewardship and our strong efforts in combating deforestation. In addition, Barry Callebaut’s ‘AA’ MSCI ESG rating as at August 31, 2024 has been confirmed.

Credit ratings

Barry Callebaut maintains active relationships with Standard & Poor’s and Moody’s.

As at August 31, 2024, current ratings were:

- Standard & Poor's: BBB with outlook stable
- Moody's: Baa3 with outlook stable[6]

[5] Based on notification through the electronic publication platform of the SIX Swiss Exchange.
[6] Moody's downgraded Barry Callebaut's outlook to 'stable' and affirmed its ‘Baa3’ rating on May 8, 2024.

Business Review | Global Chocolate

Global Chocolate saw +0.3% volume growth in fiscal year 2023/24, ahead of an overall declining chocolate confectionery market according to Nielsen (-1.1%)[7]. Volume development for Food Manufacturers (-1.5%) was impacted by soft demand from large global customers, partly offset by resilient performance for Private Label customers. Gourmet delivered +9.8% volume growth, with strong performance across geographies and market segments.

Looking at regional performance within Global Chocolate, Asia Pacific, Middle East and Africa (+5.2%) was the strongest contributor, with double-digit growth in the second half of the year supported by continued strong growth in India and improved performance in Indonesia. Volume in Western Europe (+0.8%) was solid as growth for Gourmet offset slower demand for Food Manufacturers. Latin America saw strong volume growth of +7.2% led by strong momentum in Brazil, particularly for Gourmet customers. Central and Eastern Europe (-1.2%) was impacted by lower volumes for several large global and regional customers. North America reported a volume decrease of -1.8%, driven by slower demand for large Food Manufacturers, while regional accounts and Gourmet saw continued momentum.

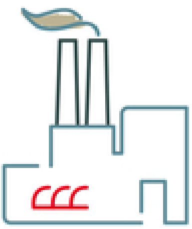
Sales revenue amounted to CHF 7,540.5 million, up +22.2% in local currencies (+16.8% in CHF), with growth mainly driven by higher cocoa prices.

EBIT recurring[8] for Global Chocolate was CHF 725.5 million, up +14.3% in local currencies (+7.6% in CHF). The strong increase reflected the pass-through of higher financing costs through the cost-plus model, which are offset below the EBIT level.

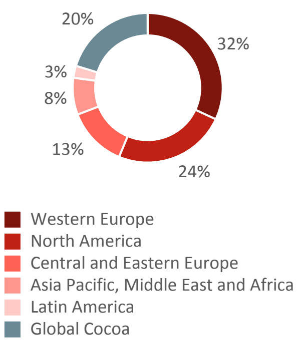
During the fiscal year, the Group added around 35,000 tonnes of annualized volume through new outsourcing contracts and partnerships, including a major partnership with a new customer in North America and a significant ice cream customer in Europe.

Factories

49

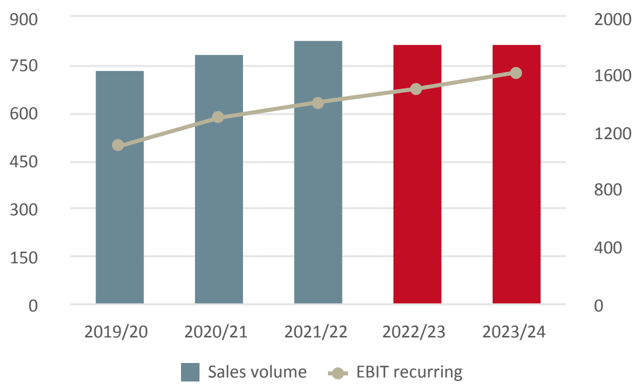


Sales volume by Segment / Sales Group



EBIT recurring[8]
in CHF m

Sales volume
in thousand tonnes



Key figures for Global Chocolate

		Change in %			
		in local currencies	in CHF	2023/24	2022/23
Sales volume	Tonnes		0.3 %	1,818,294	1,813,051
Sales revenue	CHF m	22.2 %	16.8 %	7,540.5	6,456.2
EBITDA (recurring)[8]	CHF m	12.9 %	6.8 %	890.6	834.1
Operating profit (EBIT, recurring)[8]	CHF m	14.3 %	7.6 %	725.5	674.5
Operating profit (EBIT)	CHF m	(3.1)%	(9.7)%	608.8	674.5

[7] Source: Nielsen volume growth excluding e-commerce – 26 countries, September 2023 to August 2024, data subject to adjustment to match Barry Callebaut's reporting period. Nielsen data only partially reflects the out-of-home and impulse consumption.
[8] Refer to page 149 for the detailed recurring results reconciliation.

Business Review | Global Cocoa

Global Cocoa saw a -1.4% decrease in sales volume, in the context of a significant increase in cocoa prices. Sales of cocoa butter and cocoa liquor were impacted by the supply constrained environment. Demand for cocoa powder remained robust, with particular strength in India and Indonesia.

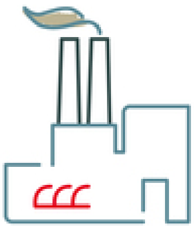
Sales revenue amounted to CHF 2,845.8 million, up +46.9% in local currencies (+41.3% in CHF), mainly driven by higher cocoa prices.

EBIT recurring[9] for Global Cocoa was CHF 100.7 million, down -3.2% in local currencies (-6.0% in CHF). The decrease was a result of lower volumes in a supply constrained market, as well as higher carry costs and futures rolling costs.

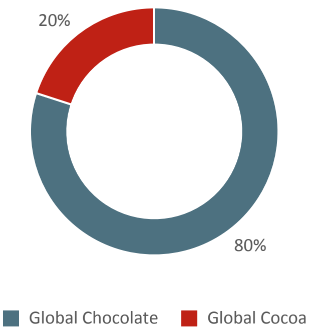
In April 2024, the business relaunched Maleo cocoa powder. The product offers the unique proposition of using less powder for more indulgence. Maleo maximizes cost savings without compromising on the rich cocoa flavor and visual appeal in cocoa-based creations. Maleo is certified sustainable under Cocoa Horizons.

Factories

13

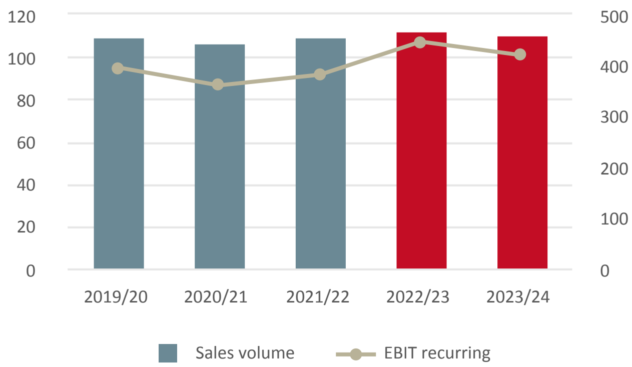


Sales volume by Segment



EBIT recurring[9]
in CHF m

Sales volume
in thousand tonnes



Key figures for Global Cocoa

		Change in %			
		in local currencies	**in CHF**	**2023/24**	**2022/23**
Sales volume	Tonnes		(1.4)%	461,517	467,874
Sales revenue	CHF m	46.9 %	41.3 %	2,845.8	2,014.3
EBITDA (recurring)[9]	CHF m	1.1 %	(1.8)%	177.1	180.4
Operating profit (EBIT, recurring)[9]	CHF m	(3.2)%	(6.0)%	100.7	107.1
Operating profit (EBIT)	CHF m	(74.7)%	(76.5)%	25.2	107.1

[9] Refer to page 149 for the detailed recurring results reconciliation.

Financial Reports

Consolidated Financial Statements

Consolidated Income Statement

for the fiscal year in thousands of CHF	Notes	2023/24	2022/23
Revenue from sales and services	1.1	10,386,283	8,470,525
Cost of goods sold		(9,004,028)	(7,122,007)
Gross profit		**1,382,255**	**1,348,518**
Marketing and sales expenses		(165,566)	(163,411)
General and administration expenses		(560,594)	(502,626)
Other income	1.3	13,544	4,769
Other expense	1.3	(223,512)	(27,900)
Operating profit (EBIT)	1.1	**446,127**	**659,350**
Finance income	3.8	23,904	13,393
Finance expense	3.8	(231,163)	(137,461)
Profit before income tax		**238,868**	**535,282**
Income tax expense	6.1	(47,935)	(92,147)
Net profit for the year		**190,933**	**443,135**
of which attributable to:			
shareholders of Barry Callebaut AG		189,785	444,355
non-controlling interests	3.2	1,148	(1,220)
Earnings per share			
Basic earnings per share (CHF)	3.3	34.64	81.04
Diluted earnings per share (CHF)	3.3	34.58	80.90

Consolidated Financial Statements

Consolidated Statement of Comprehensive Income

for the fiscal year in thousands of CHF	Notes	2023/24	2022/23
Net profit for the year		**190,933**	**443,135**
Currency translation adjustments		(157,594)	(309,888)
Effect of cash flow hedges	3.7	77,117	30,579
Tax effect on cash flow hedges	3.7 / 6.2	(19,683)	(8,706)
Items that may be reclassified subsequently to the income statement		**(100,160)**	**(288,015)**
Remeasurement of defined benefit plans	4.2	454	(3,053)
Tax effect on remeasurement of defined benefit plans	6.2	(270)	438
Items that will never be reclassified to the income statement		**184**	**(2,615)**
Other comprehensive income for the year, net of tax		**(99,976)**	**(290,630)**
Total comprehensive income for the year		**90,957**	**152,505**
of which attributable to:			
shareholders of Barry Callebaut AG		89,850	153,761
non-controlling interests		1,107	(1,256)

Consolidated Financial Statements

Consolidated Balance Sheet

Assets

as at August 31,
in thousands of CHF

	Notes	2024	2023
Current assets			
Cash and cash equivalents	3.4	978,214	488,203
Short-term deposits		137	128
Trade receivables and other current assets	2.5	1,852,369	1,111,256
Inventories	2.4	5,622,400	2,925,732
Income tax receivables		96,874	54,751
Derivative financial assets	3.7	3,629,915	941,685
Total current assets		**12,179,909**	**5,521,755**
Non-current assets			
Property, plant and equipment	2.1	1,530,093	1,506,184
Right-of-use assets	2.2	292,437	265,542
Intangible assets and goodwill	2.3	882,836	953,785
Employee benefit assets	4.2	26,004	25,234
Deferred tax assets	6.2	190,760	117,934
Other non-current assets		57,240	42,314
Total non-current assets		**2,979,370**	**2,910,993**
Total assets		**15,159,279**	**8,432,748**

Liabilities and equity

as at August 31,
in thousands of CHF

	Notes	2024	2023
Current liabilities			
Bank overdrafts	3.5	231,605	152,787
Short-term debt	3.5	1,264,751	466,373
Short-term lease liabilities	3.5	45,709	41,810
Trade payables and other current liabilities	2.6	2,845,095	1,791,038
Income tax liabilities		201,623	132,253
Derivative financial liabilities	3.7	4,162,712	1,545,687
Provisions	2.7	127,343	67,454
Total current liabilities		**8,878,838**	**4,197,402**
Non-current liabilities			
Long-term debt	3.5	2,988,094	900,040
Long-term lease liabilities	3.5	266,222	236,002
Employee benefit liabilities	4.2	82,886	87,569
Provisions	2.7	23,113	14,404
Deferred tax liabilities	6.2	65,769	87,209
Other non-current liabilities		12,737	12,978
Total non-current liabilities		**3,438,821**	**1,338,202**
Total liabilities		**12,317,659**	**5,535,604**
Equity			
Share capital	3.2	110	110
Retained earnings and other reserves		2,839,312	2,895,943
Total equity attributable to the shareholders of Barry Callebaut AG		**2,839,422**	**2,896,053**
Non-controlling interests	3.2	2,198	1,091
Total equity		**2,841,620**	**2,897,144**
Total liabilities and equity		**15,159,279**	**8,432,748**

Consolidated Financial Statements

Consolidated Cash Flow Statement

Operating activities

for the fiscal year in thousands of CHF	Notes	2023/24	2022/23
Net profit for the year		190,933	443,135
Income tax expense	6.1	47,935	92,147
Depreciation, amortization and impairment	2.1/2.2/2.3	337,954	241,951
Interest expense/(interest income)	3.8	198,023	110,223
Loss/(gain) on sale of property, plant and equipment, net	1.3	5,694	1,218
Increase/(decrease) of employee benefit liabilities		(5,703)	(5,013)
Equity-settled share-based payments	4.1	10,397	18,904
Unrealized foreign currency effects		22,315	14,141
Change in working capital:		(2,606,098)	(342,802)
Inventories cocoa beans		(1,456,117)	(138,844)
Inventories other		(1,217,095)	(74,301)
Write down of inventories	2.4	70,578	30,871
Inventory fair value adjustment		(267,225)	(520,670)
Derivative financial assets/liabilities		22,814	559,060
Trade receivables and other current assets		(512,040)	(213,386)
Trade payables and other current liabilities		752,987	14,468
Provisions less payments	2.7	72,417	(17,293)
Other non-cash effective items		(21,426)	(2,288)
Cash (used in)/from operating activities		**(1,747,559)**	**554,323**
Interest paid		(178,831)	(125,856)
Income taxes paid		(137,617)	(97,904)
Operating Cash flow		**(2,064,007)**	**330,563**

Investing activities

for the fiscal year in thousands of CHF	Notes	2023/24	2022/23
Purchase of property, plant and equipment	2.1	(256,770)	(211,835)
Proceeds from sale of property, plant and equipment		1,203	7,500
Purchase of intangible assets	2.3	(28,311)	(29,330)
Proceeds from sale of intangible assets		46	978
Purchase of short-term deposits		(8)	(43)
Proceeds from sale of short-term deposits		—	1,776
Proceeds from sale/(purchase) of other non-current assets		906	(422)
Receipt of government grants		2,005	391
Interest received		14,272	13,393
Investing Cash flow		**(266,657)**	**(217,592)**

Consolidated Financial Statements

Financing activities

for the fiscal year

in thousands of CHF	Notes	2023/24	2022/23
Proceeds from the issue of short-term debt	3.5	1,159,009	50,455
Repayment of short-term debt	3.5	(457,201)	(435,352)
Proceeds from the issue of long-term debt	3.5	2,270,738	124,872
Repayment of long-term debt	3.5	(860)	(73,562)
Payment of lease liabilities	3.5	(46,024)	(44,192)
Dividend paid to shareholders of Barry Callebaut AG	3.2	(158,927)	(153,595)
Purchase of treasury shares	3.5	—	(23,629)
Financing Cash flow		**2,766,735**	**(555,003)**
Effect of exchange rate changes on cash and cash equivalents		(24,878)	(38,331)
Net movement in cash and cash equivalents		**411,193**	**(480,363)**
Cash and cash equivalents at beginning of year		335,416	815,779
Cash and cash equivalents at end of year		746,609	335,416
Net movement in cash and cash equivalents		**411,193**	**(480,363)**
Cash and cash equivalents	3.4	978,214	488,203
Bank overdrafts	3.5	(231,605)	(152,787)
Cash and cash equivalents as defined for the cash flow statement	**3.4**	**746,609**	**335,416**

Consolidated Financial Statements

Consolidated Statement of Changes in Equity

in thousands of CHF

Attributable to the shareholders of Barry Callebaut AG	Share capital	Treasury shares	Retained earnings	Hedging reserves	Cumulative translation adjustment	Total[1]	Non-controlling interests	Total equity
as at September 1, 2022	**110**	**(21,886)**	**3,797,414**	**21,823**	**(895,462)**	**2,901,999**	**2,347**	**2,904,346**
Currency translation adjustment	—	—	—	(800)	(309,071)	(309,871)	(17)	(309,888)
Effect of cash flow hedges	—	—	—	30,579	—	30,579	—	30,579
Tax effect on cash flow hedges	—	—	—	(8,706)	—	(8,706)	—	(8,706)
Items that may be reclassified subsequently to the income statement	**—**	**—**	**—**	**21,073**	**(309,071)**	**(287,998)**	**(17)**	**(288,015)**
Remeasurement of defined benefit plans	—	—	(3,034)	—	—	(3,034)	(19)	(3,053)
Tax effect on remeasurement of defined benefit plans	—	—	438	—	—	438	—	438
Items that will never be reclassified to the income statement	**—**	**—**	**(2,596)**	**—**	**—**	**(2,596)**	**(19)**	**(2,615)**
Other comprehensive income, net of tax	**—**	**—**	**(2,596)**	**21,073**	**(309,071)**	**(290,594)**	**(36)**	**(290,630)**
Net profit for the year	—	—	444,355	—	—	444,355	(1,220)	443,135
Total comprehensive income for the year	**—**	**—**	**441,759**	**21,073**	**(309,071)**	**153,761**	**(1,256)**	**152,505**
Application of hyperinflation accounting (IAS 29), net of tax	**—**	**—**	**3,596**	**—**	**(3,664)**	**(68)**	**—**	**(68)**
Hedge reserve transferred to initial carrying amount of the hedged item	**—**	**—**	**—**	**(1,319)**	**—**	**(1,319)**	**—**	**(1,319)**
Dividend to shareholders	—	—	(153,595)	—	—	(153,595)	—	(153,595)
Purchase of treasury shares	—	(23,629)	—	—	—	(23,629)	—	(23,629)
Equity-settled share-based payments	—	19,281	(377)	—	—	18,904	—	18,904
Total contributions and distributions	**—**	**(4,348)**	**(153,972)**	**—**	**—**	**(158,320)**	**—**	**(158,320)**
as at August 31, 2023	**110**	**(26,234)**	**4,088,797**	**41,577**	**(1,208,197)**	**2,896,053**	**1,091**	**2,897,144**
as at September 1, 2023	**110**	**(26,234)**	**4,088,797**	**41,577**	**(1,208,197)**	**2,896,053**	**1,091**	**2,897,144**
Currency translation adjustment	—	—	—	(1,923)	(155,626)	(157,549)	(45)	(157,594)
Effect of cash flow hedges	—	—	—	77,117	—	77,117	—	77,117
Tax effect on cash flow hedges	—	—	—	(19,683)	—	(19,683)	—	(19,683)
Items that may be reclassified subsequently to the income statement	**—**	**—**	**—**	**55,511**	**(155,626)**	**(100,115)**	**(45)**	**(100,160)**
Remeasurement of defined benefit plans	—	—	450	—	—	450	4	454
Tax effect on remeasurement of defined benefit plans	—	—	(270)	—	—	(270)	—	(270)
Items that will never be reclassified to the income statement	**—**	**—**	**180**	**—**	**—**	**180**	**4**	**184**
Other comprehensive income, net of tax	**—**	**—**	**180**	**55,511**	**(155,626)**	**(99,935)**	**(41)**	**(99,976)**
Net profit for the year	—	—	189,785	—	—	189,785	1,148	190,933
Total comprehensive income for the year	**—**	**—**	**189,965**	**55,511**	**(155,626)**	**89,850**	**1,107**	**90,957**
Application of hyperinflation accounting (IAS 29), net of tax	**—**	**—**	**5,101**	**—**	**(3,052)**	**2,049**	**—**	**2,049**
Hedge reserve transferred to initial carrying amount of the hedged item	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Dividend to shareholders	—	—	(158,927)	—	—	(158,927)	—	(158,927)
Equity-settled share-based payments	—	12,019	(1,622)	—	—	10,397	—	10,397
Total contributions and distributions	**—**	**12,019**	**(160,549)**	**—**	**—**	**(148,530)**	**—**	**(148,530)**
as at August 31, 2024	**110**	**(14,215)**	**4,123,314**	**97,088**	**(1,366,875)**	**2,839,422**	**2,198**	**2,841,620**

1 Attributable to the shareholders of Barry Callebaut AG.

Notes to the Consolidated Financial Statements

Basis of Preparation

A. Organization and business activity

Barry Callebaut AG (the "Company") has its head office in Zurich, Switzerland, at Hardturmstrasse 181. Barry Callebaut AG is registered in Switzerland and has been listed on the SIX Swiss Exchange (BARN, ISIN Number: CH0009002962) since 1998. These Consolidated Financial Statements comprise the Company and its subsidiaries (together referred to as the "Group").

The Group is the world's leading manufacturer of high-quality chocolate and cocoa products – from sourcing and processing cocoa beans to producing the finest chocolates, including chocolate fillings, decorations, and compounds.

B. Basis of presentation

The Consolidated Financial Statements were authorized for issue by the Board of Directors on November 4, 2024 and are subject to approval by the Annual General Meeting of Shareholders on December 4, 2024.

The Consolidated Financial Statements of the Group for the reporting period from September 1, 2023 to August 31, 2024 have been prepared in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

The Consolidated Financial Statements have been prepared on the historical cost basis except for certain items for which IFRS requires another measurement basis, in which case this is explicitly stated in the accounting policies. Material accounting policies relevant to the understanding of the Consolidated Financial Statements are included in the corresponding notes. The Group has consistently applied its accounting policies to all periods presented in these Consolidated Financial Statements.

The Consolidated Financial Statements are presented in Swiss francs, which is the Company's functional currency.

All amounts have been rounded to the nearest thousand, unless otherwise indicated. Due to rounding, the figures presented in the tables may not add up precisely to the totals provided.

C. Use of judgment and estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Information related to judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the Consolidated Financial Statements, together with assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending August 31, 2024, are included in the following notes:

Note 2.2	Right-of-use assets: Critical judgements - Determination of the lease term for options to extend or terminate the lease
Note 2.3	Intangible assets and goodwill: Significant estimates - Impairment test for cash-generating units (CGUs) containing goodwill, i.e. key assumptions used for value-in-use calculations
Note 2.7	Provisions: Significant estimates - Recognition and measurement of provisions
Note 4.2	Employee benefits: Significant estimates - Measurement of defined benefit liabilities, i.e. actuarial assumptions
Note 6	Income taxes: Significant estimates - Recognition and measurement of current and deferred tax liabilities and assets for uncertain tax positions; availability of future taxable profits against which tax loss carry forwards can be utilized

D. Introduction of new and amended IFRS standards in 2023/24 and later

The Group has adopted amendments to the existing International Financial Reporting Standards (IFRS) that are mandatory for periods starting on or after January 1, 2023. These adoptions did not have any material impact on the current reporting period.

The Group has also performed an assessment of amendments with effective date beyond 2023 and with planned application in fiscal year 2024/25 and later. Based on this assessment, the Group does not expect a material impact on the Consolidated Financial Statements.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the International Accounting Standards Board (IASB) issued IFRS 18 "Presentation and Disclosure in Financial Statements", becoming effective on January 1, 2027, replacing IAS 1. The new Standard is to be applied retrospectively. The Group expects to adopt the new standard in fiscal year 2027/28.

The Group is currently assessing the impact. Whereas no change to the recognition and measurement basis is currently expected, the new Standard potentially impacts the structure of the financial statements and reporting of certain lines thereof. In addition, IFRS 18 will bring new requirements to the disclosures in the notes to the financial statements.

New Standards or amendments to Standards	Effective for fiscal year beginning on or after	Applied /Planned application by the Group in
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	January 1, 2023	Fiscal year 2023/24
Definition of Accounting Estimates (Amendments to IAS 8)	January 1, 2023	Fiscal year 2023/24
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	January 1, 2023	Fiscal year 2023/24
International Tax Reform - Pillar 2 Model Rules (Amendments to IAS 12)	January 1, 2023[1]	Fiscal year 2023/24
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	January 1, 2024	Fiscal year 2024/25
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	January 1, 2024	Fiscal year 2024/25
Non-Current Liabilities with Covenants (Amendments to IAS 1)	January 1, 2024	Fiscal year 2024/25
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	January 1, 2024	Fiscal year 2024/25
Lack of Exchangeability (Amendments to IAS 21)	January 1, 2025	Fiscal year 2025/26
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	January 1, 2026	Fiscal year 2026/27
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026	Fiscal year 2026/27
Presentation and Disclosure in Financial Statements (IFRS 18, replacing IAS 1)	January 1, 2027	Fiscal year 2027/28

[1] The temporary deferred tax accounting exception is applied immediately upon release of the amendment on 23 May 2023, while the introduction of additional disclosure requirements is effective for fiscal year 2023/24. Please refer to the Accounting Policies in Note 6 – "Taxes" for further details.

1 Operating Performance

1.1 Segment information

External segment reporting is based on the internal organizational and management structure, as well as on the internal information reviewed regularly by the Chief Operating Decision Maker. Barry Callebaut's Chief Operating Decision Maker has been identified as the Executive Committee.

The Executive Committee considers the business along the value creation process with an end-to-end operational design that centrally drives manufacturing, supply chain, quality and innovation across the geographic regions and product groups.

The Global Cocoa segment is responsible for the Group's cocoa-processing business and the procurement of ingredients for chocolate production (mainly cocoa, sugar, dairy and nuts). Global Cocoa generated approximately 59% of its revenues (fiscal year 2023/24) from transactions with the Global Chocolate segment. Global Cocoa comprises Group-wide sourcing and Global Cocoa processing functions for the benefit of the Global Chocolate segment. Therefore, the major part of its operating profit (EBIT) is allocated to the Chocolate segment.

The Global Chocolate segment consists of chocolate production, distribution and sale related to the Product Groups of Food Manufacturers (focusing on industrial customers) and Gourmet customers (focusing on products for artisans and professional users of chocolate such as chocolatiers, pastry chefs or bakers). Beverage products for vending machines are also included. Whereas certain functions such as marketing and sales are strongly linked to local conditions in country clusters, manufacturing and distribution as well as other functions are managed on a global basis.

The Corporate segment mainly consists of headquarter services (including the Group's centralized Treasury department) to other segments. Thus, the Group reports the Corporate segment separately.

Change in segment definition and restatement of prior year comparatives

As at September 1, 2023, the Group has implemented a new organizational structure. The new structure shifts the ownership of value creation levers to a global level across the regions and product groups. The new responsibilities are reflected in our streamlined Executive Committee. The Chocolate Business as a whole has been combined under one common segment manager instead of three regional managers. Consequently, the segment information provided to the Executive Committee in its role as Chief Operating Decision Maker, has been accordingly adjusted with reporting two segments, Global Chocolate and Global Cocoa, as at September 1, 2023. Prior-year figures have been restated in accordance with the provisions of IFRS, whereas the sum of the prior-year separately reported Regions equals the total reported under Global Chocolate in the restated comparative numbers.

Financial information by reportable segments
2023/24

in thousands of CHF	Global Chocolate	Global Cocoa	Total segments	Corporate	Eliminations	Group
Revenue from external customers	**7,540,480**	**2,845,803**	**10,386,283**	**—**	**—**	**10,386,283**
Revenue from transactions with other operating segments of the Group	—	4,154,335	4,154,335	—	(4,154,335)	—
Revenue from sales and services	**7,540,480**	**7,000,138**	**14,540,618**	**—**	**(4,154,335)**	**10,386,283**
Operating profit (EBIT)	**608,858**	**25,203**	**634,061**	**(187,934)**	**—**	**446,127**
Depreciation and amortization	(165,096)	(76,326)	(241,422)	(4,666)	—	(246,088)
Impairment	(30,878)	(60,988)	(91,866)	—	—	(91,866)
Interest income				23,660		23,660
Interest expense				(221,683)		(221,683)
Total assets	**5,647,291**	**8,422,561**	**14,069,852**	**1,981,871**	**(892,444)**	**15,159,279**
Additions to property, plant, equipment, right-of-use assets and intangible assets, excluding acquisitions of subsidiaries/businesses	(287,354)	(69,605)	(356,959)	(29,487)	—	(386,446)

Financial information by reportable segments
2022/23 restated

in thousands of CHF	Global Chocolate	Global Cocoa	Total segments	Corporate	Eliminations	Group
Revenue from external customers[1]	**6,456,271**	**2,014,254**	**8,470,525**	**—**	**—**	**8,470,525**
Revenue from transactions with other operating segments of the Group	—	2,736,156	2,736,156	—	(2,736,156)	—
Revenue from sales and services	**6,456,271**	**4,750,410**	**11,206,681**	**—**	**(2,736,156)**	**8,470,525**
Operating profit (EBIT)	**674,440**	**107,147**	**781,587**	**(122,237)**	**—**	**659,350**
Depreciation and amortization	(159,641)	(73,281)	(232,922)	(5,024)	—	(237,946)
Impairment	(2,442)	(1,541)	(3,983)	(22)	—	(4,005)
Interest income				13,393		13,393
Interest expense				(116,369)		(116,369)
Total assets	**3,903,933**	**4,324,159**	**8,228,092**	**684,438**	**(479,782)**	**8,432,748**
Additions to property, plant, equipment, right-of-use assets and intangible assets, excluding acquisitions of subsidiaries/businesses	(195,025)	(100,305)	(295,330)	(9,933)	—	(305,263)

1 Certain Gourmet customers have been shifted from Global Cocoa to Global Chocolate to better serve them. The minor reallocation represented less than 1% of Global Cocoa volume and sales revenue in fiscal year 2022/23.

Segment revenue, segment operating profit (EBIT) and segment assets are measured based on IFRS principles.

Finance income and expense and income taxes are not allocated to the respective segment for internal management purposes.

Additional entity-wide disclosures

Information on geographical regions

Barry Callebaut is domiciled in Switzerland, however, its major revenues are generated in other countries. The following table shows revenues reported based on the geographical location of customers and non-current assets other than financial instruments, deferred tax assets and employee benefit assets.

	Revenue		Non-current assets	
in thousands of CHF	2023/24	2022/23	2023/24	2022/23
US	1,728,266	1,564,630	409,640	441,265
Brazil	723,758	462,131	128,266	127,646
Germany	715,322	567,161	88,334	100,510
UK	695,781	536,375	57,192	57,565
France	601,833	475,572	90,413	84,926
Belgium	558,535	452,881	561,095	559,601
Mexico	518,980	526,602	16,503	18,162
Poland	509,979	379,036	92,924	84,302
Rest of World*	4,333,829	3,506,137	1,311,349	1,290,068
Total*	**10,386,283**	**8,470,525**	**2,755,716**	**2,764,045**
*of which Switzerland	**120,218**	**82,953**	**54,696**	**60,045**

Information on Product Groups

The Group has numerous products that are sold to external customers. Therefore, for internal review by the Chief Operating Decision Maker, information on products is aggregated on a Product Group level. The following table breaks down external revenues into Product Groups:

Segment information by Product Group

in thousands of CHF	2023/24	2022/23[1]
Cocoa Products	2,845,803	2,014,254
Food Manufacturers	5,854,381	5,060,128
Gourmet	1,686,099	1,396,143
Revenue from external customers	**10,386,283**	**8,470,525**

1 Certain Gourmet and Cocoa products customers have been shifted to the Food Manufacturers to better serve them. The minor reallocation represented less than 1% of Gourmet and Cocoa volume and sales revenue in fiscal year 2022/23.

In fiscal year 2023/24, the biggest single customer contributed CHF 1,249.3 million or 12.0% of total revenues reported across various segments (in fiscal year 2022/23: CHF 855.8 million or 10.1%). No other single customer contributed more than 10% of total consolidated revenue.

Notes to the Consolidated Financial Statements

Accounting policies

Revenue recognition

Revenue from sales and services represent the net sales revenue from raw materials, semi-processed and processed goods transferred to customers and for services related to food processing.

Revenue is measured based on the contractually agreed transaction price at the amount which the Group expects to receive in exchange for transferring promised goods or services to the customer.

Revenue is generally recognized at the point in time, when control of the goods has been transferred to the customer, which is upon delivery or shipment of the goods, according to the applicable Incoterms. The payment terms are typically between 30 and 90 days.

The Group recognizes revenue over time for highly customized products for which the Group has no alternative use. The nature of the Group's business means that the production of these goods and its delivery occur in short succession. The revenue for these products is recognized over time using the output method 'units delivered'.

Appropriate provisions are made for all additional costs to be incurred in connection with the sales, including the cost related to returns of goods, which do not meet agreed specifications and quality-related claims.

Type of commercial agreement	Commercial principle
Contract business	Partnership agreements/Umbrella agreement The Group enters into long-term partnership/umbrella agreements of between three to ten years, supported by a framework agreement between the Group and the customer governing the conduct of business, payment terms, rights to goods and services. In addition, for partnership agreements it typically includes legally enforceable annual volume purchase commitments. Firm purchase commitments are agreed for delivery periods of typically three to six months.
	Volume agreements The customer commits to legally enforceable firm purchase commitments for certain volumes of specified goods. The conduct of business is ordinarily governed by Group's general terms and conditions.
Price list business	Based on forecasted sales and raw materials prices, the Group establishes a price list for the products in its portfolio. The price list then applies to sales for a period of typically six months.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group's Executive Committee, consisting of the Chief Executive Officer, the Chief Financial Officer, the Chief Customer Supply & Development Officer, the Chief Procurement Officer, the Chief People & Diversity Officer and the Executive Chairman of Future Farming Initiative.

Notes to the Consolidated Financial Statements

1.2 Research and development expenses

in thousands of CHF	2023/24	2022/23
Research and development expenses	**(35,926)**	**(36,967)**

Research and development expenses not qualifying for capitalization are directly charged to the Consolidated Income Statement and are reported under “Marketing and sales expenses” and “General and administration expenses”.

1.3 Other income and expense

Composition of other income

in thousands of CHF	2023/24	2022/23
Release of restructuring provision	627	1,618
Litigation, claims and insurance	4,590	—
Rental income	264	478
Recovery of Brazilian indirect tax credits from previous fiscal periods	5,843	—
Gain on net monetary position, application of hyperinflation accounting (IAS 29) (Note 7.1)	—	278
Other	2,220	2,395
Total other income	**13,544**	**4,769**

Composition of other expense

in thousands of CHF	2023/24	2022/23
Restructuring costs	(110,433)	—
Litigation and claims	—	(7,421)
Net impact related to the salmonella incident at the Wieze factory	—	(7,553)
Net loss on sale of property, plant and equipment	(5,694)	(1,218)
Impairment of property, plant and equipment (Note 2.1)	(44,026)	(422)
Impairment of intangible assets and goodwill (Note 2.3)	(47,840)	(3,583)
Impairment of financial instruments	(7,765)	(3,525)
Loss on net monetary position, application of hyperinflation accounting (IAS 29) (Note 7.1)	(1,914)	—
Other	(5,840)	(4,178)
Total other expense	**(223,512)**	**(27,900)**

Other expense amounted to CHF 223.5 million in fiscal year 2023/24 and mainly includes costs that are related to the BC Next Level Strategic Investment program (CHF 199.3 million). The strategic program was launched in September 2023. As part of the optimization of the Group's manufacturing network, the closure of the factories in Norderstedt (Germany), Port Klang (Malaysia) and Intra (Italy) was announced. Two new Global Business Service centers (GBS) started up throughout the year. In May 2024, an official framework agreement with the European Works Council (EWC) was reached and the dialogue with local social partners has started.

Restructuring costs in the amount of CHF 110.4 million were recognized and the respective provision as at 31 August, 2024 amounts to CHF 99.2 million (Note 2.7 - "Provisions" for more details).

Further details on the impairment of goodwill of CHF 42.7 million can be found in Note 2.3 - "Intangible assets and goodwill".

In relation to the site closures, Property, plant and equipment was impaired to the underlying assets' fair value less costs of disposal in the amount of CHF 43.7 million and certain other items were sold resulting in a loss of CHF 2.5 million.

Gain on disposal of property, plant and equipment in the amount of CHF 0.1 million in fiscal year 2023/24 (2022/23: CHF 2.1 million) was netted against the loss on disposal of property, plant and equipment.

2 Operating Assets and Liabilities

2.1 Property, plant and equipment

2023/24 in thousands of CHF	**Land and buildings**	**Plant and machinery**	**Office equipment, furniture and motor vehicles**	**Under construction**	**Total**
At cost					
as at September 1, 2023	**725,426**	**2,154,652**	**129,846**	**215,959**	**3,225,883**
Additions[1]	1,641	9,273	1,330	260,973	273,217
Disposals	(1,901)	(21,863)	(2,442)	(187)	(26,393)
Currency translation adjustments	(25,355)	(69,163)	(4,148)	(10,044)	(108,710)
Reclassifications from under construction	38,062	175,543	6,682	(220,287)	—
Application of hyperinflation accounting (IAS 29)	1,008	6,424	375	326	8,133
Other reclassifications[2]	(2,530)	12,694	(3)	188	10,349
as at August 31, 2024	**736,351**	**2,267,560**	**131,640**	**246,928**	**3,382,479**
Accumulated depreciation and impairment losses					
as at September 1, 2023	**338,685**	**1,280,282**	**100,688**	**44**	**1,719,699**
Depreciation	23,518	125,630	10,411	—	159,559
Impairment (Note 1.3)	14,688	28,726	467	145	44,026
Disposals	(1,098)	(16,145)	(2,254)	—	(19,497)
Currency translation adjustments	(11,011)	(39,565)	(3,167)	(7)	(53,750)
Application of hyperinflation accounting (IAS 29)	349	1,763	235	—	2,347
Other reclassifications[2]	(867)	883	(14)	—	2
as at August 31, 2024	**364,264**	**1,381,574**	**106,366**	**182**	**1,852,386**
Net as at August 31, 2024	**372,087**	**885,986**	**25,274**	**246,746**	**1,530,093**

1 Cash outflow amounted to CHF 256.8 million. Additions in the amount of CHF 16.5 million were prepaid, while payables for "Property, Plant and Equipment" in the amount of CHF 0.1 million were reduced.
2 Reclassified from “Intangible assets” (net CHF 0.1 million) and from "Inventories" spare parts (CHF 10.2 million).

Notes to the Consolidated Financial Statements

2022/23 in thousands of CHF	**Land and buildings**	**Plant and machinery**	**Office equipment, furniture and motor vehicles**	**Under construction**	**Total**
At cost					
as at September 1, 2022	**753,849**	**2,218,396**	**129,956**	**146,693**	**3,248,894**
Additions[1]	1,589	10,952	3,191	188,585	204,317
Disposals	(6,031)	(15,873)	(5,452)	(2,900)	(30,256)
Currency translation adjustments	(43,306)	(153,171)	(7,359)	(10,892)	(214,728)
Reclassifications from under construction	18,125	77,221	9,289	(104,635)	—
Application of hyperinflation accounting (IAS 29)	1,448	4,783	355	903	7,489
Other reclassifications[2]	(248)	12,344	(134)	(1,795)	10,167
as at August 31, 2023	**725,426**	**2,154,652**	**129,846**	**215,959**	**3,225,883**
Accumulated depreciation and impairment losses					
as at September 1, 2022	**337,206**	**1,251,355**	**100,631**	**911**	**1,690,103**
Depreciation	23,508	122,136	9,782	—	155,426
Impairment (Note 1.3)	704	536	—	(818)	422
Disposals	(4,462)	(12,388)	(4,689)	—	(21,539)
Currency translation adjustments	(18,603)	(83,348)	(5,324)	(49)	(107,324)
Application of hyperinflation accounting (IAS 29)	402	1,577	236	—	2,215
Other reclassifications[2]	(70)	414	52	—	396
as at August 31, 2023	**338,685**	**1,280,282**	**100,688**	**44**	**1,719,699**
Net as at August 31, 2023	**386,741**	**874,370**	**29,158**	**215,915**	**1,506,184**

1 Cash outflow amounted to CHF 211.8 million, of which CHF 22.2 million is related to prepayments. Of the additions, CHF 15.7 million are not yet paid purchases of property, plant and equipment.
2 Reclassified to “Intangible assets” (net CHF 1.7 million), from “Right-of-use assets” (net CHF 0.5 million) and from "Inventories" spare parts CHF 11.0 million.

Repair and maintenance expenses for the fiscal year 2023/24 amounted to CHF 96.4 million (2022/23: CHF 84.1 million).

As at August 31, 2024, no non-currents assets were pledged as security for financial liabilities (2023: nil).

Accounting policies

Property, plant and equipment

The Group periodically reviews the remaining useful lives of assets recognized in “Property, plant and equipment".

Property, plant and equipment is measured at the acquisition or construction cost, less accumulated depreciation and accumulated impairment losses. A straight-line method of depreciation is applied through the estimated useful life.
Estimated useful lives of major classes of depreciable assets are:

Buildings (including warehouses and installations)	20 to 50 years
Plant and machinery	5 to 20 years
Office equipment, furniture and motor vehicles	3 to 10 years

Maintenance and repair expenditures are charged to the income statement as incurred.
Property, plant and equipment is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable in form of future economic benefits. If the recoverable amount of an asset has declined below its carrying amount, an impairment loss is recognized to reduce the value of the asset to its recoverable amount. In determining the recoverable amount, the higher of an asset’s fair value less costs of disposal and value in use is considered.

Borrowing costs

Borrowing costs related to the acquisition, construction, or production of a qualifying asset are capitalized in accordance with IAS 23. A qualifying asset is an asset that necessarily takes a substantial period of time in order to use or sell it as intended by the Group management.

2.2 Right-of-use assets

The Group leases land and buildings for use as office and warehouse space. Lease contracts are entered on an individual basis and contain a wide range of different terms and conditions. Lease terms are typically fixed for a period of two to twelve years. In many cases, lease contracts for buildings contain extension options, which provide operational flexibility and security. Such options are considered individually to determine whether the Group is reasonably certain to exercise the option. Furthermore, the Group maintains a fleet of leased cars with an average lease term of four years and leased vehicles with an average lease term of six years. The average lease term for office equipment is five years.

2023/24

in thousands of CHF	Land and buildings	Plant and machinery	Office equipment and motor vehicles	Total
At cost				
as at September 1, 2023	**344,184**	**1,754**	**46,397**	**392,335**
Additions	65,723	273	19,052	85,048
Disposals	(8,380)	(844)	(8,072)	(17,296)
Lease modifications	3,579	38	195	3,812
Currency translation adjustments	(11,291)	(1)	(2,170)	(13,462)
as at August 31, 2024	**393,815**	**1,220**	**55,402**	**450,437**
Accumulated depreciation and impairment losses				
as at September 1, 2023	**103,186**	**1,458**	**22,149**	**126,793**
Depreciation	40,998	344	11,677	53,019
Disposals	(8,182)	(840)	(7,833)	(16,855)
Lease modifications	—	—	(106)	(106)
Currency translation adjustments	(3,871)	(3)	(977)	(4,851)
as at August 31, 2024	**132,131**	**959**	**24,910**	**158,000**
Net as at August 31, 2024	**261,684**	**261**	**30,492**	**292,437**

2022/23

in thousands of CHF	Land and buildings	Plant and machinery	Office equipment and motor vehicles	Total
At cost				
as at September 1, 2022	**312,898**	**2,686**	**45,501**	**361,085**
Additions	58,073	54	13,259	71,386
Disposals	(7,872)	(54)	(9,351)	(17,277)
Lease modifications	5,293	—	(254)	5,039
Currency translation adjustments	(24,208)	(159)	(2,673)	(27,040)
Reclassifications[1]	—	(773)	(85)	(858)
as at August 31, 2023	**344,184**	**1,754**	**46,397**	**392,335**
Accumulated depreciation and impairment losses				
as at September 1, 2022	**81,523**	**1,445**	**21,816**	**104,784**
Depreciation	37,201	442	10,626	48,269
Disposals	(7,697)	(54)	(8,893)	(16,644)
Lease modifications	(747)	—	(90)	(837)
Currency translation adjustments	(7,094)	(97)	(1,259)	(8,450)
Reclassifications[1]	—	(278)	(51)	(329)
as at August 31, 2023	**103,186**	**1,458**	**22,149**	**126,793**
Net as at August 31, 2023	**240,998**	**296**	**24,248**	**265,542**

1 Reclassified to "Property, plant and equipment" (net CHF 0.5 million).

The following expenses related to the Group's leasing activities are recognized in the income statement:

in thousands of CHF	2023/24	2022/23
Expense relating to short-term leases	4,295	3,606
Expense relating to leases of low-value assets	938	565
Expense relating to variable lease payments not included in the measurement of lease liabilities	376	739
Lease-related expenses	**5,609**	**4,910**
Depreciation of right-of-use assets	53,019	48,270
Interests on lease liabilities	11,398	8,176
Total amount recognized in the income statement	**70,026**	**61,356**

In fiscal year 2023/24, the Group's total cash outflow for lease payments was CHF 63.0 million, including interest paid (2022/23: CHF 57.3 million).

Accounting policies

Definition of a lease	At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.
Recognition and measurement of a lease	The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The lease liability is initially measured at the present value of the future lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate defined on a Group level, specific to the currency of the lease contract. Lease payments included in the initial measurement of the lease liability include for example fixed payments and variable payments that depend on an index or rate, which are initially measured using the index or rate at the commencement date. The lease liability is subsequently measured at amortized cost using the effective interest method, decreased by lease payments made. The lease liability is remeasured in case of changes in future lease payments (i.e. index-based rents) or any changes in the assessments of extension or termination options. For such remeasurements, a corresponding adjustment generally is made to the right-of-use asset. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, plus any initial direct costs incurred, an estimate of costs for restoration obligations, payments made at or before the commencement date and less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the lease term or the end of the useful life of the underlying asset (determined on the same basis as those of property, plant and equipment). In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The Group applies judgment to determine the lease terms for lease contracts that include renewal or termination options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term which significantly affects the amount of right-of-use assets and lease liabilities recognized in the balance sheet.
Short-term leases and leases of low-value assets	The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of twelve months or less, and do not contain a purchase option, and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.3 Intangible assets and goodwill

2023/24

in thousands of CHF	Goodwill	Brand names and licenses	Internally generated intangible assets	Other / Under development	Total
At cost					
as at September 1, 2023	**806,847**	**58,323**	**546,119**	**46,168**	**1,457,457**
Additions[1]	—	—	6,899	21,282	28,181
Disposals	—	(463)	(6,217)	(4,980)	(11,660)
Currency translation adjustments	(14,504)	(596)	(11,896)	(2,140)	(29,136)
Reclassifications from under development	—	—	20,993	(20,993)	—
Other reclassifications[2]	—	—	882	(984)	(102)
as at August 31, 2024	**792,343**	**57,264**	**556,780**	**38,353**	**1,444,740**
Accumulated amortization and impairment losses					
as at September 1, 2023	**—**	**54,273**	**415,002**	**34,397**	**503,672**
Amortization	—	1,476	31,024	1,010	33,510
Impairment (Note 1.3)	42,743	—	4,105	992	47,840
Disposals	—	(463)	(6,199)	(4,951)	(11,613)
Currency translation adjustments	—	(510)	(9,770)	(1,225)	(11,505)
Other reclassifications[2]	—	—	10	(10)	—
as at August 31, 2024	**42,743**	**54,776**	**434,172**	**30,213**	**561,904**
Net as at August 31, 2024	**749,600**	**2,488**	**122,608**	**8,140**	**882,836**

1 Cash outflow amounted to CHF 28.3 million including the reduction of payables on intangible assets of CHF 0.1 million.
2 Reclassified to “Property, plant and equipment” (net CHF 0.1 million).

2022/23

in thousands of CHF	Goodwill	Brand names and licenses	Internally generated intangible assets	Other / Under development	Total
At cost					
as at September 1, 2022	**861,231**	**61,138**	**541,206**	**47,657**	**1,511,232**
Additions	—	—	9,686	19,874	29,560
Disposals	—	(1,714)	(3,587)	(3,217)	(8,518)
Currency translation adjustments	(54,384)	(1,101)	(16,937)	(4,105)	(76,527)
Reclassifications from under development	—	—	13,905	(13,905)	—
Other reclassifications[1]	—	—	1,846	(136)	1,710
as at August 31, 2023	**806,847**	**58,323**	**546,119**	**46,168**	**1,457,457**
Accumulated amortization and impairment losses					
as at September 1, 2022	**—**	**55,217**	**400,011**	**35,587**	**490,815**
Amortization	—	1,527	31,342	1,382	34,251
Impairment (Note 1.3)	—	—	239	3,344	3,583
Disposals	—	(1,714)	(3,263)	(2,562)	(7,539)
Currency translation adjustments	—	(754)	(13,892)	(2,810)	(17,456)
Other reclassifications[1]	—	(3)	565	(544)	18
as at August 31, 2023	**—**	**54,273**	**415,002**	**34,397**	**503,672**
Net as at August 31, 2023	**806,847**	**4,050**	**131,117**	**11,771**	**953,785**

1 Reclassified from “Property, plant and equipment” (net CHF 1.7 million).

Additions and reclassification from under development to internally generated intangible assets amounted to CHF 27.9 million in fiscal year 2023/24 (2022/23: CHF 23.6 million). This mainly included costs related to various projects of internally generated software and amounted to CHF 27.4 million (2022/23: CHF 21.3 million). Additions to other intangible assets mainly included projects under development.

For the production facility in Port Klang, Malaysia, an impairment of goodwill of CHF 42.7 million was recognized and allocated mainly to the Global Cocoa CGU. This resulted from value lost due to the decision to close the production facility.

Impairment testing for cash-generating units containing goodwill

The carrying amount of goodwill for the Group amounts to CHF 749.6 million (2023: CHF 806.8 million). The allocation to the segments is as follows:

as at August 31, in thousands of CHF	2024	2023 restated
Global Cocoa	375,507	425,150
Global Chocolate	374,093	381,697
Total	**749,600**	**806,847**

Goodwill acquired in a business combination is allocated to the respective segment that is expected to benefit from the synergies of the business combination, at acquisition date. Due to the Group's fully integrated business the segments represent the lowest level within the entity at which the goodwill is monitored for internal management purposes. Thus, the impairment test is performed on a segment level.

The segment information has been adjusted to two reportable segments, Global Chocolate and Global Cocoa as at September 1, 2023. Prior-year figures have been restated in accordance with the provisions of IFRS, whereas the sum of the separately reported goodwill balances per Regions equals the total reported goodwill balance under Global Chocolate in the restated comparative prior-year numbers. The reorganization of the segment reporting did not trigger a reallocation of goodwill. For further details on the new organizational structure refer to Note 1.1 - "Segment information".

For the impairment test, the recoverable amount of a cash-generating unit (CGU) is based on its value-in-use and is compared to the carrying amount of the corresponding CGU. Future cash flows are discounted using a pre-tax rate that reflects current market assessments based on the weighted average cost of capital (WACC).

The Group performs its impairment test during the fourth quarter of the fiscal year. This approach was chosen because the Mid-Term Plan, covering the next five fiscal years, is updated annually in the third quarter. The Mid-Term Plan is based on the assumption that there are no major changes to the Group's organization. The residual value is calculated from an estimated continuing value, which is primarily based on the fifth year of the Mid-Term Plan. The terminal growth rate used for determining the residual value does not exceed the expected long-term growth rate of the industry.

The annual impairment tests did not result in a need to recognize impairment losses in fiscal year 2023/24.

The key sensitivities in the impairment test are the WACC, as well as the terminal growth rate.

Key assumptions used for value-in-use calculations

	2024		2023 restated	
	Discount rate	Terminal growth rate	Discount rate	Terminal growth rate
Global Cocoa	8.8 %	1.7 %	10.4 %	1.9 %
Global Chocolate	9.1 %	1.5 %	9.4 %	1.8 %

The Group has carried out a sensitivity analysis, containing various scenarios. Taking reasonable possible changes in key assumptions into account, no scenario exists where the CGUs' recoverable amount would fall below its carrying value.

Accounting policies

Goodwill	Goodwill on acquisitions is the excess of acquisition date fair value of the total consideration transferred, plus the recognized amount of any non-controlling interest in the acquiree and the acquisition date fair value of assets acquired, liabilities and contingent liabilities assumed. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment annually on the same date or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Negative goodwill is recognized directly in the Consolidated Income Statement. At the acquisition date, any acquired goodwill is allocated to each of the cash-generating units (CGUs). The Group defines its CGUs for goodwill impairment testing based on the way that it monitors and derives economic benefits from the acquired goodwill. The impairment tests are performed by comparing the carrying value of the assets of these CGUs with their recoverable amount, based on their value in use, which corresponds to their future projected cash flows discounted at an appropriate pre-tax rate of return. The cash flows correspond to estimates made by Group Management in financial plans and business strategies covering a period of five years after making adjustments to consider the assets in their current condition. They are then projected to perpetuity using a multiple which corresponds to a steady growth rate. The Group assesses the uncertainty of these estimates by making sensitivity analyses. Where the recoverable amount of the CGUs is less than the carrying amount, an impairment loss is recognized. An impairment loss in respect of goodwill is never subsequently reversed.
Research and development costs	Research costs are expensed as incurred. Development costs for projects related to recipes and product innovations are capitalized as an intangible asset if it can be demonstrated that the project is expected to generate future economic benefits, if it is probable that those future economic benefits will flow to the entity, and the costs of the asset can be measured reliably. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period. Development costs that have been capitalized are amortized on a straight-line basis over the period of their expected useful life. The amortization periods adopted do not exceed five years.
Brand names, licenses and other intangible assets	Other acquired intangible assets include brand names, licenses, customer relationships, patents and trademarks, software and projects to improve the processes. Patents and licenses are amortized over their period of validity. All other intangible assets are amortized on a straight-line basis over their anticipated useful life not exceeding ten years. The amortization charge is included in the positions "General and administration expenses" and "Cost of goods sold" in the Consolidated Income Statement.

2.4 Inventories

as at August 31, in thousands of CHF	2024	2023
Cocoa beans stocks	2,694,281	1,267,568
Semi-finished and finished products	2,577,386	1,291,659
Other raw materials and packaging materials	350,733	366,505
Total inventories	**5,622,400**	**2,925,732**

As at August 31, 2024, the value of cocoa and chocolate inventories designated in a hedging relationship amounted to CHF 3,650.2 million (2023: CHF 1,811.9 million), on which a fair value hedge adjustment of CHF 816.8 million was recorded (2023: CHF 564.7 million). For further details of hedged inventories refer to Note 3.7.9 – "Effect of hedge accounting on the financial position and performance".

In 2023/24, materials used of CHF 7,734.7 million (2022/23: CHF 5,835.3 million) were recognized as an expense during the year and included in “Cost of goods sold”.

In fiscal year 2023/24, inventory write-downs of CHF 70.6 million were recognized as an expense (2022/23: CHF 30.9 million).

As at August 31, 2024, inventories have been pledged for CHF 511.1 million (2023: nil).

Accounting policies	
Inventories	Inventories are measured at the lower of cost and net realizable value. The cost of inventories comprises the costs of materials, direct production costs including labor costs and an appropriate proportion of production overheads and factory depreciation. The weighted average method is used in assigning the cost of inventories. Those inventories that are allocated as hedged items in a fair value hedge relationship are adjusted for the change in the fair value attributable to the hedged cocoa price risk.

2.5 Trade receivables and other current assets

as at August 31, in thousands of CHF	2024	2023
Trade receivables	893,679	532,548
Accrued income	60,673	68,903
Loans and other receivables	415,580	228,218
Other current financial assets	23,203	26,634
Receivables representing financial assets	**1,393,135**	**856,303**
Prepayments	162,368	118,862
Other current non-financial assets	995	1,361
Other tax receivables and receivables from government	295,871	134,730
Other receivables	**459,234**	**254,953**
Total trade receivables and other current assets	**1,852,369**	**1,111,256**

The Group runs asset-backed securitization programs, whereby trade receivables are sold at their nominal value minus a discount in exchange for cash. The amount of the receivables sold net of discounts as at August 31, 2024, was CHF 531.2 million (2023: CHF 414.9 million). This amount was derecognized from the balance sheet. The amount is the combination of the gross value of the receivables sold of CHF 584.7 million (2023: CHF 443.0 million) and the discount applicable of CHF 53.5 million (2023: CHF 28.1 million).

Net amounts payable to these programs amounted to CHF 95.6 million as at August 31, 2024 (2023: CHF 70.0 million), consisting of the balance of receivables collected before the next rollover date of CHF 149.0 million (2023: CHF 98.1 million), less the discount on receivables sold of CHF 53.5 million (2023: CHF 28.1 million). The discount is retained by the programs to establish a dilution reserve, a yield reserve, and an insurance first loss reserve. These amounts are included in Note 2.6 – “Trade payables and other current liabilities” on a net basis.

Trade receivables with the fair value of CHF 143.9 million (and CHF 145.2 million nominal amount) as at August 31, 2024 (2023: fair value CHF 103.0 million, nominal amount CHF 103.9 million), are held for realization through sale under the asset-backed securitization programs and are therefore classified as measured at fair value through profit or loss. All other trade receivables, accrued income, loans, other receivables and other current financial assets are measured at amortized cost.

Interest expense paid under the asset-backed securitization programs amounted to CHF 28.2 million (2022/23: CHF 16.8 million) and was reported under “Interest expense”.

Notes to the Consolidated Financial Statements

For detailed information about the expected credit losses calculated on the Group's financial assets measured at amortized cost refer to Note 3.7.4 – "Credit risk and concentration of credit risk".

Accounting policies

Trade receivables	Trade receivables, with the exception of those receivables that are managed under the asset-backed securitization programs, are stated at amortized cost, less lifetime expected credit losses. The Group maintains asset-backed securitization programs for trade receivables, transferring the contractual rights to the cash flows of third-party trade receivables at their nominal value minus a discount. These receivables are derecognized from the balance sheet. The net amount reported under "Loans and other receivables" or "Other payables" is the amount of the discount, minus the receivables already collected at the balance sheet date, but not yet remitted to the asset-purchasing company. Before being sold, the receivables that are managed under the asset-backed securitization programs are classified as financial assets measured at fair value through profit or loss.
Other financial assets	Other financial assets are the items reported in the lines "Accrued Income", "Loans and other receivables" and "Other current financial assets". Other financial assets are classified as measured at amortized cost less expected impairment losses. The Group's other financial assets have contractual cash flows that are solely principal, and the Group's interest and business model is to hold these assets to collect contractual cash flows. All purchases and sales of financial assets are recognized on the trade date. Financial assets are recognized when the Group becomes a party to the contractual provisions and are initially measured at fair value, which represents the transferred consideration, plus transaction costs. Financial assets are derecognized when the Group loses control of the contractual rights to the cash flows of the assets. Such control is lost when the rights and benefits specified in the contract are realized, expired, or are surrendered.
Allowance for impairment losses of financial assets	At each reporting date, the Group recognizes an impairment allowance for financial assets measured at amortized cost. The impairment allowance represents the Group's estimates of lifetime expected credit losses, which are the present value of the cash shortfalls over the expected life of the financial assets. Impairment losses are reflected in the allowance account of the respective financial asset class and recognized in the Consolidated Income Statement as follows:

Financial asset class	Line item in Consolidated Income Statement
Cash and cash equivalents	Finance expense
Deposits	Other expense
Trade receivables	Revenue from sales and services
Other receivables	Other expense
Other financial assets	Other expense

2.6 Trade payables and other current liabilities

as at August 31, in thousands of CHF	2024	2023
Trade payables	1,810,517	1,143,806
Accrued expenses	293,039	213,505
Other payables	435,670	199,145
Payables representing financial liabilities	**2,539,226**	**1,556,456**
Accrued wages and social security	147,351	139,238
Other taxes and payables to government	157,463	94,033
Deferred income	1,055	1,311
Other liabilities	**305,869**	**234,582**
Total trade payables and other current liabilities	**2,845,095**	**1,791,038**

The Group has payables related to asset-backed securitization programs, see Note 2.5 – "Trade receivables and other current assets". Other payables also consist of outstanding ledger balances with commodity brokers.

Accounting policies

Trade payables and other current financial liabilities

Trade payables and other current financial liabilities are initially recognized at fair value, net of transaction costs, when the Group becomes a party to the contractual provisions. They are subsequently carried at amortized cost using the effective interest rate method. A financial liability is derecognized when the obligation is discharged, cancelled, or expires.

The Group engages in supplier finance arrangements which allows suppliers to receive early payment from financial institutions by factoring their receivables. Invoices settled through these programs are classified as Trade payables as the original liability remains substantially unmodified. Payments made under these programs are included in operating cash flows as they remain operational in nature.

2.7 Provisions

in thousands of CHF	Restructuring	Litigation & claims	Other	Total
as at September 1, 2023	**702**	**61,720**	**19,436**	**81,858**
Additions	110,433	26,487	3,826	140,746
Use of provisions	(10,880)	(46,386)	(2,959)	(60,225)
Release of unused provisions	(627)	(5,310)	(2,167)	(8,104)
Currency translation adjustments	(448)	(1,274)	(2,097)	(3,819)
as at August 31, 2024	**99,180**	**35,237**	**16,039**	**150,456**
of which:				
Current	99,180	21,465	6,698	127,343
Non-current	—	13,772	9,341	23,113

Restructuring

Restructuring primarily includes direct expenditures arising from the restructuring, notably severance payments and other costs directly linked to closure of facilities.

In relation to the BC Next Level program, restructuring provisions, including severance and closure costs, were recognized for the announced factory closures in Norderstedt (Germany) and Port Klang (Malaysia). Severance costs were also provided for other locations where detailed restructuring plans were communicated. Provisions represent a best estimate and final amounts are dependent on the outcome of the dialogue with social partners. The respective restructuring provision as at 31 August, 2024 amounts to CHF 99.2 million.

Litigation & claims

The amount includes provisions for certain litigation and claims that have been recognized to cover legal, tax and administrative disputes that arise in the ordinary course of business for which, by their nature, the timing or the amount are difficult to predict. This includes, but is not limited to, customer, labor and non-income tax claims.

Other provisions

Other provisions cover different types of risk, including non-income tax risks and warranties, and the majority is expected to be used within three years.

Accounting policies

Provisions	Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate thereof can be made. Provisions are recorded for identifiable claims and restructuring costs. Restructuring provisions mainly comprise employee termination payments. Specific provisions for restructuring costs are recorded at such time as the management approves the decision to restructure and a formal plan for restructuring is communicated.

3 Capital and Financial Risk Management

3.1 Capital management

The Group continues to apply its policy to maintain a sound capital base to support the continued development of the business. The Board of Directors seeks to maintain a prudent balance between debt and equity. In compliance with bank covenants, there is also a minimum tangible net worth value (equity less intangible assets and goodwill) set at CHF 750 million.

During the BC Next Level transition period, the Group communicated that the dividend per share will not be lower than in fiscal year 2022/23. The form of the payout recommended by the Board is reviewed on an annual basis. The final payout form and amount is subject to the decision at the Annual General Meeting of Shareholders.

The Group's subsidiaries have complied with applicable local statutory capital requirements.

3.2 Equity

Share capital and dividends

The issued share capital amounts to CHF 0.1 million (2023: CHF 0.1 million) and is divided into 5,488,858 registered shares with a nominal value of CHF 0.02 (2023: CHF 0.02). All of the issued shares are fully paid and validly issued and are not subject to calls for additional payments of any kind. The Company has one class of shares, which carries no right to a fixed dividend.

By resolution of the Annual General Meeting on December 6, 2023 the shareholders approved the proposed distribution of dividends in the amount of CHF 29.00 per share, effected through a dividend payment of CHF 158.9 million. The payment was made to shareholders on January 10, 2024.

During the fiscal year 2022/23, the payout of CHF 28.00 per share was effected through a dividend payment out of retained earnings in the amount of CHF 153.6 million. The payment was made to shareholders on January 11, 2023.

Treasury shares

Treasury shares are valued at weighted average cost and have been deducted from equity. The book value of the treasury shares as at August 31, 2024, amounted to CHF 14.2 million (2023: CHF 26.2 million).

The fair value of the treasury shares as at August 31, 2024, amounted to CHF 11.3 million (2023: CHF 23.5 million). As at August 31, 2024, the number of outstanding shares amounted to 5,480,613 (2023: 5,473,642) and the number of treasury shares to 8,245 (2023: 15,216). During this fiscal year, no shares have been purchased and 6,971 transferred to employees and members of the Board of Directors under the employee stock ownership program (2022/23: 14,000 purchased; 9,079 transferred).

Retained earnings

As at August 31, 2024, retained earnings contain legal reserves of CHF 14.2 million (2023: CHF 26.3 million), which are not distributable to the shareholders pursuant to Swiss law.

Hedging reserves

Hedging reserves comprise the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that are expected to occur. For further detail about the hedge reserves, refer to Note 3.7.9 – "Effect of hedge accounting on the financial position and performance".

Cumulative translation adjustment (CTA)

Cumulative translation adjustments comprise all foreign currency differences arising from the translation of the financial statements of foreign operations.

Movements in non-controlling interests

in thousands of CHF	2023/24	2022/23
as at September 1,	**1,091**	**2,347**
Non-controlling share of profit/(loss)	1,148	(1,220)
Non-controlling share of other comprehensive income	(41)	(36)
as at August 31,	**2,198**	**1,091**

The non-controlling interests are not material for the Group.

Accounting policies	
Transactions with non-controlling interests	The Group applies the policy of treating transactions with non-controlling interests equal to transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposal to non-controlling interests are also recorded in equity.

3.3 Earnings per share

in CHF	2023/24	2022/23
Basic earnings per share (CHF)	34.64	81.04
Diluted earnings per share (CHF)	34.58	80.90

The following amounts of earnings have been used as the numerator in the calculation of basic and diluted earnings per share:

in thousands of CHF	2023/24	2022/23
Net profit for the year attributable to shareholders of Barry Callebaut AG, used as numerator for basic earnings per share	189,785	444,355
Adjusted net profit for the year used as numerator for diluted earnings per share	189,785	444,355

The following numbers of shares have been used as the denominator in the calculation of basic and diluted earnings per share:

	2023/24	2022/23
Number of shares issued	5,488,858	5,488,858
Weighted average number of treasury shares held	(9,625)	(5,725)
Weighted average number of ordinary shares outstanding, used as denominator for basic earnings per share	**5,479,233**	**5,483,133**
Dilution potential of equity-settled share-based payments	9,126	9,243
Adjusted weighted average number of ordinary shares, used as denominator for diluted earnings per share	**5,488,359**	**5,492,376**

3.4 Cash and cash equivalents

Cash and cash equivalents amounted to CHF 978.2 million as at August 31, 2024 (2023: CHF 488.2 million), and comprised cash on hand, cheques, bank balances and bank deposit balances with an original maturity of 90 days or less. Bank overdrafts amounted to CHF 231.6 million as at August 31, 2024 (2023: CHF 152.8 million), and are repayable on demand, forming an integral part of the Group's cash management. Bank overdrafts are included as a component of cash and cash equivalents for the purpose of the Consolidated Cash Flow Statement.

3.5 Debt and lease liabilities

3.5.1 Short-term debt and lease liabilities

as at August 31,	Carrying amounts	
in thousands of CHF	2024	2023
Bank overdrafts	**231,605**	**152,787**
Commercial paper	751,365	—
Short-term loans	377,613	35,375
Short-term portion of long-term loans	135,761	430,985
Other	12	13
Short-term debt	**1,264,751**	**466,373**
Short-term lease liabilities	**45,709**	**41,810**
Short-term debt and lease liabilities	**1,542,065**	**660,970**

Short-term debt and lease liabilities are mainly denominated in EUR as shown in the table below:

as at August 31,		2024			2023	
Split per currency		Interest range			Interest range	
in thousands of CHF	Amount	from	to	Amount	from	to
AUD	29,393	1.93 %	5.61 %	384	1.93 %	1.93 %
BRL	104,178	6.71 %	16.07 %	1,422	6.71 %	16.07 %
CHF	17,899	0.42 %	3.96 %	3,849	0.42 %	3.96 %
CLP	9,250	4.18 %	8.06 %	8,807	4.18 %	12.63 %
EUR	933,088	0.10 %	5.00 %	447,686	0.10 %	5.00 %
GBP	146,234	0.93 %	6.91 %	288	0.93 %	6.58 %
TRY	36,687	12.52 %	55.50 %	9,564	12.52 %	42.80 %
USD	23,475	1.03 %	7.51 %	28,610	1.03 %	11.50 %
XOF	219,126	3.90 %	12.49 %	142,638	3.90 %	12.49 %
Other	22,735	0.34 %	36.75 %	17,722	0.34 %	36.75 %
Total	**1,542,065**			**660,970**		

3.5.2 Long-term debt and lease liabilities

as at August 31,	Carrying amounts	
in thousands of CHF	2024	2023
Senior Notes	1,978,090	430,414
Schuldscheindarlehen	832,070	848,203
Term loan	245,632	—
Short-term portion of long-term loans	(135,761)	(430,985)
Other loans	68,063	52,408
Total long-term debt	**2,988,094**	**900,040**
Long-term lease liabilities	**266,222**	**236,002**
Long-term debt and lease liabilities	**3,254,316**	**1,136,042**

Notes to the Consolidated Financial Statements

as at August 31,
In issuance currency, in million

Debt instrument	Issuance	Maturity	Issuance Currency	Issuance Amount	Interest rate type	Outstanding amount 2024	Outstanding amount 2023
EUR 450 million 2.375% Senior bond	May-16	May-24	EUR	450	Fixed	0	450
CHF 225M 1.95% Senior bond	Jan-24	Jan-28	CHF	225	Fixed	225	0
CHF 375M 2.3% Senior bond	Jan-24	Jan-32	CHF	375	Fixed	375	0
CHF 240M 1.8% Senior bond	May-24	May-26	CHF	240	Fixed	240	0
CHF 270M 2.05% Senior bond	May-24	May-30	CHF	270	Fixed	270	0
CHF 220M 2.4% Senior bond	May-24	May-34	CHF	220	Fixed	220	0
EUR 700M 4% Senior bond	Jun-24	Jun-29	EUR	700	Fixed	700	0
Schuldscheindarlehen	Feb-19	Feb-26	EUR	104	Fixed	104	104
Schuldscheindarlehen	Feb-19	Feb-27	EUR	132	Fixed	132	132
Schuldscheindarlehen	Feb-19	Feb-29	EUR	12	Fixed	12	12
Schuldscheindarlehen	Feb-19	Feb-27	CHF	21	Fixed	21	21
Schuldscheindarlehen	Feb-19	Feb-26	EUR	88	Floating	88	88
Schuldscheindarlehen	Feb-19	Feb-27	EUR	122	Floating	122	122
Schuldscheindarlehen	Feb-19	Feb-29	EUR	10	Floating	10	10
Schuldscheindarlehen	Jul-20	Jul-25	EUR	112	Fixed	112	112
Schuldscheindarlehen	Jul-20	Jan-27	EUR	18	Fixed	18	18
Schuldscheindarlehen	Jul-20	Jul-28	EUR	82	Fixed	82	82
Schuldscheindarlehen	Jul-20	Jul-30	EUR	57	Fixed	57	57
Schuldscheindarlehen	Jul-20	Jan-27	CHF	5	Fixed	5	5
Schuldscheindarlehen	Jul-20	Jul-25	EUR	34	Floating	17	17
Schuldscheindarlehen	Jul-20	Jan-27	EUR	55	Floating	47	47
Schuldscheindarlehen	Jul-20	Jul-28	EUR	46	Floating	45	45
Schuldscheindarlehen	Jul-20	Jul-25	CHF	15	Floating	15	15
EBRD loan[1]	Apr-23	Apr-30	EUR	52	Floating	52	52
Term loan	Dec-23	Dec-25	EUR	263	Floating	263	0
Revolving Credit Facility	Oct-22	Oct-28	EUR	1,313	Floating	0	0

1 European Bank for Reconstruction and Development

Fiscal year 2023/24 Activities

In October 2023, the Group:

- extended the maturity of its Revolving Credit Facility to October 2028.

In December 2023, the Group:

- increased the nominal value of its Revolving Credit Facility from EUR 900 million to EUR 1,312.5 million.
- entered into a new syndicated Term Loan Agreement for an amount of EUR 262.5 million maturing December 2025.

In January 2024, the Group:

- issued two Swiss Senior bonds totaling CHF 600 million of which CHF 225 million maturing January 2028 and CHF 375 million maturing January 2032.

In May 2024, the Group:

- issued three Swiss Senior bonds totaling CHF 730 million, of which CHF 240 million maturing in May 2026, CHF 270 million maturing in May 2030 and CHF 220 million maturing in May 2034.

In June 2024, the Group:

- issued a Euro Senior bond of EUR 700 million maturing June 2029.

Fiscal year 2022/23 Activities

In October 2022, the Group:

- extended the maturity of its Revolving Credit Facility to October 2027.

In April 2023, the Group:

- entered in to a long term loan agreement with the European Bank for Reconstruction and Development (EBRD), maturing in April 2030, Floating, EUR 52.3 million.

In June 2023, the Group:

- repaid the USD Senior Note in full at maturity, USD 400 million.

The Euro bond, the Schuldscheindarlehen, EBRD Loan, the Term Loan and Revolving Credit Facility all rank pari passu and are guaranteed by Barry Callebaut AG. The Swiss bonds are issued by Barry Callebaut AG. The financial covenants related to the Revolving Credit Facility and the Term Loan - profitability per metric tonne, interest cover ratio and tangible net worth value - were respected as at August 31, 2024 and August 31, 2023, respectively.

Long-term financial liabilities are to a major extent issued at fixed interest rates or fixed via plain-vanilla fixed-floating interest rate derivatives.

The Group's diversified long-term debt portfolio has a balanced maturity profile. The weighted average maturity of the long-term debt and lease liabilities (i.e. without any portion falling due in less than 12 months) slightly changed from 4.4 years to 5.0 years.

as at August 31, in thousands of CHF	2024	2023
2024/25	—	175,311
2025/26	704,557	215,965
2026/27	358,766	358,608
2027/28	372,135	145,253
2028/29 (and thereafter for 2023)	714,654	240,905
2029/30 (and thereafter for 2024)	1,104,204	—
Long-term financial liabilities	**3,254,316**	**1,136,042**

Long-term debt and lease liabilities are to a major extent denominated in EUR and CHF and transacted at fixed interest rates.

as at August 31,			2024			2023
Split per currency	Amount	Interest range		Amount	Interest range	
in thousands of CHF		from	to		from	to
CAD	52,688	1.78 %	5.15 %	1,511	1.78 %	4.42 %
CHF	1,373,602	0.42 %	3.96 %	63,871	0.42 %	3.96 %
EUR	1,692,080	0.10 %	5.00 %	938,589	0.10 %	5.00 %
INR	17,545	5.89 %	8.13 %	113	6.45 %	7.64 %
SGD	4,734	1.67 %	4.72 %	5,296	1.67 %	4.72 %
USD	86,994	1.03 %	6.24 %	102,930	0.03 %	5.50 %
Other	26,673	0.34 %	53.63 %	23,732	0.34 %	36.75 %
Long-term financial liabilities	**3,254,316**			**1,136,042**		

3.5.3 Changes in liabilities and equity from financing activities

	Financial liabilities			Equity				
in thousands of CHF	Short-term debt	Long-term debt	Lease liabilities	Retained Earnings	Share capital	Treasury shares	Non-controlling interests	Total
as at September 1, 2022	**449,967**	**1,302,026**	**264,645**	**3,797,414**	**110**	**(21,886)**	**2,347**	**5,794,623**
Financing Cash flows	**(384,897)**	**51,310**	**(44,192)**	**(153,595)**	**—**	**(23,629)**	**—**	**(555,003)**
Proceeds from the issue of short-term debt	50,455	—	—	—	—	—	—	50,455
Repayment of short-term debt	(435,352)	—	—	—	—	—	—	(435,352)
Proceeds from the issue of long-term debt	—	124,872	—	—	—	—	—	124,872
Repayment of long-term debt	—	(73,562)	—	—	—	—	—	(73,562)
Payment of lease liabilities	—	—	(44,192)	—	—	—	—	(44,192)
Dividend payment	—	—	—	(153,595)	—	—	—	(153,595)
Purchase of treasury shares	—	—	—	—	—	(23,629)	—	(23,629)
Other changes related to liabilities	**401,303**	**(453,296)**	**57,359**	**—**	**—**	**—**	**—**	**5,366**
Amortized structuring fee	—	2,757	—	—	—	—	—	2,757
Change in accrued finance expense other	—	(410)	—	—	—	—	—	(410)
New leases and modifications	—	—	76,587	—	—	—	—	76,587
Foreign exchange movements	(39,711)	(14,629)	(19,228)	—	—	—	—	(73,568)
Reclassification	441,014	(441,014)	—	—	—	—	—	—
Other changes related to equity	**—**	**—**	**—**	**444,978**	**—**	**19,281**	**(1,256)**	**463,003**
as at August 31, 2023	**466,373**	**900,040**	**277,812**	**4,088,797**	**110**	**(26,234)**	**1,091**	**5,707,989**
as at September 1, 2023	**466,373**	**900,040**	**277,812**	**4,088,797**	**110**	**(26,234)**	**1,091**	**5,707,989**
Financing Cash flows	**701,808**	**2,269,878**	**(46,024)**	**(158,927)**	**—**	**—**	**—**	**2,766,735**
Proceeds from the issue of short-term debt	1,159,009	—	—	—	—	—	—	1,159,009
Repayment of short-term debt	(457,201)	—	—	—	—	—	—	(457,201)
Proceeds from the issue of long-term debt	—	2,270,738	—	—	—	—	—	2,270,738
Repayment of long-term debt	—	(860)	—	—	—	—	—	(860)
Payment of lease liabilities	—	—	(46,024)	—	—	—	—	(46,024)
Dividend payment	—	—	—	(158,927)	—	—	—	(158,927)
Purchase of treasury shares	—	—	—	—	—	—	—	—
Other changes related to liabilities	**96,570**	**(181,824)**	**80,143**	**—**	**—**	**—**	**—**	**(5,111)**
Amortized structuring fee	—	2,787	—	—	—	—	—	2,787
Change in accrued finance expense other	—	(11,268)	—	—	—	—	—	(11,268)
New leases and modifications	—	—	88,250	—	—	—	—	88,250
Foreign exchange movements	(40,784)	(35,989)	(8,107)	—	—	—	—	(84,880)
Reclassification	137,354	(137,354)	—	—	—	—	—	—
Other changes related to equity	**—**	**—**	**—**	**193,444**	**—**	**12,019**	**1,107**	**206,570**
as at August 31, 2024	**1,264,751**	**2,988,093**	**311,931**	**4,123,314**	**110**	**(14,215)**	**2,198**	**8,676,182**

Notes to the Consolidated Financial Statements

Accounting policies

Financial liabilities	Financial liabilities are initially recognized at fair value, net of transaction costs, when the Group becomes a party to the contractual provisions. They are subsequently carried at amortized cost using the effective interest rate method. A financial liability is derecognized when the obligation is discharged, cancelled, or expires.
Lease liabilities	The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The lease liability is initially measured at the present value of the future lease payments that are not paid at the commencement date, discounted using the incremental borrowing rate defined on a Group level, specific to the currency of the lease contract. Lease payments included in the initial measurement of the lease liability include for example fixed payments and variable payments that depend on an index or rate, which are initially measured using the index or rate at the commencement date. The lease liability is subsequently measured at amortized cost using the effective interest method, decreased by lease payments made. The lease liability is remeasured in case of changes in future lease payments (i.e. index-based rents) or any changes in the assessments of extension or termination options. For such remeasurements, a corresponding adjustment generally is made to the right-of-use asset. The Group applies judgment to determine the lease terms for lease contracts that include renewal or termination options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term which significantly affects the amount of lease liabilities and assets recognized in the balance sheet.
Short-term leases and leases of low-value assets	The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of twelve months or less, and do not contain a purchase option, and leases with asset's fair value, when newly purchased, is lower than CHF 5,000. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.6 Capital and lease commitments and guarantees

Capital and lease commitments

as at August 31,

in thousands of CHF	**2024**	**2023**
Property, plant and equipment	59,497	58,222
Intangible assets	1,204	125
Leased assets	431	89,738
Total capital and lease commitments	**61,132**	**148,085**

In the current fiscal year, Property, plant and equipment commitments are mainly related to equipment for new production sites or additional production lines in multiple countries.

Guarantees in favor of third parties

Group companies have issued guarantee commitments as at August 31, 2024 in the amount of CHF 2.9 million (2023: CHF 0.4 million). These are mainly related to the re-insurance captive entity and towards third-party suppliers.

3.7 Financial risk management

The nature of its business exposes the Group to a variety of financial risks including the effects of changes in market prices (commodity prices, foreign exchange rates, and interest rates) as well as credit risks and liquidity risks.

The Group's overall strategy for managing these risks is consistent with the Group's objectives to maintain cost leadership, reduce earnings volatility in a cost-effective manner and minimize potential adverse effects of such market exposures on the financial performance of the Group. The Group's sourcing centers and Treasury department continuously monitor and hedge the exposures to commodity price risk, foreign currency and interest rate risk. The Group Commodity Risk Committee (GCRC) and Finance Committee regularly reviews, and monitors, the adherence to policies and defined risk limits. The Group manages its business based on the following two business models:

- Contract business: sales contracts for cocoa ingredients and industrial or gourmet chocolate, where Barry Callebaut has entered into contracts with customers to deliver fixed quantities at fixed prices. These contractually fixed prices are generally based on the forward market prices of the raw material components valid at the contract date for the forward delivery date on which the cocoa ingredients or chocolate is planned to be delivered to the customers.
- Price list business: Barry Callebaut sets price lists for certain Gourmet products. These price lists are regularly updated, typically at intervals of six months. Customers buy products based on the issued price lists without fixed commitments on quantities.

3.7.1 Commodity price risks

a) Commodity risk management

The manufacturing of the Group's products requires raw materials such as cocoa beans, sugar and sweeteners, dairy, nuts, oils and fats. Therefore, the Group is exposed to commodity price risks.

The Group's sourcing centers manage the commodity risk in compliance with the Group Commodity Risk Management (GCRM) Policy. The GCRC monitors the Group's commodity risk management activities and acts as the decision-making body for the Group in this respect. The members of the GCRC include the Group's Chief Financial Officer (CFO) who acts as Chairman of the Committee, the President of Global Cocoa, the Chief Procurement Officer, the VP Finance Operations, the CFO Global Cocoa, and the VP Global Cocoa Trading & Sourcing.

The GCRC reports to the Group's Audit, Finance, Risk, Quality & Compliance Committee (AFRQCC) and must inform the latter about key Group commodity risk issues and the key mitigation decisions taken. The AFRQCC reviews and approves GCRC requests and ensures that the commodity risk management strategy is consistent with the Group's objectives. It also sets the Group's Value at Risk (VaR) limit for the major raw material components. The AFRQCC makes recommendations to the Board of Directors and advises the Board of Directors on important risk matters and/or asks for approval. The Board of Directors is the highest approval authority for all GCRM matters and approves the GCRM Policy as well as the Group VaR limit.

The Group applies a 95% ten-day VaR limit to manage the consolidated exposure to commodity price risk. The VaR framework of the Group is based on the standard historical VaR methodology, taking 2,000 days (equivalent to seven years) and 200 days (equivalent to 9 months) of the most recent prices, based on which the day-to-day relative price changes are calculated. The historical VaR is a simulation of past market conditions and does not predict the future movement in commodity prices. Therefore it does not represent actual losses. It only represents an indication of the future commodity price risks based on historical volatility. The VaR is applied to materials with prices considered to exceed certain volatility levels (e.g. cocoa beans and cocoa products, dairy products, sugar and sweeteners, nuts, oils and fats).

The historical VaR values the positions in these materials based on current price levels and applies historical price changes to model the potential loss on the current valuation. The VaR methodology also takes into account the valuation of cocoa bean differential and cocoa product ratio positions which are recognized into profit and loss only upon realization of the underlying contracts.

As at August 31, 2024, the Group had a total VaR (basis 2'000-day price history) for raw materials of CHF 53.1 million (2023: CHF 23.0 million), and a total VaR (basis 200-day history) of CHF 114.3 million (2023: CHF 21.4 million). The 200-day VaR has been introduced in the course of fiscal year 2022/23 (i.e. as from March 1, 2023) in order to properly capture the impact of the increased price volatility. The year-on-year increase in the VaR reflects the significantly increased volatility and price levels for cocoa beans as well as semi-finished cocoa products this year. The average VaR (basis 2'000-day history) over the fiscal year 2023/24 was CHF 45.2 million (2022/23: CHF 21.4 million), and the average VaR (basis 200-day history) was CHF 96.2 million (2022/23: CHF 26.7 million). The VaR limit was increased to reflect the current market volatility and price level. The VaR is used together with stress test scenarios.

The GCRC allocates the Group VaR limit into VaR limits for cocoa and non-cocoa raw materials such as sugar, dairy, oils and fats. These two VaR limits are then allocated to limits in tonnes to the related risk reporting units for each of the two areas.

b) Cocoa price risk and the Group's hedging strategy

The Group's purchasing and sourcing centers make decisions regarding the procurement and risk management of cocoa beans, semi-finished cocoa products, and ingredients, including mitigating the risk associated with commodity price fluctuations. Within the limits as established by the AFRQCC, these centers may also engage in brokering and trading activities with the objective of generating profits from fluctuations in raw material prices or broker-trader margins.

The fair value of the Group's open sales and purchase commitments, as well as its inventory, fluctuates with price movements in the respective commodity markets and is consequently hedged in accordance with the Group's policy. To assess the exposure to cocoa bean price risk inherent in various cocoa ingredients and chocolate inventories, purchase and sales contracts, the cocoa processing entities convert the volumes of these positions into cocoa bean equivalents, employing technical yields to determine the quantity of cocoa beans required to produce the given volumes of cocoa ingredients. These technical ratios vary depending on the type of cocoa ingredient and the cocoa-processing units. The chocolate entities calculate the bean equivalent in their positions using prevailing market/commercial ratios. Based on these approaches and ratios, the entities enter into the appropriate volume of hedging instruments to mitigate the cocoa bean price risk component in their positions. All hedging instruments are consolidated on a Group level and the remaining exposure is hedged against third parties.

It is the Group's policy to hedge its cocoa price risk resulting from its inventories, and purchase and sales contracts "back-to-back", respecting the limits given by the AFRQCC and to the extent hedging instruments exist. The cocoa price risk component in cocoa inventories, purchase and sales contracts as well as chocolate inventories and sales contracts are hedged with exchange traded or over-the-counter cocoa bean derivatives applying fair value hedge accounting. The Group also applies cash flow hedge accounting whereby the cocoa price risk and foreign exchange risk from forecasted sales are hedged with cocoa bean futures and foreign exchange forward contracts.

The cocoa bean price risk component is contractually specified in the purchase and sales contracts of cocoa ingredients and chocolate products. Therefore, the cocoa bean price risk component is considered separately identifiable and reliably measurable in the Group's hedged items (cocoa ingredients purchase contracts, cocoa inventories, chocolate inventories, cocoa ingredients sales contracts and chocolate sales contracts) as well as in its hedging instruments (cocoa bean futures and other contracts accounted for as derivatives).

For cocoa purchase contracts as well as for cocoa and chocolate inventories, the cocoa price risk component is hedged applying fair value hedge accounting using cocoa bean derivatives traded on exchanges or over-the-counter. Consequently, this leads to derivative assets and liabilities as well as an inventory fair value adjustment. Same applies for chocolate sales contract under the cost-plus model. For projected sales of the price list business the Group employs cash flow hedge accounting to hedge the cocoa price risk utilizing cocoa bean futures. The foreign exchange risk component, where applicable, is hedged separately in the same manner than the cocoa price risk component by using foreign exchange forward contracts. For further reference refer section "Foreign currency risk".

c) Sugar price risk hedges

The Group applies cash flow hedge accounting for hedging relationships when it hedges its commodity price risk and its foreign exchange risks attributable to its forecasted sugar purchases with sugar futures and with foreign exchange forward contracts, respectively. When the Group enters into agreements with sugar suppliers where the price of the forecasted sugar purchases will be linked to the raw sugar world market price, it hedges these forecasted sugar purchases with sugar futures.

The raw sugar world market price risk component is a contractually specified element in the hedged items. Therefore, the raw sugar world market price risk component is considered separately identifiable and reliably measurable in the Group's hedged items (forecasted sugar purchases) as well as in its hedging instruments (sugar futures).

3.7.2 Foreign currency risks

The Group operates across the world and consequently is exposed to multiple currency risks, albeit primarily in CHF, EUR, USD, and GBP. The Group actively monitors its transactional currency exposures and consequently enters into foreign currency hedges with the aim of preserving the value of assets, commitments, and anticipated transactions.

All risks relating to foreign currency exposures of assets and liabilities, certain unrecognized firm commitments and highly probable forecasted purchases and sales are centralized as far as possible within the Group's Treasury department, where the hedging strategies are defined.

Accordingly, the consolidated foreign currency exposures are hedged in compliance with the Group's Treasury Policy, mainly by means of forward currency contracts entered into with financial institutions of a high credit rating, applying either fair value hedge accounting for open balances or cash flow hedge accounting for commitments. The Group's Treasury Policy imposes a dual risk control framework of both open position limits and near-time fair valuation of net currency exposures. Both levels of control are substantially interlinked, avoiding excessive net currency exposures and substantial volatility in the Consolidated Income Statement.

The Group's Treasury department is supervised by the Group Finance Committee, which meets on a regular basis. The Group Finance Committee monitors the Group's foreign currency risk position and acts as a decision-taking body for the Group in this respect. The Group Finance Committee consists of the Group's CFO, the VP Finance Operations, the VP Group Accounting & Reporting, and other Group Finance stakeholders.

The Group's Treasury Policy, giving guidance on treasury risk management including foreign currency and interest rate risks, is approved by the AFRQCC. The Group's Risk Management department reviews the consistency of the Group's treasury management strategy with the Group's Treasury Policy and reports the status to the Group's CFO periodically. The AFRQCC is informed by the CFO about the status and important matters in their quarterly meetings and approves requests of the Group Finance Committee on important treasury risk matters including foreign currency risks for recommendation to the Board of Directors. The Board of Directors is the highest approval authority for all Group Treasury Risk Management matters.

The table below provides an overview of the net exposure of CHF, EUR, USD, and GBP against the main functional currencies in the Group. According to the Group's Treasury Policy, foreign exchange exposures are hedged on an intraday basis as from identification, in line with the approved exposure limits. In case of limited deviations from the agreed foreign exchange exposure limits, approval has to be sought from the Group's Treasury and Risk Management department. For significant deviations, approval from the AFRQCC is required. Companies with the same functional currency are shown in one group. The CFA in Côte d'Ivoire, XOF, and respectively Cameroon, XAF, both have fixed-rate regimes. At present, both are pegged, independently from each other, at 656 per Euro. The Serbian dinar (RSD) is a managed floating exchange rate linked to the EUR.

Net foreign currency exposures against major functional currencies

as at August 31,	2024				2023			
Net exposure in thousands of CHF/EUR/USD/GBP	CHF	EUR	USD	GBP	CHF	EUR	USD	GBP
CHF	—	(13,551)	278	591	—	(13,209)	330	705
EUR	(2,759)	—	933	(4,108)	5,219	—	(5,121)	12,431
USD	(484)	(1,237)	—	(142)	(189)	505	—	(799)
BRL	—	(432)	381	—	(119)	94	(626)	—
GHS	1	2	1,496	—	1	(75)	710	—
MXN	—	(120)	(547)	—	—	(25)	(1,057)	—
RSD	—	(89,307)	—	—	149	(75,123)	—	—
RUB	—	6,972	34,534	360	—	3,255	55,601	360
XAF	—	57,448	—	—	—	(17,888)	—	—
XOF	—	44,118	—	—	—	69,838	—	—
Total	**(3,242)**	**3,893**	**37,075**	**(3,299)**	**5,061**	**(32,628)**	**49,837**	**12,697**

In order to quantify and manage the Group's consolidated exposure to foreign currency risks, the historical VaR has been implemented. The VaR concept serves as the analytical instrument for assessing the Group's foreign currency risk incurred under normal market conditions. The VaR indicates the loss which, within a time horizon of one day, will not be exceeded at a confidence level of 95% using seven years of historical market prices for each major currency pair. The VaR is used together with the calculation of the expected shortfall and worst cases, as well as the use of stress test scenarios. The VaR is based on static exposures during the time horizon of the analysis. However, the simulation of past market conditions is not predicting the future movement in foreign currency rates. Therefore, it does not represent actual losses. It only represents an indication of future foreign currency risks. As at August 31, 2024, the Group had a VaR of CHF 1.3 million (2023: CHF 1.1 million). The average VaR over the fiscal year 2023/24 was CHF 1.6 million (2022/23: CHF 0.8 million).

Value at Risk per main exposure currencies

as at August 31, Value at Risk on net exposures in thousands of CHF Total for the Group and per main exposure currencies	2024	2023
Total Group	**1,298**	**1,082**
CHF	15	26
EUR	1,122	673
GBP	28	113
USD	458	830
Others	69	182
Diversification effect	**23 %**	**41 %**

3.7.3 Interest rate risks

The Group is exposed to changes in interest rates through its short- and long-term debt obligations. The Group's Treasury department manages and oversees the financing of the Group, and therefore the related interest rate risks. To the extent possible, it provides the necessary liquidity in the required functional currency for the companies of the Group. Consequently, the Group's debt obligations are adjusted with the real currency mix of the Group's liabilities in order to reflect the correct exposure to interest rates.

It is the Group's policy to manage its interest costs using an optimal mix of fixed and floating rate debt. This is achieved by entering into interest rate derivative instruments in which the Group exchanges at fixed and floating interest rates. To avoid volatility in the Consolidated Income Statement, cash flow hedge accounting is applied to those derivative instruments.

As described in the section "Foreign currency risks", the Group's Treasury department is supervised by the Group Finance Committee, which meets on a regular basis. The Group Finance Committee monitors the Group's interest rate risk and acts as a decision-taking body for the Group in this respect.

The Group's Treasury Policy also covers the management of interest rate risks. The VP Finance Operations reports the status periodically to the Group's CFO, who informs the AFRQCC in their quarterly meetings. The AFRQCC approves requests from the Group Finance Committee on important treasury matters, including interest rate risks, and provides recommendations to the Board of Directors, which is the highest approval authority for all Group treasury matters.

The following schedule provides an overview of all interest-bearing items per year-end closing:

as at August 31, in thousands of CHF	2024	2023
Fixed interest-bearing items		
Carrying amount of financial liabilities	2,802,512	1,229,912
Reclassification due to interest rate derivative	295,152	301,335
Net fixed interest position	**3,097,664**	**1,531,247**
Floating interest-bearing items		
Carrying amount of financial assets	(978,351)	(488,332)
Carrying amount of financial liabilities	1,993,869	567,099
Reclassification due to interest rate derivative	(295,152)	(301,335)
Net floating interest position	**720,366**	**(222,568)**

Sensitivity analysis on interest rate risks

The following table shows the impact of a parallel shift of interest rates by 100 basis points (bps) up and 100 bps down (2022/23: 10 bps, scenario update mainly due to decreased inflationary pressure) on the Group's equity and Consolidated Income Statement, net of tax. The calculation is performed on both, the portion of the outstanding debt (excluding the asset-backed securitization programs; see Note 2.5 "Trade receivables and other current assets") at floating interest rates and the outstanding derivatives exchanging floating into fixed interest rates at the respective year-end. This sensitivity analysis only indicates the potential impact for the respective fiscal year at the prevailing conditions in the financial markets. Consequently, it does not represent actual or future gains or losses, which are strictly managed and controlled, as stipulated by the Group's Treasury Policy.

as at August 31,				2024				2023
Impact on	Income statement			Equity	Income statement			Equity
in thousands of CHF	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease	100 bps increase	10 bps decrease	100 bps increase	10 bps decrease
Floating rate bearing items	(5,403)	5,403	—	—	1,668	(167)	—	—
Interest rate swaps	—	—	5,859	(6,103)	—	—	8,681	(892)
Total interest rate sensitivity	**(5,403)**	**5,403**	**5,859**	**(6,103)**	**1,668**	**(167)**	**8,681**	**(892)**

3.7.4 Credit risk and concentration of credit risk

Credit risk arising from customers, i.e. the risk of counterparties defaulting, is governed by the Group's Credit Management Policy. This policy defines the Group's credit management process such as the roles and responsibilities of the regional credit control organization, the initial customer account approval, setting and changing credit limits and payment terms, regular monitoring controls, collection effort process, credit insurance procedures, and credit allowances. System controls ensure a credit control assessment is conducted when accepting customers' new orders and before goods are dispatched whenever a customer's credit limit is exceeded due to outstanding or overdue open amounts.

The Group also mitigates credit risk through the use of asset-backed securitization programs and factoring facilities (see Note 2.5 "Trade receivables and other current assets").

The Group's credit risk exposure also arises from derivative financial instruments, i.e. foreign exchange derivatives, interest rate derivatives, and commodity derivatives, which are entered into with financial institutions. The Group has foreign exchange and interest rate derivatives with financial institutions acting on an international scale and having sound credit ratings. In case of commodity derivatives, the Group enters into futures transactions deals in the New York and the London terminal markets through its brokers. The mark-to-market exposures in relation to these hedging contracts are regularly and substantially collateralized pursuant to margin agreements in place with such counterparties. Counterparty exposures towards such financial institutions are monitored through limit utilization on a regular basis by the Group's Treasury department and reported to the Group Finance Committee and the AFRQCC.

As at August 31, 2024, the largest customer represents 10% (2023: 5%) whereas the ten biggest customers represent 39% (2023: 24%) of trade receivables. The Group does not have a material credit risk concentration as it maintains a large, geographically diverse customer base. The extent of the Group's credit risk exposure is represented by the aggregate balance of amounts receivable, reduced by the effects of netting arrangements with counterparties. The maximum nominal credit risk exposure in the event all other parties fail to perform their obligation was CHF 6,008.3 million as at August 31, 2024 (2023: CHF 2,290.1 million).

All financial assets measured at amortized cost are first assessed for individual impairment. Subsequently, expected credit loss is calculated by applying either the annualized Credit Default Swap rates (CDS) of the country of product delivery (pro rated in line with average payment terms or, in the case of Cash and Cash Equivalents, pro rated to 7 days) and a premium of 25 basis points or, where available, the individual annualized CDS of the counterparty (pro rated in line with average payment terms or, in the case of Cash and Cash Equivalents, pro rated to 7 days). The net expenses representing additions to the allowance for impairment losses and releases of the unused allowance recognized according to the approach described above amounted to CHF 11.3 million in 2023/24 (2022/23: CHF 1.6 million).

Notes to the Consolidated Financial Statements

The following table summarizes the expected credit losses on the Group's trade receivables at balance sheet date:

Aging of trade receivables

as at August 31,

in thousands of CHF	2024	2023
Total trade receivables measured at amortized cost, gross	**777,011**	**453,558**
of which:		
insured receivables	522,198	298,524
uninsured receivables with an individual balance over CHF 1 million	148,999	52,183
uninsured receivables with an individual balance below CHF 1 million	105,814	102,851
Less lifetime expected credit losses for trade receivables	(27,274)	(24,013)
Total trade receivables measured at amortized cost (Note 3.7.8)	**749,737**	**429,545**
of which:		
not overdue	685,750	412,828
lifetime expected credit losses for trade receivables not overdue	(13,244)	(9,454)
expected credit loss rate	1.93 %	2.29 %
past due less than 90 days	60,742	24,201
lifetime expected credit losses for trade receivables past due less than 90 days	(1,759)	(1,535)
expected credit loss rate	2.90 %	6.34 %
past due more than 90 days	30,519	16,529
lifetime expected credit losses for trade receivables past due more than 90 days	(12,271)	(13,024)
expected credit loss rate	40.21 %	78.80 %
Total trade receivables measured at amortized cost (Note 3.7.8)	**749,737**	**429,545**

Movements in allowance for impairment losses of financial assets

The movements in allowance for impairment losses of financial assets are as follows:

in thousands of CHF	Cash and cash equivalents	Deposits	Trade receivables	Other receivables	Other financial assets	Total
as at September 1, 2023	**1,407**	**10**	**24,013**	**7,172**	**35**	**32,637**
Changes to expected credit losses on financial assets	435	—	8,972	6,477	7	15,891
Write-offs	(1)	—	(1,871)	(16)	—	(1,888)
Unused amounts reversed	(522)	(8)	(2,575)	(1,512)	(7)	(4,624)
Currency translation adjustments	(61)	—	(1,273)	(334)	—	(1,668)
Reclassification	(3)	—	8	(17)	—	(12)
as at August 31, 2024	**1,255**	**2**	**27,274**	**11,770**	**35**	**40,336**

in thousands of CHF	Cash and cash equivalents	Deposits	Trade receivables	Other receivables	Other financial assets	Total
as at September 1, 2022	**1,456**	**16**	**29,927**	**7,047**	**52**	**38,498**
Changes to expected credit losses on financial assets	862	—	5,843	3,700	—	10,405
Write-offs	—	—	(196)	(731)	—	(927)
Unused amounts reversed	(450)	(4)	(6,212)	(2,181)	—	(8,847)
Currency translation adjustments	(461)	(2)	(5,332)	(512)	(17)	(6,324)
Reclassification	—	—	(17)	(151)	—	(168)
as at August 31, 2023	**1,407**	**10**	**24,013**	**7,172**	**35**	**32,637**

3.7.5 Liquidity risk

Liquidity risk arises through a surplus of financial obligations over available financial assets due at any point in time. The Group's liquidity is ensured by means of regular Group-wide monitoring and planning of liquidity coordinated by the Group's Treasury department.

Financing needs are covered through a combination of adequate credit lines with reputable financial institutions as well as through short-term and long-term debt capital market instruments (see Note 3.5 - "Financial liabilities").

Contractual maturities

The table below provides an overview of undiscounted contractual maturities for financial liabilities and derivatives based on the earliest date on which the Group is obliged to pay:

as at August 31, 2024

in thousands of CHF	Carrying amount	In the first year	In the second to the fifth year	After five years	Contractual amount
Non-derivative financial liabilities					
Bank overdrafts	(231,605)	(231,605)	–	–	(231,605)
Short-term debt	(1,264,751)	(1,266,484)	–	–	(1,266,484)
Trade payables	(1,810,517)	(1,810,517)	–	–	(1,810,517)
Lease liabilities	(311,931)	(47,912)	(144,779)	(164,986)	(357,677)
Long-term debt	(2,988,094)	(69,339)	(2,250,479)	(964,949)	(3,284,767)
Other current liabilities	(728,709)	(728,709)	–	–	(728,709)
Derivatives					
Interest rate derivatives	15,278	5,104	3,830	6,938	15,872
Currency derivatives					
Inflow	169,096	149,959	21,732	–	171,691
Outflow	(120,216)	(1,967,497)	(21,348)	–	(1,988,845)
Commodity derivatives					
Inflow	(1,497,756)	4,552,601	74,651	–	4,627,252
Outflow	900,802	(4,436,524)	(29)	–	(4,436,553)
Total net	**(7,868,403)**	**(5,850,923)**	**(2,316,422)**	**(1,122,997)**	**(9,290,342)**

as at August 31, 2023

in thousands of CHF	Carrying amount	In the first year	In the second to the fifth year	After five years	Contractual amount
Non-derivative financial liabilities					
Bank overdrafts	(152,787)	(152,787)	–	–	(152,787)
Short-term debt	(466,373)	(479,501)	–	–	(479,501)
Trade payables	(1,143,806)	(1,143,806)	–	–	(1,143,806)
Lease liabilities	(277,812)	(41,810)	(121,062)	(114,940)	(277,812)
Long-term debt	(900,040)	(14,631)	(810,035)	(128,902)	(953,568)
Other current liabilities	(412,650)	(412,650)	–	–	(412,650)
Derivatives					
Interest rate derivatives	27,735	6,863	10,657	11,933	29,453
Currency derivatives					
Inflow	59,741	788,052	58,162	–	846,214
Outflow	(79,450)	(1,333,307)	(59,498)	–	(1,392,805)
Commodity derivatives					
Inflow	(100,597)	2,949,276	199,802	–	3,149,078
Outflow	(511,431)	(2,664,064)	(1,243)	–	(2,665,307)
Total net	**(3,957,470)**	**(2,498,365)**	**(723,217)**	**(231,909)**	**(3,453,491)**

3.7.6 Derivative financial assets and liabilities and hedge accounting

as at August 31, in thousands of CHF	2024 Derivative financial assets	2024 Derivative financial liabilities	2023 Derivative financial assets	2023 Derivative financial liabilities
Cash flow hedges				
Interest rate risk	15,278	—	27,735	—
Commodity price risk	124,486	24,400	40,006	4,052
Foreign exchange risk	—	—	—	—
Fair value hedges				
Commodity price risk	3,025,539	3,751,314	657,600	1,305,928
Foreign exchange risk	108,841	106,626	58,086	24,842
No hedge accounting designation				
Commodity price risk	224,098	195,363	137,558	137,211
Foreign exchange risk	131,673	85,009	20,700	73,654
Total derivative financial assets	**3,629,915**	—	**941,685**	—
Total derivative financial liabilities	—	**4,162,712**	—	**1,545,687**

Derivative financial instruments consist of items used in a cash flow hedging model, items used in a fair value hedging model and derivative instruments measured at fair value, for which no hedge accounting is applied.

3.7.7 Offsetting financial assets and financial liabilities

The following financial assets and liabilities are subject to offsetting, enforceable master netting arrangements and similar agreements:

as at August 31, 2024				Related amounts not set off in the balance sheet		
in thousands of CHF	Gross amounts of recognized financial assets/ liabilities	Gross amounts of recognized financial liabilities/ assets set off in the balance sheet	Net amounts of financial assets/ liabilities presented in the balance sheet	Financial instruments	Cash collateral received or deposited	Net amount
Derivative financial assets	6,682,711	(3,052,796)	3,629,915	(113,205)	(511,224)	3,005,486
Derivative financial liabilities	7,215,508	(3,052,796)	4,162,712	(113,205)	(590,153)	3,459,354

as at August 31, 2023				Related amounts not set off in the balance sheet		
in thousands of CHF	Gross amounts of recognized financial assets/ liabilities	Gross amounts of recognized financial liabilities/ assets set off in the balance sheet	Net amounts of financial assets/ liabilities presented in the balance sheet	Financial instruments	Cash collateral received or deposited	Net amount
Derivative financial assets	2,808,899	(1,867,214)	941,685	(184,300)	(33,075)	724,310
Derivative financial liabilities	3,412,901	(1,867,214)	1,545,687	(184,300)	(159,817)	1,201,570

For the financial assets and liabilities subject to enforceable master netting arrangements or similar arrangements above, each agreement between the Group and the counterparty allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and liabilities will be settled on a gross basis. However, each party to the master netting agreement or similar agreement will have the option to settle all such amounts on a net basis in the event of default, insolvency or bankruptcy or following other events predefined in the contract by the counterparty. The cash collateral received and deposited is reported on lines “Trade payables and other current liabilities” and “Trade receivables and other current assets” in the Consolidated Balance Sheet.

3.7.8 Classification and fair value of financial instruments

a) Classification, fair values, methods and assumptions

The carrying value of the following financial instruments approximates fair value because of the short period to maturity:

- Cash and cash equivalents
- Short-term deposits
- Trade receivables

Notes to the Consolidated Financial Statements

- Other receivables representing financial instruments
- Bank overdrafts
- Short-term debt
- Trade payables
- Other payables representing financial instruments

Long-term debt

In calculating the fair value of long-term debt, future principal and interest payments are discounted at market interest rates. As at August 31, 2024, long-term debt has a fair value of CHF 3,333.7 million (2023: CHF 811.2 million).

Derivative financial assets and liabilities

The fair value measurement of some derivatives requires assumptions and management's assessment of certain market parameters. Whenever possible, fair valuation is based on market prices. If required, a valuation model which takes into consideration discounted cash flows, dealer and supplier quotes for similar instruments and recent arm's-length transactions is used. This valuation model takes into account the specific characteristics of the underlying assets or commodities such as the cost of carry, differentials for the properties and technical ratios reflecting production yield.

Classification and carrying amount of each class of financial assets and liabilities are presented in the table below:

as at August 31, 2024 in thousands of CHF	measured at fair value through profit or loss	measured at amortized cost	Total carrying amount
Cash and cash equivalents	—	978,214	978,214
Short-term deposits	—	137	137
Trade receivables	143,942	749,737	893,679
Derivative financial assets	3,629,915	—	3,629,915
Accrued income	—	60,673	60,673
Loans and other receivables	—	415,580	415,580
Other current financial assets	—	23,203	23,203
Other non-current financial assets	—	6,883	6,883
Total financial assets	**3,773,857**	**2,234,427**	**6,008,284**
Bank overdrafts	—	231,605	231,605
Short-term debt	—	1,264,751	1,264,751
Short-term lease liabilities	—	45,709	45,709
Trade payables	—	1,810,517	1,810,517
Accrued expenses	—	293,039	293,039
Other payables	—	435,670	435,670
Derivative financial liabilities	4,162,712	—	4,162,712
Long-term debt	—	2,988,094	2,988,094
Long-term lease liabilities	—	266,222	266,222
Total financial liabilities	**4,162,712**	**7,335,607**	**11,498,319**

Notes to the Consolidated Financial Statements

as at August 31, 2023 in thousands of CHF	measured at fair value through profit or loss	measured at amortized cost	Total carrying amount
Cash and cash equivalents	—	488,203	488,203
Short-term deposits	—	128	128
Trade receivables	103,003	429,545	532,548
Derivative financial assets	941,685	—	941,685
Accrued income	—	68,903	68,903
Loans and other receivables	—	228,218	228,218
Other current financial assets	—	26,634	26,634
Other non-current financial assets	—	3,775	3,775
Total financial assets	**1,044,688**	**1,245,406**	**2,290,094**
Bank overdrafts	—	152,787	152,787
Short-term debt	—	466,373	466,373
Short-term lease liabilities	—	41,810	41,810
Trade payables	—	1,143,806	1,143,806
Accrued expenses	—	213,505	213,505
Other payables	—	199,145	199,145
Derivative financial liabilities	1,545,687	—	1,545,687
Long-term debt	—	900,040	900,040
Long-term lease liabilities	—	236,002	236,002
Total financial liabilities	**1,545,687**	**3,353,468**	**4,899,155**

b) Fair value hierarchy of financial instruments

The fair value measurements of financial assets and liabilities are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

- Level 1: The fair value is based on unadjusted, quoted prices in active markets which give the best possible objective indication for the fair value of a financial asset or liability. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker or pricing service, and those prices represent actual and regularly occurring market transactions on an arm's-length basis.
- Level 2: The estimation of the fair value is based on the results of a valuation model. The valuation model for commodity derivatives includes quoted prices in active markets, recent arm's-length transactions or dealer and supplier quotes adjusted for the specific characteristics of the underlying commodities such as the cost of carry, differentials for the properties and conversion yields. Observable market data is used for the valuation of foreign exchange and interest rate derivatives. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.
- Level 3: The valuation models used are based on parameters and assumptions not observable on the market.

The following table summarizes the levels applied with regard to financial assets and financial liabilities measured at fair value:

as at August 31, 2024

in thousands of CHF	Level 1	Level 2	Level 3	Total
Trade receivables	—	—	143,942	**143,942**
Derivative financial assets	944,941	2,684,974	—	**3,629,915**
Derivative financial liabilities	1,551,189	2,611,523	—	**4,162,712**

as at August 31, 2023

in thousands of CHF	Level 1	Level 2	Level 3	Total
Trade receivables	—	—	103,003	**103,003**
Derivative financial assets	288,341	653,344	—	**941,685**
Derivative financial liabilities	917,495	628,192	—	**1,545,687**

The Group maintains asset-backed securitization programs for trade receivables, transferring the contractual rights to the cash flow or third-party receivables. These receivables, where the contractual rights to cash flows have been transferred, are derecognized from the balance sheet. Trade receivables measured at fair value are receivables that are dedicated to the securitization programs, but not yet remitted to the asset-purchasing company. The receivables contained in the prior year balance have been fully sold at the disclosed value during the current fiscal year.

The value of the trade receivables measured at fair value was calculated using a discounted cash flow method based on the nominal value and the discount rates (mainly representing the risk-free rate and credit risk of the counterparty) between the Group and the purchasing party.

There have been no transfers between the fair value hierarchy levels during the fiscal years 2023/24 and 2022/23.

3.7.9 Effect of hedge accounting on the financial position and performance

a) Impact of hedging instruments designated in hedging relationships

The impact of hedging instruments designated in hedging relationships as at August 31, 2024 on the Group's Consolidated Balance Sheet is as follows:

as at August 31, 2024 in CHF million	Nominal amount of the hedging instrument	Carrying amount of the hedging instrument		Fair value changes of the hedging instrument used as a basis to calculate hedge ineffectiveness
		Assets	Liabilities	
Cash flow hedges				
Interest rate risk	295.2	15.3	—	(12.0)
Commodity risk	(4.3)	124.5	24.4	12.2
Foreign exchange risk	—	—	—	(0.6)
Fair value hedges				
Commodity risk	(114.6)	728.2	1,419.5	(58.5)
Foreign exchange risk				
Forward and futures contracts	(1,817.2)	26.5	44.6	(25.2)
Receivables	483.2	483.2	—	7.9
Payables	(1,147.9)	—	1,147.9	(7.8)
Debts	—	—	—	—
Cash instruments	5.8	5.8	—	10.2

as at August 31, 2023 in CHF million	Nominal amount of the hedging instrument	Carrying amount of the hedging instrument		Fair value changes of the hedging instrument used as a basis to calculate hedge ineffectiveness
		Assets	Liabilities	
Cash flow hedges				
Interest rate risk	301.3	27.7	—	5.1
Commodity risk	(34.2)	40.0	4.1	0.8
Foreign exchange risk	8.7	—	—	(1.2)
Fair value hedges				
Commodity risk	(832.1)	131.7	794.1	(509.4)
Foreign exchange risk				
Forward and futures contracts	(537.9)	32.7	4.1	7.4
Receivables	179.3	179.3	—	1.3
Payables	(278.6)	—	278.6	(2.4)
Debts	—	—	—	—
Cash instruments	10.4	10.4	—	(1.7)

b) Impact of hedged items designated in hedging relationships

The impact of hedged items designated in hedging relationships as at August 31, 2024 on the Group's Consolidated Balance Sheet is as follows:

as at August 31, 2024 in CHF million	Carrying amount of the hedged item		Accumulated amount of fair value hedge adjustments included in the carrying amount of the hedged item		From the accumulated amount of fair value hedge adjustments: part related to hedged items that ceased to be adjusted for hedging gains or losses		Fair value changes of the hedged item used as a basis to calculate hedge ineffectiveness	Cash flow hedge reserve
	Assets	**Liabilities**	**Assets**	**Liabilities**	**Assets**	**Liabilities**		
Cash flow hedges								
Interest rate risk	n/a	n/a	n/a	n/a	n/a	n/a	12.0	9.7
Commodity price risk	n/a	n/a	n/a	n/a	n/a	n/a	—	86.9
Foreign exchange risk	n/a	n/a	n/a	n/a	n/a	n/a	—	0.5
Fair value hedges								
Commodity price risk								
Cocoa and chocolate stocks	3,650.3	n/a	816.8	n/a	—	n/a	252.1	n/a
Risk component of cocoa and chocolate purchase and sales contracts	2,297.3	2,331.8	2,297.3	2,331.8	—	—	(295.2)	n/a
Foreign exchange risk								
Firm purchase and sales commitments denominated in foreign currency	82.4	62.1	82.4	62.1	—	—	15.7	n/a

Notes to the Consolidated Financial Statements

as at August 31, 2023	Carrying amount of the hedged item		Accumulated amount of fair value hedge adjustments included in the carrying amount of the hedged item		From the accumulated amount of fair value hedge adjustments: part related to hedged items that ceased to be adjusted for hedging gains or losses		Fair value changes of the hedged item used as a basis to calculate hedge ineffectiveness	Cash flow hedge reserve
in CHF million	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities		
Cash flow hedges								
Interest rate risk	n/a	n/a	n/a	n/a	n/a	n/a	(5.1)	17.0
Commodity price risk	n/a	n/a	n/a	n/a	n/a	n/a	(6.2)	25.4
Foreign exchange risk	n/a	n/a	n/a	n/a	n/a	n/a	—	(0.8)
Fair value hedges								
Commodity price risk								
Cocoa and chocolate stocks	1,811.9	n/a	564.7	n/a	—	n/a	233.4	n/a
Risk component of cocoa and chocolate purchase and sales contracts	525.9	511.8	525.9	511.8	1.2	0.1	236.4	n/a
Foreign exchange risk								
Firm purchase and sales commitments denominated in foreign currency	25.3	20.7	25.3	20.7	—	—	(2.1)	n/a

c) Impact of the hedging relationships on the Consolidated Income Statement and other comprehensive income

The above hedging relationships affected the Consolidated Income Statement and other comprehensive income as follows:

Cash flow hedges

as at August 31, 2024 in CHF million	Change in the fair value of the hedging instrument recognized in other comprehensive income	Hedge ineffectiveness recognized in the Consolidated Income Statement	Amount reclassified from the cash flow hedge reserve to the Consolidated Income Statement	Line item in the Consolidated Income Statement impacted by the reclassification from cash flow hedge reserve
Interest rate risk	(12.1)	—	2.6	Finance expense
Commodity price risk	72.5	12.2	12.2	Cost of goods sold
Foreign exchange risk	2.5	(0.6)	(0.6)	Cost of goods sold

as at August 31, 2023 in CHF million	Change in the fair value of the hedging instrument recognized in other comprehensive income	Hedge ineffectiveness recognized in the Consolidated Income Statement	Amount reclassified from the cash flow hedge reserve to the Consolidated Income Statement	Line item in the Consolidated Income Statement impacted by the reclassification from cash flow hedge reserve
Interest rate risk	5.8	—	1.6	Finance expense
Commodity price risk	30.1	(5.4)	(5.4)	Cost of goods sold
Foreign exchange risk	(0.3)	(1.2)	(1.2)	Cost of goods sold

This table includes the changes in the fair value of the hedging instruments recognized in Other comprehensive income throughout the entire fiscal years 2023/24 and 2022/23 (including hedge accounting relationships ended during the fiscal year).

The table in section 3.7.9a "Impact of hedging instruments designated in hedging relationships" (refer to column "Fair value changes of the hedging instrument used as a basis to calculate hedge ineffectiveness") includes the fair value changes of hedging instruments that are related to hedge accounting relationships, which were still active as at August 31, 2024.

Notes to the Consolidated Financial Statements

Fair value hedges

as at August 31, 2024 in CHF million	Hedge ineffectiveness recognized in the Consolidated Income Statement	Line item in the Consolidated Income Statement where the hedge ineffectiveness is reported
Commodity price risk	(101.6)	Cost of goods sold
Foreign exchange risk	0.8	Cost of goods sold

as at August 31, 2023 in CHF million	Hedge ineffectiveness recognized in the Consolidated Income Statement	Line item in the Consolidated Income Statement where the hedge ineffectiveness is reported
Commodity price risk	(39.5)	Cost of goods sold
Foreign exchange risk	2.4	Cost of goods sold

Certain ineffectiveness can arise during the hedging process. The main sources of hedge ineffectiveness are considered to be timing differences between entering into the hedged items and into the hedging instruments and differences between the maturity profile of the hedged items and the hedging instruments.

The following table provides further information about the effect of cash flow hedges on equity:

in thousands of CHF	Commodity price risk	Foreign exchange risk	Interest rate risk	Total hedging reserve
as at September 1, 2022	**9,152**	**814**	**11,858**	**21,823**
Movements in the period:				
Gains/(losses) taken into equity	30,130	(286)	5,768	35,612
Transfer to initial carrying amount of the hedged item	(1,023)	(296)	—	(1,319)
Transfer to the Consolidated Income Statement for the period	(5,351)	(1,234)	1,552	(5,033)
thereof:				—
due to hedged cash flows that are no longer expected to occur/ineffectiveness	(5,351)	(1,234)	—	(6,585)
due to hedged item affected the Consolidated Income Statement	—	—	1,552	1,552
Tax effect on cash flow hedges	(7,087)	211	(1,830)	(8,706)
Currency translation adjustments	(456)	(13)	(337)	(806)
as at August 31, 2023	**25,365**	**(804)**	**17,011**	**41,572**
as at September 1, 2023	**25,365**	**(804)**	**17,011**	**41,572**
Movements in the period:				
Gains/(losses) taken into equity	72,532	2,542	(12,132)	62,942
Transfer to initial carrying amount of the hedged item	—	—	—	—
Transfer to the Consolidated Income Statement for the period	12,152	(583)	2,606	14,175
thereof:				
due to hedged cash flows that are no longer expected to occur/ineffectiveness	12,151	(583)	—	11,568
due to hedged item affected the Consolidated Income Statement	1	—	2,606	2,607
Tax effect on cash flow hedges	(21,467)	(597)	2,381	(19,683)
Currency translation adjustments	(1,692)	(22)	(205)	(1,919)
as at August 31, 2024	**86,890**	**536**	**9,662**	**97,088**

3.7.10 Timing, nominal amount and pricing of hedging instruments

The following table provides information about the maturity of the nominal amount and interest rates attached to the swaps held by the Group as at August 31, 2024 to hedge its interest rate risk:

	Period of maturity			
as at August 31, 2024	First year	Second to fifth year	After five years	Total
Nominal amount (CHF million)	16.0	279.2	—	295.2
Average interest rate	—	0.41 %	—	0.39 %

	Period of maturity			
as at August 31, 2023	First year	Second to fifth year	After five years	Total
Nominal amount (CHF million)	—	301.3	—	301.3
Average interest rate	—	0.39 %	—	0.39 %

The following table provides information about the foreign exchange forwards and futures in case of the major foreign currency hedging pairs held by the Group as at August 31, 2024 to hedge its foreign exchange risk:

	Period of maturity			
as at August 31, 2024	Current year	Next year	After next year	Total
GBP exposure hedging against EUR				
Nominal amount (CHF million, long/(short))	1,544.4	(860.3)	1.0	685.1
Average foreign exchange rate (EUR/GBP)	0.860	0.864	0.875	n/a
USD exposure hedging against EUR				
Nominal amount (CHF million, long/(short))	(132.5)	22.2	(1.9)	(112.2)
Average foreign exchange rate (EUR/USD)	1.093	1.107	1.130	n/a
GBP exposure hedging against USD				
Nominal amount (CHF million, long/(short))	(3,150.9)	2,548.7	39.7	(562.5)
Average foreign exchange rate (USD/GBP)	0.788	0.782	0.786	n/a
USD exposure hedging against BRL				
Nominal amount (CHF million, long/(short))	(96.7)	(65.7)	—	(162.4)
Average foreign exchange rate (BRL/USD)	0.188	0.180	—	n/a

	Period of maturity			
as at August 31, 2023	Current year	Next year	After next year	Total
GBP exposure hedging against EUR				
Nominal amount (CHF million, long/(short))	269.0	(400.2)	0.9	(130.3)
Average foreign exchange rate (EUR/GBP)	0.875	0.874	0.892	n/a
USD exposure hedging against EUR				
Nominal amount (CHF million, long/(short))	(87.0)	(185.4)	5.0	(267.4)
Average foreign exchange rate (EUR/USD)	1.090	1.073	1.090	n/a
GBP exposure hedging against USD				
Nominal amount (CHF million, long/(short))	46.9	272.6	—	319.5
Average foreign exchange rate (USD/GBP)	0.799	0.810	—	n/a
USD exposure hedging against BRL				
Nominal amount (CHF million, long/(short))	(81.7)	(59.7)	—	(141.4)
Average foreign exchange rate (BRL/USD)	0.197	0.200	—	n/a

Notes to the Consolidated Financial Statements

Accounting policies

Derivative financial instruments

Derivative financial instruments are accounted for at fair value with fair value changes recognized in the Consolidated Income Statement.

As the Group also acts as a cocoa bean trader, certain cocoa bean purchase and sales contracts are net cash settled and therefore, contracts allocated to the same portfolio are treated as derivative contracts.

Additionally, the Group may apply the fair value option for its third-party executory forward purchase and sales contracts (available under IFRS 9 as an alternative to the off-balance sheet treatment). These exemptions are applied for those cocoa contracts where the measurement eliminates or significantly reduces an accounting mismatch that would otherwise occur on own use contracts.

Hedge accounting

The Group requires cocoa beans and semi-finished cocoa products for its operations. The Group is exposed to adverse cocoa price movements on the purchase side due to increasing cocoa prices, on the sales side, and inventory held due to decreasing cocoa prices. The Group applies hedge accounting to hedge its cocoa price risk embedded in its chocolate inventories and sales contracts as well as in the cocoa inventories, purchase and sales contracts, and uses cocoa bean futures to manage cocoa price risks.

The Group is also exposed to increasing sugar prices with regard to its forecasted sugar purchases. The Group therefore applies cash flow hedge accounting when it hedges its sugar price risk embedded in its forecasted sugar purchases with sugar futures.

The Group enters into sales and purchase contracts denominated in various currencies. The foreign currency risks exposure arising from these firm commitments and highly probable transactions are hedged by the Group's Treasury department. The Group applies fair value hedge accounting to its firm commitments.

The Group's interest rate risk is managed with interest rate derivatives. Hedge accounting is applied to derivatives that are effective in offsetting the changes in fair value or cash flows of the hedged items. The hedge relationship is documented and the effectiveness of such hedges is tested at regular intervals, at least on a semi-annual basis.

The impact of hedging accounting is presented on the Group's Consolidated Balance Sheet as follows:

Hedging instrument/item	Line item on Consolidated Balance Sheet
Cash flow hedges:	
Interest rate swaps	Derivative financial assets and liabilities
Commodity futures contracts	Derivative financial assets and liabilities
Foreign exchange forward and future contracts	Derivative financial assets and liabilities
Fair value hedges:	
Cocoa and chocolate stocks	Inventories
Risk component of cocoa and chocolate purchase and sales contracts	Derivative financial assets and liabilities
Commodity futures contracts	Derivative financial assets and liabilities
Foreign exchange forward and future contracts	Derivative financial assets and liabilities
Firm purchase and sales commitments denominated in foreign currency	Derivative financial assets and liabilities
Receivables	Trade receivables and other current assets
Payables	Trade payables and other current liabilities
Debt	Short-term debt; long-term debt
Cash instruments	Cash and cash equivalents

Notes to the Consolidated Financial Statements

Fair value hedging – for commodity price risks and foreign currency exchange risks related to the contract business	To reflect the Group’s activities of hedging its cocoa price risk exposure embedded in the cocoa and chocolate inventories and unrecognized firm commitments, the Group applies fair value hedge accounting. In this fair value hedge accounting relationship, the chocolate inventories and unrecognized firm sales commitments and the cocoa inventories, unrecognized firm purchase and sales commitments, respectively, are designated as hedged items whereby cocoa bean futures are designated as hedging instruments. When cocoa and chocolate inventory is designated as a hedged item, the subsequent cumulative change in the fair value of the inventory attributable to the hedged cocoa price risk is adjusting the carrying amount of the hedged item (change of inventory cost value) with a corresponding gain or loss in the Consolidated Income Statement. When unrecognized firm cocoa and chocolate commitments (purchase and sales contracts) are designated as hedged items, the subsequent cumulative change in the fair value of these contracts attributable to the hedged cocoa price risk is recognized as an asset or a liability (reported as “Derivative financial assets” and “Derivative financial liabilities”) with a corresponding gain or loss in the Consolidated Income Statement. The hedging instrument is recorded at fair value under “Derivative financial assets” or “Derivative financial liabilities”, and the changes in the fair value of the hedging instrument are also recognized in the Consolidated Income Statement. For foreign currency exchange risks related to firm purchase and sales commitments in certain entities, fair value hedge accounting is applied. The hedge relationship is between the unrecognized firm commitments (hedged items) and the foreign currency forward contracts and/or monetary items (hedging instruments). The changes in fair value of the hedging instruments (attributable to foreign currency exchange rate movements) are recognized in the Consolidated Income Statement. The cumulative change in the fair value of the hedged items (unrecognized firm commitments) attributable to the foreign currency risk is recognized as “Derivative financial assets” or “Derivative financial liabilities” with a corresponding gain or loss in the Consolidated Income Statement.
Accounting for cash flow hedges	For each cash flow hedge relationship, the effective part of any gain or loss on the derivative financial instrument is recognized directly in other comprehensive income. Gains or losses that are recognized in other comprehensive income are transferred to the Consolidated Income Statement in the same period in which the hedged exposure affects the Consolidated Income Statement. The ineffective part of any gain or loss is recognized immediately in the Consolidated Income Statement at the time hedge effectiveness is tested. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that point in time, any cumulative gain or loss on the hedging instrument recognized in other comprehensive income is kept in other comprehensive income until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in other comprehensive income is immediately transferred to the Consolidated Income Statement.

Notes to the Consolidated Financial Statements

Cash flow hedging – for commodity price risks (cocoa and sugar price risk) and foreign currency exchange risks arising from forecasted purchase and sales transactions	The Group enters into sugar futures to hedge the sugar price risk exposure embedded in certain forecasted sugar purchases, and into foreign exchange forwards and futures contracts to hedge the currency risk arising from these forecasted sugar purchases. The Group applies cash flow hedge accounting for these hedging relationships whereby the sugar futures and the foreign exchange forwards and futures are designated as hedging instruments to hedge the variability in cash flows attributable to the risk of sugar price movements and to the foreign currency risk, respectively, in the hedged forecasted sugar purchases. Where no firm commitments exist, the Group may enter into cocoa bean futures to hedge the cocoa price risk arising from forecasted sales, and into foreign exchange forwards and futures contracts to hedge the currency risk arising from forecasted sales transactions denominated in foreign currencies. The related entities apply cash flow hedge accounting, whereby the cocoa bean futures and the foreign exchange forwards and futures are designated as hedging instruments to the underlying forecasted sales to hedge the variability in cash flow that is attributable to the risk of cocoa price movements and to the foreign exchange risk, respectively.
Cash flow hedging – for interest rate risks	The Group applies cash flow hedge accounting for interest rate derivatives, converting a portion of floating rate borrowings to fixed-rate borrowings.
No hedge accounting designation	The Group's purchasing and sourcing centers and the Group's Treasury department have derivative financial instruments that are measured at fair value, without being assigned to a hedge accounting relationship.

3.8 Financial result

Composition of finance income

in thousands of CHF	2023/24	2022/23
Interest income	23,660	13,393
Foreign exchange gains, net	244	—
Total finance income	**23,904**	**13,393**

Composition of finance expense

in thousands of CHF	2023/24	2022/23
Interest expense	(213,285)	(116,369)
Amortization of structuring fees	(2,787)	(2,757)
Charges on undrawn portion of committed credit facilities	(2,425)	(1,964)
Net interest costs related to defined benefit plans (Note 4.2)	(3,186)	(2,526)
Total interest expense	**(221,683)**	**(123,616)**
Bank charges and other financial expense	(6,962)	(7,331)
Foreign exchange losses, net	—	(4,265)
Loss on interest rate derivative financial instruments	(2,518)	(2,249)
Total finance expense	**(231,163)**	**(137,461)**

Interest expenses include among others, the cost of leasing and the cost of interest rate swaps resulting from paying fixed interest rates in exchange for receiving floating interest rates. All interest rate derivative financial instruments are in a cash flow hedge relationship where the effective portion of the changes in fair value are recognized in other comprehensive income.

Structuring fees are mainly attributable to the amortization of fees capitalized for debt instruments referenced in the overview table of Note 3.5.2 - "Long-term debt".

The foreign exchange gains are mainly attributable to price volatility in the global foreign currency markets.

4 Employees

4.1 Personnel expenses

in thousands of CHF	2023/24	2022/23
Wages and salaries	(641,038)	(624,088)
Compulsory social security contributions	(118,513)	(111,387)
Equity-settled share-based payments (Note 4.2)	(10,397)	(18,904)
Expenses related to defined benefit pension plans (Note 4.2)	(9,199)	(15,050)
Expenses related to other long-term benefit plans (Note 4.2)	(2,657)	(358)
Contributions to defined contribution plans (Note 4.2)	(17,627)	(17,154)
Total personnel expenses	**(799,431)**	**(786,941)**
Amounts capitalized as assets	15,771	17,332
Total personnel expenses recognized in Consolidated Income Statement	**(783,660)**	**(769,609)**

4.2 Employee benefits

Post-employment and other long-term employee benefits

The Group operates a number of independent defined benefit plans and other post-retirement or long-term benefit plans, in line with local legal and tax requirements.

The largest defined benefit pension plans (funded) are located in Switzerland, Belgium, the US and the UK. Together, these plans represent 97% (2023: 97%) of the Group's total gross defined benefit pension liabilities and 98% (2023: 98%) of the Group's total plan assets.

The amounts recognized in the Consolidated Balance Sheet are as follows:

	Defined benefit pension plans						Other long-term benefit plans	
as at August 31,			2024			2023	2024	2023
in thousands of CHF	Funded	Unfunded	Total	Funded	Unfunded	Total	Total	Total
Switzerland								
Weighted average duration in years	14	—		14	—		—	—
Present value of liabilities	109,808	—	109,808	112,978	—	112,978	—	—
Fair value of plan assets	(96,838)	—	(96,838)	(97,630)	—	(97,630)	—	—
Net plan liabilities (assets)	**12,970**	**—**	**12,970**	**15,348**	**—**	**15,348**	**—**	**—**
Belgium								
Weighted average duration in years	10	—		11	—		9	10
Present value of liabilities	90,755	—	90,755	83,979	—	83,979	9,351	7,737
Fair value of plan assets	(64,091)	—	(64,091)	(57,257)	—	(57,257)	—	—
Net plan liabilities (assets)	**26,664**	**—**	**26,664**	**26,722**	**—**	**26,722**	**9,351**	**7,737**
US								
Weighted average duration in years	8	—		9	—		2	3
Present value of liabilities	52,562	—	52,562	56,166	—	56,166	15	23
Fair value of plan assets	(44,176)	—	(44,176)	(44,366)	—	(44,366)	—	—
Net plan liabilities (assets)	**8,386**	**—**	**8,386**	**11,800**	**—**	**11,800**	**15**	**23**
UK								
Weighted average duration in years	12	—		13	—		—	—
Present value of liabilities	43,670	—	43,670	44,108	—	44,108	—	—
Fair value of plan assets	(69,674)	—	(69,674)	(69,342)	—	(69,342)	—	—
Net plan liabilities (assets)	**(26,004)**	**—**	**(26,004)**	**(25,234)**	**—**	**(25,234)**	**—**	**—**
Rest of the world								
Weighted average duration in years	16	8		16	8		16	20
Present value of liabilities	10,109	14,419	24,528	9,680	15,030	24,710	5,483	5,601
Fair value of plan assets	(4,511)	—	(4,511)	(4,372)	—	(4,372)	—	—
Net plan liabilities (assets)	**5,598**	**14,419**	**20,017**	**5,308**	**15,030**	**20,338**	**5,483**	**5,601**
Total								
Present value of liabilities	306,904	14,419	321,323	306,911	15,030	321,941	14,849	13,361
Fair value of plan assets	(279,290)	—	(279,290)	(272,967)	—	(272,967)	—	—
Net plan liabilities (assets)	**27,614**	**14,419**	**42,033**	**33,944**	**15,030**	**48,974**	**14,849**	**13,361**
Net balances recognized in the Consolidated Balance Sheet								
Net employee benefit assets	**—**	**—**	**(26,004)**	**—**	**—**	**(25,234)**	**—**	**—**
Net employee benefit liabilities	**—**	**—**	**68,037**	**—**	**—**	**74,208**	**14,849**	**13,361**

Notes to the Consolidated Financial Statements

The changes in the present value of the employee benefit liabilities are as follows:

	Defined benefit pension plans		Other long-term benefit plans	
in thousands of CHF	**2023/24**	**2022/23**	**2023/24**	**2022/23**
Present value of defined benefit liabilities as at September 1,	**321,941**	**328,864**	**13,361**	**12,179**
Currency translations	144	133	(29)	(16)
Current service cost	12,952	11,830	839	806
Past service cost	(3,753)	3,206	1,347	—
Remeasurement of other long-term employee benefits	—	—	471	(449)
Interest expense	10,911	9,588	739	593
Losses/(gains) on curtailment	—	13	—	—
Total recognized in income statement	**20,254**	**24,770**	**3,367**	**934**
Actuarial losses/(gains)	7,386	(13,611)	(58)	1,203
thereof:				
arising from changes in demographic assumptions	(1,035)	(763)	—	—
arising from changes in financial assumptions	7,347	(19,546)	(868)	706
arising from experience adjustments	1,074	6,698	810	497
Exchange differences on foreign plans	(4,944)	(9,689)	(1,035)	(368)
Total recognized in other comprehensive income	**2,442**	**(23,300)**	**(1,093)**	**835**
Reclassifications	251	—	54	—
Contribution by employees	5,142	4,728	—	—
Benefits received	2,707	5,712	—	—
Benefits paid	(31,414)	(18,833)	(840)	(587)
Total other	**(23,314)**	**(8,393)**	**(786)**	**(587)**
Present value of defined benefit liabilities as at August 31,	**321,323**	**321,941**	**14,849**	**13,361**
thereof:				
funded plans	306,904	306,911	—	—
unfunded plans	14,419	15,030	14,849	13,361

The Group expects to pay CHF 16.0 million in employer's contributions to defined benefit pension plans in the next fiscal year (2023/24: CHF 16.7 million).

Actuarial gains amounted to CHF 7.3 million for the current fiscal year (2022/23: actuarial gains of CHF 12.4 million), which is mainly related to changes in the financial assumptions such as the development of discount rates. The respective amounts were recognized in Other comprehensive income.

The movement in the fair value of plan assets is as follows:

	Defined benefit pension plans	
in thousands of CHF	**2023/24**	**2022/23**
Opening fair value of plan assets as at September 1,	**272,967**	**276,890**
Currency translations	190	173
Interest income	8,464	7,656
Total recognized in income statement	**8,654**	**7,829**
Return on plan assets excluding interest income	7,782	(15,461)
Exchange differences on foreign plans	(3,192)	(7,674)
Total recognized in other comprehensive income	**4,590**	**(23,135)**
Contributions by employer	15,397	18,263
Contributions by employees	5,142	4,728
Benefits received	2,707	5,712
Benefits paid	(30,167)	(17,320)
Total other	**(6,921)**	**11,383**
Fair value of plan assets as at August 31,	**279,290**	**272,967**

The plan assets consist of the following categories of securities:

as at August 31,	Defined benefit pension plans	
in thousands of CHF	**2024**	**2023**
Equities	50,864	59,776
Bonds	158,555	146,202
Insurance portfolio	12,449	11,565
Cash and other assets	57,422	55,424
Total fair value of plan assets	**279,290**	**272,967**

Most of the equity and debt securities have a quoted market price in an active market. Real estate and alternative investments, which include hedge funds, private equity, infrastructure and commodity investments, usually have a quoted market price or a regularly updated net asset value.

The plan assets do not include any ordinary shares issued by the Company nor any property occupied by the Group or one of its subsidiaries.

The amounts recognized in the Consolidated Income Statement are as follows:

	Defined benefit pension plans		Other long-term benefit plans	
in thousands of CHF	**2023/24**	**2022/23**	**2023/24**	**2022/23**
Current service costs	12,952	11,830	838	806
Net interest expense	2,447	1,932	739	593
Net currency translations	(45)	(40)	(29)	(16)
Past service cost	(3,753)	3,206	1,347	—
Losses/(gains) on curtailments and settlements	—	13	—	—
Remeasurement	—	—	472	(449)
Total expenses related to defined benefit plans and other long-term benefit plans recognized in income statement	**11,601**	**16,941**	**3,367**	**934**

in thousands of CHF	**2023/24**	**2022/23**
Total defined contribution expenses recognized in income statement	**17,627**	**17,154**

The expenses related to defined benefit pension plans and other long-term benefit plans are recognized in the following line items in the Consolidated Income Statement:

in thousands of CHF	**2023/24**	**2022/23**
Cost of goods sold	3,516	4,216
Marketing and sales expenses	1,199	1,559
General and administration expenses	6,232	8,836
Research and development expenses	897	796
Other expense	12	—
Personnel expenses	**11,856**	**15,407**
Interest expense	3,186	2,526
Foreign exchange gains/(losses)	(74)	(56)
Finance expense	**3,112**	**2,470**
Total expenses related to defined benefit plans and other long-term benefit plans recognized in income statement	**14,968**	**17,877**

Actuarial assumptions

Weighted average actuarial assumptions used are as follows:

	Defined benefit pension plans		Other long-term benefit plans	
	2023/24	**2022/23**	**2023/24**	**2022/23**
Discount rate	3.2 %	3.5 %	5.5 %	5.8 %
Expected rate of pension increase	0.5 %	0.5 %	0.0 %	0.0 %
Expected rate of salary increase	1.6 %	1.6 %	2.3 %	2.3 %

The applicable mortality tables in the Group's largest defined benefit plans and underlying longevity assumptions are summarized in the following table:

		Life expectancy at age 65 for a male member		Life expectancy at age 65 for a female member	
	Mortality table	**2024**	**2023**	**2024**	**2023**
Switzerland	LPP 2020	22	22	24	24
Belgium	MR / FR	23	23	26	26
UK	S3NMA / S3NFA	22	22	24	24
US	PRI-2012	21	21	23	23

Sensitivity analysis

Reasonable and possible changes at the reporting date to one of the relevant actuarial assumptions, with all other assumptions held constant, would have affected the defined benefit liabilities by the amounts shown below:

as at August 31,	Increase		Decrease	
in thousands of CHF	**2024**	**2023**	**2024**	**2023**
Discount rate (1% movement)	(31,506)	(35,042)	40,580	44,175
Expected rate of pension increase (1% movement)	13,979	13,586	(4,887)	(5,050)
Expected rate of salary increase (1% movement)	17,712	17,656	(17,712)	(17,656)
Life expectancy at age 65 (1 year)	5,017	5,039	(5,017)	(5,039)

Description of the defined benefit plans

The characteristics of the most significant defined benefit pension plans of the Group are further described as follows:

Defined benefit plans Switzerland

The retirement benefit plans for all Swiss Group entities are mainly defined benefit plans, where contributions are expressed as a percentage of the insured actual salary. The employer is affiliated to a collective foundation with reinsurance of actuarial risks arising from the plan with an insurance company. Members benefit from a guaranteed minimum interest on accrued savings and conversion rates at retirement in accordance with the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG). This law defines the minimum pensionable salary and the minimum retirement credits. In addition to retirement benefits, the Swiss retirement benefit plans also provide for temporary partial or total disability benefits as well as for pre-retirement death benefits including widows' and orphans' benefits. The plan regulations in Switzerland were modified to adjust the conversion rates for new retirements after January 1, 2025.

The benefit plans are outsourced to external insurance companies, which are responsible for the operation of the plan including the allocation of plan assets. The governance and the supervision as well as the responsibility to make changes in the plan lie with a Board of Trustees. It consists equally of employer and employee nominated representatives.

The applicable regulation requires the retirement benefit plans of all Swiss Group entities to be funded on the basis of employer and employee contributions, including risk premiums and savings contributions. In case of underfunding, recovery measures must be taken, such as the additional financing from the employer or from the employer and employees, or the reduction of benefits or a combination of both.

According to the plan regulation in Switzerland, certain components of the pension plans that meet the specific requirements are accounted for as defined contribution plans.

Defined benefit plans – Other countries

In the US, the Group maintains a retirement benefit plan only for pensioners and deferred pensioners related to a discontinued operation. Effective July 31, 2005, all benefits in the plan were closed for new entrances and further benefit accruals. The pension plan's funding is governed by ERISA and the applicable laws and regulations under Internal Revenue Code (IRC) sections 404, 412, and 430. Barry Callebaut is the plan sponsor and usually funds the minimum required contribution based on these regulations. The investment management is outsourced to investment management companies and the plan is governed by a Board of Trustees.

In Belgium, the Group operates defined benefit plans for events of retirement, temporary and permanent disability and death in service put in place by the employer in addition to legal retirement plans. These are company collective plans introduced on July 1, 1993. The retirement benefit plans are funded by a combination of employer and employee contributions as regulated by the Belgian Pension Act. The contributions are expressed as a percentage of the insured actual salary. The plans are fully insured. The funding of the defined benefit plans are externalized to an insurance company who is responsible for the operation of the plan including the allocation of plan assets. The governance and the supervision as well as the responsibility to make changes in the plan lie with a Board of Trustees. The legislation requires a minimum funding level. In the situation where the plan assets are not sufficient, the employer has to pay an additional contribution to the collective financing fund.

In the UK, the Group operates a defined benefit retirement scheme in which members receive benefits based on the final salary with the contributions paid by the employer on a balance of cost basis. Effective January 31, 2014, all benefits in the plan were closed for new entrances and further benefit accruals. The plan is run by the Board of Trustees in accordance with the Trust Deed & Rules and legislation. The Trustees are required by law to fund the plan on prudent funding assumptions under the Trust Deed & Rules of the plan. The contributions payable by the Company to fund the plan are set by the Trustees after consulting the Company. The investment management is outsourced to investment management companies.

Share-based payments

Share awards are granted to participants according to individual contracts and the current employee stock ownership program.

Long-Term Incentive Plan (LTIP)

The purpose of the LTIP is to provide the participants with an ownership interest in Barry Callebaut and to reward them for the long-term performance of the company. The LTIP thus aligns their interests to those of the shareholders.

The current LTIP has been in place since fiscal year 2016/17. The grant of share units under the LTIP is based on a target LTI amount determined individually for each plan participant. The individual LTI amount is divided by the average share price of the last three months of the preceding fiscal year in order to calculate the number of share units awarded.

Members of the Executive Committee are entitled to performance share units (PSU) only. The vesting period is three years (cliff), and the vesting will be conditional on forward-looking performance conditions (relative share price and ROIC), as outlined below. The maximum vesting level is 200%. Consequently, the overall vesting of the LTI award ranges from 0% to 200% of the initially determined number of share units granted.

For all other plan participants, the share units vest in three tranches over three fiscal years, i.e. 25% on the first, 25% on the second and 50% on the third anniversary of the grant date. The first two tranches are restricted share units (RSU) that vest subject to the LTIP participant continuing to be employed by Barry Callebaut. The third tranche consists of performance share units (PSU) that vest subject to meeting two performance criteria over the three-year vesting period.

The first performance criterion, accounting for 50% of the respective PSU grant, is the relative share price development of Barry Callebaut versus a peer group of companies in the chocolate, ingredients and FMCG sector: AAK, Fuji Oil, Givaudan, Hershey, Kellogg's, Kerry, Lindt, Mondelez, Nestlé, Olam and Unilever. The objective (100% vesting) is to achieve median performance, e.g. to outperform half of the peer companies. There is no vesting for a performance below the first quartile of the peer group (threshold), and the vesting is capped at 200% for delivering the best performance in the peer group.

The second performance criterion, accounting for 50% of the relevant PSU grant, is ROIC. The ROIC criterion rewards the sustainable management of the Company's assets. The three-year ROIC target was set by the Board of Directors on the basis of the long-term strategic plan of the Company. The vesting also ranges from 0% to 200% of target. Consequently, the overall vesting of the LTI award (including RSU and PSU) ranges from 50% and 150% of the initially determined number of share units granted.

The Board of Directors reserves the right to suspend or adjust the vesting of the share units in case of a negative result from continuous operations of the Barry Callebaut Group. Once the shares are vested and transferred, they are free of any sales restrictions. Any award granted under the LTIP is subject to clawback and malus provisions. In case of a material misstatement of financial results or a serious reputational damage to Barry Callebaut due to fraud of willful intent, or of a gross misconduct which would qualify as a cause for termination, the Board of Directors may forfeit or claim back vested or unvested share units, within a period of two years after the vesting of the award.

The share awards granted entitle the participants to full shareholders rights upon vesting of the share units (RSU/PSU) and their conversion into shares. In case of resignation or dismissal for cause during the vesting period (which ranges between one and three years), the initially granted, but not yet vested share units are forfeited.

The fair value of the RSU granted (no performance condition) is estimated by taking the market price at grant date less the present value of the expected dividends that will not be received on these RSU during the vesting period. 1,061 share awards were granted in fiscal year 2023/24 with an average fair value of CHF 1,509 (in fiscal year 2022/23: 777 share awards with an average fair value of CHF 1,972). RSU have been granted to senior management only, excluding members of Executive Committee.

The fair value of the PSU, of which the vesting is conditional upon the relative share price performance, is assessed as per grant date based on a valuation performed by external experts applying the "Monte Carlo simulation" method. The most relevant parameters relating to Barry Callebaut and the relevant peer group are the risk-free interest rate, annualized volatility, the share price and the dividend yields. The risk-free rates reflect three-year government bonds of the country of origin of the respective company and range from -0.01% to +4.16%. The volatilities and correlations are based on daily returns of a company's share at its respective exchange of origin over a three-year period preceding the start of the vesting cycle (the annualized volatility for Barry Callebaut and its peer group ranges from 15.6% to 28.0%). The dividend yields are based on dividends paid over a three-year period preceding the start of the vesting cycle and range from +0.9% to +4.8%. The share prices are denominated in their respective currency and retrieved for the specified point in time. The base share price taken into account for Barry Callebaut is the share price at grant date and amounted to CHF 1,542.

The fair value of PSU, of which the vesting is conditional upon the Group's ROIC performance, is taken at fair value of the Barry Callebaut share at grant date discounted for dividends until the vesting. As this part is based on the Group's performance relating to ROIC, the relative value is adjusted periodically during the vesting period, based on an estimation of the ROIC performance at vesting date.

In fiscal year 2023/24, 2,902 PSU were granted to members of the ExCo with an average fair value of CHF 1,423 (in fiscal year 2022/23: 2,201 share awards with an average fair value of CHF 1,920). To the other plan participants, 1,618 PSU with an average fair value of CHF 1,423 per share were awarded in fiscal year 2023/24 (in fiscal year 2022/23: 786 share awards with an average fair value of CHF 1,920).

In fiscal year 2023/24, 1,569 sign-on shares were granted to multiple plan participants at the average amount of CHF 1,377 (in fiscal year 2022/23, 2,296 sign-on shares at the average amount of CHF 1,961 per share).

Board of Directors

The Board of Directors receives share awards annually for the respective service period. These share awards are not part of the share plans described above and are determined by the Nomination and Compensation Committee (NCC) as a monetary amount to be delivered for the respective service period in shares. The total number of shares awarded for the service period amounted to 1,849 with an average fair value of CHF 1,412 per share (2022/23: 1,610 share awards with an average fair value of CHF 1,902 per share).

Recognition in financial statements

The fair value of the share awards at grant date is recognized over the vesting period as a personnel expense under either of these share plans. For 2023/24, the amount thus recognized (before taxes) was CHF 10.4 million with a corresponding increase in equity (2022/23: CHF 18.9 million). Of the amount recognized in 2023/24, CHF 7.7 million related to the LTIP (2022/23: CHF 15.9 million) and CHF 2.7 million to the Board of Directors plan (2022/23: CHF 3.0 million).

Accounting policies

Employee benefit liabilities/post-employment benefits	The Group operates a number of independently defined benefit plans and other post-retirement or long-term benefit plans, which conform to local legal and tax requirements. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, applying the discount rate and deducting the fair value of any plan assets. The calculation of defined benefit liabilities is performed annually by qualified actuaries using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements. Remeasurement of the net defined benefit liability which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling are recognized immediately in Other comprehensive income. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss. When the benefits of a plan are changed, or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs. The Group's employee benefit schemes are exposed to changes in legislation and to investment return and matching risks, longevity risks and solvency risks. These risks may all require additional contributions and are therefore reviewed on a regular basis by the companies' management or by the relevant Board of Trustees as follows: • Changes in legislation: monitoring of country-specific legislation changes • Investment return risk: analysis and optimization of the allocation and performance of assets as well as monitoring of compliance with investment guidelines • Investment matching risk: analysis and optimization of asset-liability matching and periodic fair valuation of assets and liabilities • Longevity risk: analysis of mortality assumptions and monitoring of demographic development • Solvency risk: monitoring of solvency of external solution providers
Defined contribution plans	Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available. The Group has no further payment obligations once the contributions have been paid.

Notes to the Consolidated Financial Statements

Post-employment benefits other than pensions	Certain subsidiaries provide health care and insurance benefits for a portion of their retired employees and their eligible dependents. The cost of these benefits is determined by actuaries and included in the related function expenses over the employees' working lives. The related liability is also included in the position "Other long-term benefit plans".
Other long-term employee benefits	Other long-term employee benefits represent amounts due to employees under deferred compensation arrangements mandated by certain jurisdictions in which the Group conducts its operations (including jubilee plans and other long-service award plans). That benefit is discounted to determine its present value. Related remeasurement costs are recognized in the Consolidated Income Statement. The related liability is included in the position "Other long-term benefit plans".
Termination benefits	Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits or when the Group recognizes costs for restructuring.
Long-Term Incentive Plan	For the LTIP, Barry Callebaut AG shares are purchased on the market and passed on to satisfy the awards. In accordance with IFRS 2, the compensation costs relating to share awards granted under this deferred share plan are recognized in the Consolidated Income Statement over the vesting period at their fair value as at the grant date.

5 Group Structure and Related Parties

There were no acquisitions completed and the Group did not have any discontinued operations or disposals in fiscal year 2023/24 and 2022/23.

5.1 Group entities

The principal subsidiaries of Barry Callebaut as at August 31, 2024, are as follows:

Country	Subsidiary	Municipality of registration	%-owned	Currency	Capital
Switzerland	Barry Callebaut Cocoa AG	Zürich	100	EUR	81,515
	Barry Callebaut Management Services AG	Zürich	100	CHF	100,000
	Barry Callebaut Re AG	Zürich	100	CHF	3,000,000
	Barry Callebaut Schweiz AG	Dübendorf	100	CHF	4,600,000
	Barry Callebaut Sourcing AG	Zürich	100	CHF	2,000,000
	Cabosse Naturals Switzerland AG	Zürich	100	CHF	1,000,000
Australia	Barry Callebaut Australia Pty Ltd	Melbourne	100	AUD	30,100,000
Belgium	Barry Callebaut Belgium N.V.	Lebbeke-Wieze	100	EUR	261,521,544
	Barry Callebaut Manufacturing Halle B.V.	Halle	100	EUR	15,488,952
	Barry Callebaut Services N.V.	Lebbeke-Wieze	100	EUR	929,286,000
	Cabosse Naturals N.V.	Halle	100	EUR	1,161,148
	Europe Chocolate Company N.V.	Malle	100	EUR	136,116
	International Business Company Belgium B.V.	Kortrijk (Heule)	100	EUR	65,000
Brazil	Barry Callebaut Brasil Indústria e Comércio de Produtos Alimentícios Ltda.	São Paulo	100	BRL	451,750,810
Cameroon	Barry Callebaut Cameroon SA	Douala	100	XAF	10,000,000
	Société Industrielle Camerounaise des Cacaos SA	Douala	81	XAF	1,959,531,000
Canada	Barry Callebaut Canada Inc.	St.-Hyacinthe	100	CAD	142,000,000
Chile	Barry Callebaut Chile SpA	Santiago	100	CLP	27,988,650,000
China	Barry Callebaut (Suzhou) Chocolate Co., Ltd.	Suzhou	100	CNY	219,137,532
	Barry Callebaut (Suzhou) Chocolate R&D Center Co., Ltd.	Suzhou	100	CNY	13,970,504
Côte d'Ivoire	Barry Callebaut Négoce SA	Abidjan	100	XOF	3,700,000,000
	Société Africaine de Cacao SA	Abidjan	100	XOF	25,695,651,316
	Societe Ivoirienne de Services Agricoles SA	Abidjan	100	XOF	10,000,000
Czech Republic	Barry Callebaut Czech Republic s.r.o.	Prague	100	CZK	200,000
Denmark	Barry Callebaut Denmark ApS	Hostebro	100	DKK	500,000
Ecuador	Barry Callebaut Ecuador SA	Guayaquil	100	USD	20,750,000
France	Barry Callebaut France SAS	Hardricourt	100	EUR	67,900,000
	Barry Callebaut Manufacturing France SAS	Hardricourt	100	EUR	6,637,540
	Barry Callebaut Nord Cacao SAS	Gravelines	100	EUR	3,037,000
Germany	Barry Callebaut Cocoa Germany GmbH	Hamburg	100	EUR	25,000
	Barry Callebaut Deutschland GmbH	Cologne	100	EUR	52,000
	Barry Callebaut Manufacturing Norderstedt GmbH & Co. KG	Norderstedt	100	EUR	50,100
	C.J. van Houten & Zoon Holding GmbH	Norderstedt	100	EUR	72,092,155
	Tagungs- und Seminarzentrum Schloss Marbach GmbH	Öhningen	100	EUR	5,600,000
Ghana	Barry Callebaut Ghana Ltd.	Tema	100	USD	9,204,219
	Nyonkopa Cocoa Buying Ltd.	Kumasi	100	GHS	4,250,000
	BC Farm Services Ltd.	Kumasi	100	GHS	2,850,000
Great Britain	Barry Callebaut (UK) Ltd	Banbury	100	GBP	3,200,000
	Barry Callebaut Beverages UK Ltd	Chester	100	GBP	40,000
	Barry Callebaut Manufacturing (UK) Ltd	Banbury	100	GBP	15,467,852
Greece	Barry Callebaut Hellas Single Member SA	Athens	100	EUR	25,000
Hong Kong	Barry Callebaut Hong Kong Limited	Hong Kong	100	HKD	2
India	Barry Callebaut Cocoa & Chocolate Ingredients India Private Limited	Pune	100	INR	512,020,770
Indonesia	P.T. Barry Callebaut Indonesia	Bandung	100	IDR	66,213,000,000
	P.T. Papandayan Cocoa Industries	Bandung	100	USD	40,000,000

Notes to the Consolidated Financial Statements

Country	Subsidiary	Municipality of registration	%-owned	Currency	Capital
Israel	Barry Callebaut Israel Ltd	Tel Aviv	100	ILS	71,212
Italy	Barry Callebaut Belgium N.V., Italian branch	Milano	100	EUR	—
	Barry Callebaut Italia S.p.A.	Milano	100	EUR	104,000
	Barry Callebaut Manufacturing Italia S.p.A.	Milano	100	EUR	2,646,841
	Dolphin S.r.l.	Milano	100	EUR	110,000
	D'Orsogna Dolciaria S.r.l.	San Vito Chietino	100	EUR	5,000,000
Japan	Barry Callebaut Japan Ltd.	Takasaki	100	JPY	835,000,000
Kazakhstan	Barry Callebaut Kazakhstan LLP	Almaty	100	KZT	10,000
Korea	Barry Callebaut Chocolate Asia Pacific Pte. Ltd., Korea Branch	Seoul	100	KRW	—
Malaysia	Barry Callebaut Malaysia Sdn Bhd	Petaling Jaya	100	USD	11,119,936
	Barry Callebaut Manufacturing Malaysia Sdn Bhd	Johor Bahru	100	USD	10,000,000
	Barry Callebaut Services Asia Pacific Sdn Bhd	Petaling Jaya	100	MYR	500,000
Mexico	Barry Callebaut Cocoa Management Services SA de CV	Mexico City	100	MXN	100,000
	Barry Callebaut GBS Mexico, S. de R.L. de CV	Monterrey	100	MXN	10,000
	Barry Callebaut Mexico Distributors SA de CV	Escobedo N.L.	100	MXN	109,000,000
	Barry Callebaut Mexico, S. de R.L. de CV	Monterrey	100	MXN	13,030,200
	DCMX Cocoa, SA de CV	Mexico City	100	MXN	1,304,967
Morocco	Barry Callebaut Maroc SARLAU	Casablanca	100	MAD	280,000
Nigeria	BC Nigeria Cocoa & Chocolate Limited	Lagos	100	NGN	10,000,000
Philippines	Cocoa Ingredients (Philippines) Inc.	Makati City	100	USD	200,000
Poland	Barry Callebaut Manufacturing Polska Sp. z o.o.	Łódź	100	PLN	10,000,000
	Barry Callebaut Polska Sp. z o.o.	Łódź	100	PLN	50,000
	Barry Callebaut SSC Europe Sp. z o.o.	Łódź	100	PLN	2,000,000
Russia	Barry Callebaut NL Russia LLC	Moscow-Chekhov	100	RUB	864,510,182
	CJSC Inforum-Prom	Kasimov	100	RUB	100,000
	Barry Callebaut Kaliningrad LLC	Kaliningrad	100	RUB	100,000
Serbia	Barry Callebaut South East Europe d.o.o.	Belgrade	100	RSD	1,185,539
Singapore	Barry Callebaut Chocolate Asia Pacific Pte. Ltd	Singapore	100	USD	80,121,785
	Barry Callebaut Cocoa Asia Pacific Pte Ltd	Singapore	100	USD	558,130,230
South Africa	Barry Callebaut South Africa (Pty) Ltd	Johannesburg	100	ZAR	—
Spain	Barry Callebaut Ibérica SLU	Barcelona	100	EUR	25,000
	Barry Callebaut Manufacturing Ibérica SA	Gurb	100	EUR	987,600
	La Morella Nuts SA	Reus	100	EUR	344,553
Sweden	ASM Foods AB	Mjölby	100	SEK	2,000,000
	Barry Callebaut Sweden AB	Kågeröd	100	EUR	11,428
Tanzania	Biolands International Ltd.	Moshi	100	TZS	40,000,000
Thailand	Barry Callebaut Thailand Company Ltd	Bangkok	100	THB	125,000,000
The Netherlands	Barry Callebaut Cocoa Netherlands B.V.	Zundert	100	EUR	18,000
	Barry Callebaut Decorations B.V.	Zundert	100	EUR	18,242
	Barry Callebaut Nederland B.V.	Zundert	100	EUR	21,435,000
	Dings-Decor B.V.	Nuth	70	EUR	22,689
	Hoogenboom Benelux B.V.	Zundert	100	EUR	18,152
Türkiye	Barry Callebaut Eurasia Gida Sanayi Ve Ticaret Ltd. Sti.	Istanbul	100	TRY	383,000,000
Uganda	Barry Callebaut East Africa Ltd	Kampala	100	UGX	70,000,000
United Arab Emirates	Barry Callebaut Eurasia Gida Sanayi Ve Ticaret Ltd. Sti., Dubai Branch	Dubai	100	AED	—
USA	Barry Callebaut North America Holding Inc.	Wilmington, DE	100	USD	1,003
	Barry Callebaut USA Holding Inc.	Wilmington, DE	100	USD	1,001
	Barry Callebaut U.S.A. LLC	Wilmington, DE	100	USD	—
	Barry Callebaut USA Service Company Inc.	Wilmington, DE	100	USD	1,000

1 The following subsidiaries are inactive or in liquidation: Bio United Ltd, GOR Trade LLC, Barry Callebaut Holdings (UK) Ltd., BC Chocodesign Participacoes Ltda., Barry Callebaut Produktions Deutschland GmbH, Barry Callebaut Nigeria Ltd., Biopartenaire SA, Barry Callebaut Cocoa USA Inc., and P.T. Barry Callebaut Comextra Indonesia.

Accounting policies

Scope of consolidation/ subsidiaries	The Consolidated Financial Statements of the Group include all the assets, liabilities, income and expenses of Barry Callebaut AG and the companies which it controls. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Non-controlling interests are shown as a component of equity in the balance sheet, and the share of the net profit attributable to non-controlling interests is shown as a component of the net profit for the year in the Consolidated Income Statement. Newly acquired companies are consolidated from the date control is transferred (the effective date of acquisition), using the acquisition method. Subsidiaries disposed of are included up to the effective date of disposal. All intragroup balances and unrealized gains and losses or income and expenses arising from intragroup transactions are eliminated in preparing the Consolidated Financial Statements. Unrealized gains arising from transactions with associates and jointly controlled entities are eliminated to the extent of the Group's interest in the entity. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

5.2 Significant shareholders and related parties

Significant shareholders

The following shareholders hold a participation of more than 3% of the issued share capital of the Group's ultimate parent Barry Callebaut AG:

as at August 31,	2024	2023
Jacobs Holding AG	30.1 %	30.1 %
UBS Fund Management (Switzerland) AG[1]	6.5 %	3.0 %
Artisan Partners Limited Partnership[1]	5.5 %	n/a
Renata Jacobs	5.1 %	5.0 %
BlackRock Inc.	3.1 %	3.1 %
T. Rowe Price Associates Inc.[1]	n/a	3.0 %

1 Based on notifications through the electronic publication platform of the SIX Swiss Exchange.

Related parties

Significant transactions and balances between the Group and related parties are as follows:

in thousands of CHF	Nature of cost/ revenue	2023/24	2022/23
Other operating expenses charged by related parties		**(250)**	**(250)**
Jacobs Holding AG	Management services	(250)	(250)

as at August 31, in thousands of CHF		2024	2023
Other payables to related parties		**256**	**67**
Jacobs Holding AG		256	67

Compensation of key management personnel

The key management personnel is defined as the Board of Directors and the Executive Committee. Key management compensation consists of the following:

in million CHF	2023/24	2022/23
Short-term employee benefits	11.1	14.5
Post-employment benefits	2.2	2.6
Share-based payments	8.6	11.7
Total	**21.9**	**28.8**

Further details related to the legal requirements of the Swiss Code of Obligations are disclosed in Notes 2.17 - "Treasury shares", 3.4 - "Shareholdings of the Board of Directors and the Executive Committee" and 3.5 - "Shares granted to the Board of Directors and employees" in the Financial Statements of Barry Callebaut AG and in the Remuneration Report.

6 Taxes

6.1 Income taxes

Income tax expense

in thousands of CHF	2023/24	2022/23
Current income tax expenses	(166,333)	(138,572)
Deferred income tax expenses	118,398	46,425
Total income tax expenses	**(47,935)**	**(92,147)**

Reconciliation of income taxes

in thousands of CHF	2023/24	2022/23
Profit before income taxes	238,868	535,282
Weighted average applicable tax rate	25.5 %	22.1 %
Expected income tax expenses at weighted average applicable tax rate	(60,885)	(118,395)
Non-tax deductible expenses	(22,856)	(10,076)
Tax-deductible items not qualifying as an expense under IFRS	66,678	38,467
Tax-exempt income	11,851	23,675
Income recognized for tax declarations purposes only	(16,281)	(13,579)
Prior-period-related items	(12,127)	(9,609)
Changes in tax rates	2	(938)
Losses carried forward not yet recognized as deferred tax assets	(23,339)	(13,589)
Tax relief on losses carried forward formerly not recognized as deferred tax assets	9,022	11,897
Total income taxes	**(47,935)**	**(92,147)**
Effective tax rate	**20.1 %**	**17.2 %**

The weighted average applicable tax rate has, year-on-year, increased mainly due to changes in the country mix of profit before taxes. The application of the Swiss tax reform, which became effective as of January 1, 2020, has resulted in the recognition of a deferred tax income of CHF 50.4 million in 2023/24 (2022/23: CHF 15.4 million).

The tax relief on losses carried forward previously not recognized as deferred tax assets of CHF 9.0 million (2022/23: CHF 11.9 million) consists of CHF 2.4 million tax relief of utilization on tax losses carried forward previously not recognized (2022/23: CHF 11.6 million) and CHF 6.6 million of tax losses recognized for the first time in 2023/24 (2022/23: CHF 0.3 million).

6.2 Deferred tax assets and liabilities

Movement in deferred tax assets and liabilities

in thousands of CHF	Inventories	Property, plant, equipment/ intangible assets and goodwill	Other assets	Provisions	Other liabilities	Tax loss carry-forwards	Total
as at September 1, 2022	**7,203**	**(146,050)**	**125,781**	**(174)**	**(33,884)**	**37,417**	**(9,708)**
Charged to the income statement	(5,727)	13,020	(49,566)	(767)	94,940	(5,475)	46,425
Recognized in other comprehensive income	—	—	(6,727)	—	(1,541)	—	(8,268)
Application of hyperinflation accounting (IAS 29), deferred tax impact	—	(112)	—	—	—	—	(112)
Effect of acquisitions	—	—	—	—	—	—	—
Effect of disposals	—	—	—	—	8	—	8
Currency translation effects	732	9,607	(4,362)	108	(915)	(2,791)	2,380
as at August 31, 2023	**2,208**	**(123,535)**	**65,126**	**(833)**	**58,608**	**29,151**	**30,725**
as at September 1, 2023	**2,208**	**(123,535)**	**65,126**	**(833)**	**58,608**	**29,151**	**30,725**
Charged to the income statement	52,232	(2,588)	79,131	2,431	(14,042)	1,234	118,398
Recognized in other comprehensive income	—	(2)	(21,728)	—	1,777	—	(19,953)
Application of hyperinflation accounting (IAS 29), deferred tax impact	—	(610)	—	—	—	—	(610)
Effect of acquisitions	—	—	—	—	—	—	—
Effect of disposals	—	(6)	—	—	6	—	—
Currency translation effects	(2,103)	2,935	(1,640)	(597)	(1,498)	(666)	(3,569)
as at August 31, 2024	**52,337**	**(123,806)**	**120,889**	**1,001**	**44,851**	**29,719**	**124,991**

For fiscal year 2023/24, deferred tax expense recognized in other comprehensive income amounted to CHF 20.0 million (2022/23: deferred tax expense CHF 8.3 million), and this relates to deferred tax expense on remeasurement of defined benefit plans of CHF 0.3 million (2022/23: deferred tax income of CHF 0.4 million) and to deferred tax expense on cash flow hedging reserves CHF 19.7 million (2022/23: deferred tax expense of CHF 8.7 million).

Recognized deferred tax assets and liabilities

The recognized deferred tax assets and liabilities, without set off of balances within the same tax jurisdiction, are attributable to the following:

as at August 31,			**2024**			**2023**
in thousands of CHF	**Assets**	**Liabilities**	**Net**	**Assets**	**Liabilities**	**Net**
Inventories	65,568	(13,231)	52,337	14,371	(12,163)	2,208
Property, plant and equipment/Intangible assets and goodwill/Right of use assets	4,366	(128,172)	(123,806)	6,295	(129,830)	(123,535)
Other assets	137,493	(16,604)	120,889	77,871	(12,745)	65,126
Provisions	3,685	(2,684)	1,001	887	(1,720)	(833)
Other liabilities	64,724	(19,873)	44,851	79,952	(21,344)	58,608
Tax losses carried forward	29,719	—	29,719	29,151	—	29,151
Tax assets/(liabilities)	**305,555**	**(180,564)**	**124,991**	**208,527**	**(177,802)**	**30,725**
Setoff within same tax jurisdiction	(114,795)	114,795	—	(90,593)	90,593	—
Reflected in the balance sheet	**190,760**	**(65,769)**	**124,991**	**117,934**	**(87,209)**	**30,725**

For fiscal year 2023/24, deferred tax assets amounting to CHF 1.4 million (2022/23: CHF 2.2 million) were recognized that are depending on future taxable profits in excess of existing taxable temporary differences for entities which suffered fiscal losses in the current period.

Tax losses carried forward excluded from recognition of related deferred tax assets

Tax losses carried forward, not recognized as deferred tax assets, have the following expiry dates:

as at August 31, in thousands of CHF	2024	2023
Expiry:		
Within 1 year	8,251	—
After 1 up to 2 years	—	—
After 2 up to 3 years	—	—
After 3 up to 10 years	15,677	25,124
After 10 years	—	—
Unlimited	599,331	414,047
Total unrecognized tax losses carried forward	**623,259**	**439,171**

Tax losses carried forward utilized during the year 2023/24 were CHF 12.2 million (2022/23: CHF 60.8 million). The related tax relief amounted to CHF 3.3 million, of which CHF 0.9 million were already recognized as a deferred tax asset in the previous year (2022/23: CHF 16.1 million of which CHF 4.5 million were already recognized as a deferred tax asset in the previous year) and CHF 2.4 million that were previously not recognized (2022/23: CHF 11.6 million).

As at August 31, 2024, the Group had unutilized tax losses carried forward of approximately CHF 745.0 million (2022/23: approximately CHF 553.3 million) available for offset against future taxable income.

Of the total tax losses carried forward, an amount of CHF 121.8 million has been recognized for deferred taxation purposes resulting in a deferred tax asset of CHF 29.7 million (2022/23: CHF 114.1 million recognized resulting in a deferred tax asset of CHF 29.2 million). The net increase of CHF 0.5 million in the deferred tax asset on recognized tax losses carried forward, consists of CHF 6.6 million first time recognition of prior year tax losses carried forward, CHF 0.9 million decrease resulting from utilization of tax losses already recognized as a deferred tax asset in prior year, CHF 4.5 million decrease relating to disposal of prior year tax losses carried forward, and CHF 0.7 million decrease relating to currency translation adjustments.

Notes to the Consolidated Financial Statements

Accounting policies

Taxes	Current income taxes are recognized based on taxable income, whereas other taxes such as non-recoverable taxes withheld on management fees and royalties received or paid are reported under “Other expenses”. Non-recoverable withholding taxes are only accrued if distribution by subsidiary companies is foreseen. Income taxes are calculated in accordance with the tax regulations in effect in each country. Current and deferred tax liabilities and assets for uncertain tax positions according to IFRIC 23 are considered based on the probability of the related uncertain tax positions and measured based on the single most probable outcome or the weighted average expected outcome of the uncertain tax positions. The Group determines the expected income tax rate by weighing the applicable tax rates in the jurisdictions concerned based on the profit before taxes per jurisdiction. The applicable expected tax rate per company is the domestic corporate income tax rate applicable to the profit before taxes of the company for the respective fiscal year. Deferred income taxes are recognized using the balance sheet liability method. Deferred income tax applies to all temporary differences arising between the tax values of assets and liabilities and their values in the Consolidated Financial Statements. In line with the Amendments to IAS 12 relating to the International Tax Reform - Pillar Two Model Rules, the Group has made an assessment of the exposure to Pillar Two minimum income taxes. Many jurisdictions in which the Group operates have enacted new legislation to implement the Pillar Two minimum income tax and the Group expects to be subject to Pillar Two as from fiscal year 2024/25. Based on this impact assessment, the Group's income taxes and effective tax rate would not have changed materially if Pillar Two legislation had been in effect. The Group has applied, in line with the standards, the temporary mandatory exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two minimum income taxes and accounts for it as a current tax when it is incurred. The recoverability of deferred tax assets is assessed based on the availability of sufficient fiscal profitability in the future to absorb the future tax deduction of the related temporary differences or the related tax losses carried forward. Deferred tax liabilities related to the investments in subsidiaries and joint ventures are not recognized to the extent the Group is able to control the timing of the reversal of these temporary differences and it is probable that these temporary differences will not reverse in the foreseeable future.

7 Other Disclosures

7.1 Other accounting policies

Foreign currency transactions

The functional currency of the Group's entities is the currency of their primary economic environment. In individual companies, transactions in foreign currencies are recorded at the rate of exchange at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into respective functional currencies at the exchange rate prevailing at the reporting date. Any resulting exchange gains and losses are taken to the income statement. If related to commercial transactions or to the measurement of financial instruments in coverage of commercial transactions, such foreign currency gains and losses are classified as Cost of goods sold. Otherwise, foreign currency gains and losses are classified as Finance income and Finance expense.

Foreign currency translation

For consolidation purposes, assets and liabilities of subsidiaries reporting in currencies other than Swiss francs are translated to Swiss francs at reporting date rates of exchange. Income statement and cash flow statement are translated at the average rates of exchange for the period. Differences arising from the translation of financial statements using the above method are recorded as cumulative translation adjustments in other comprehensive income. When a foreign operation is disposed of, such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve is reclassified to the Consolidated Income Statement as part of the gain or loss on disposal.

Since fiscal year 2021/22, the provision of IAS 29 "Financial Accounting in Hyperinflationary Economies", are applied to one legal entity in Türkiye. The financial information of the Turkish subsidiary has been restated into current purchasing power, before being translated and included in the consolidated financial statement of the Group. The consumer price index provided by the Turkish Statistical Institute has been used in applying IAS 29. The loss on net monetary items in fiscal year 2023/24 amounted to CHF 1.9 million (2022/23: CHF 0.3 million gain). Other currencies which fall under the hyperinflation definition of IAS 29 do not materially affect the Group's financial position, results, or cash flows and, based on this assessment, the provision of IAS 29 is not applied for them.

Major foreign exchange rates

		2023/24		2022/23
in alphabetical order	Closing rate	Average rate	Closing rate	Average rate
BRL	0.1503	0.1735	0.1805	0.1813
EUR	0.9385	0.9578	0.9581	0.9788
GBP	1.1164	1.1180	1.1158	1.1234
MXN	0.0428	0.0507	0.0524	0.0500
RUB	0.0092	0.0097	0.0091	0.0122
USD	0.8467	0.8863	0.8771	0.9227
XOF/XAF (unit 1,000)	1.4307	1.4601	1.4607	1.4922

Government grants

Provided there is reasonable assurance that they will be irrevocably received, grants relating to capital expenditure are deducted from the cost of property, plant and equipment and thus recognized in the Consolidated Income Statement on a straight-line basis over the useful life of the asset.

Other grants that compensate the Group for expenses incurred, are deferred and recognized in the Consolidated Income Statement over the period necessary to match them with the costs they are intended to compensate.

7.2 Subsequent events

On September 5, 2024, the planned site closure of Intra (Italy) was announced. As a result of this plan, an impairment reflecting the fair value of Intra's assets, less costs of disposal, was recognized under Property, plant and equipment. Related restructuring cost will be recognized in fiscal year 2024/25.

The Consolidated Financial Statements were authorized for issue by the Board of Directors on November 4, 2024, and are subject to approval by the Annual General Meeting of Shareholders on December 4, 2024. There are no subsequent events that would require any modification of the value of the assets and liabilities or additional disclosures.

KPMG

Statutory Auditor's Report

To the General Meeting of Barry Callebaut AG, Zurich

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Barry Callebaut AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 August 2024, the consolidated income statement, statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements (pages 26 to 95) give a true and fair view of the consolidated financial position of the Group as at 31 August 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Valuation of inventory

Derivative Financial Instruments for commodity price risks and Hedge Accounting

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Inventory

Key audit matter

Inventory forms a significant part of the Group's assets, amounting to CHF 5,622.4 million as of 31 August 2024.

Inventory consists of physical items and is managed globally by using own capacities, third party warehouses and logistics services providers.

Inventory is measured at the lower of cost and net realisable value, except for inventory that qualifies as the hedged item in a fair value hedge relationship (cocoa and non-cocoa commodities, semi-finished and finished products). These inventories are measured at cost, adjusted for the hedging gain or loss on the hedged item.

We focused on this area because of its size, the assumptions used in the valuation, volatility of raw material prices and the complexity of the supply chain, which are relevant when determining the amounts recorded, including the elimination of unrealised profits on inventory.

Our response

We have, amongst others, performed the following audit procedures:

- Obtaining an understanding over the valuation process and testing selected key controls over the recognition and measurement of inventory;
- Testing on a sample basis the accuracy of cost for inventory by verifying purchase prices and actual production costs, and testing the net realisable value by comparing actual cost with relevant market data;
- Testing the application and accuracy of hedge accounting and the underlying fair values;
- Evaluating the adequacy of the intercompany profit elimination on inventory and related derivative financial instruments by assessing the methodology applied based on our knowledge and understanding of the Group;
- Testing the model and recalculating the amounts used in determining the amounts of unrealised profits to be eliminated from inventory and related derivative financial instruments.

For further information on Valuation of Inventory refer to the following:

- Notes to the Consolidated Financial Statements – 2.4 Inventories (page 45 to 46)

Derivative Financial Instruments for commodity price risks and Hedge Accounting

Key audit matter

The Group reports derivative financial assets at fair value of CHF 3,629.9 million of which CHF 3,374.1 million relate to commodity price risks and derivative financial liabilities at fair value of CHF 4,162.7 million of which CHF 3,971.1 million relate to commodity price risks as of 31 August 2024.

Derivative financial instruments are used to manage and hedge commodity price risks. These instruments are typically designated in a fair value or cash flow hedge relationship and measured accordingly. Financial instruments that are not designated in a hedging relationship and where no hedge accounting is applied are measured at fair value.

The fair value of the derivative financial instruments is based on quoted prices in active markets or on valuation models using observable input data.

We focused on this area because of the number of contracts and the complexity related to their measurement and related to hedge accounting.

Our response

We have performed, amongst other audit procedures, the following test work:

- Obtaining an understanding of the risk management policies and testing key controls for the use, the recognition and the measurement of derivative financial instruments;
- Reconciling derivative financial instruments data to third party confirmations;
- Comparing input data used in the Group's valuation models to independent sources and externally available market data;
- Comparing valuation of derivative financial instruments with market data or results from alternative, independent valuation models;
- Testing the application and accuracy of hedge accounting;
- Considering the appropriateness of disclosures in relation to financial risk management, derivative financial instruments and hedge accounting.

For our audit procedures in connection with eliminating unrealised profits on inventory and related derivative financial instruments, we refer to the Key Audit Matter "Valuation of Inventory".

For further information on Derivative Financial Instruments and Hedge Accounting refer to the following:

- Notes to the Consolidated Financial Statements – 3.7 Financial risk management (page 57 to 75)

Other Information
The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the company, the remuneration report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Consolidated Financial Statements
The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with IFRS and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law, ISA and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

— Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

— Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

KPMG AG

Marc Ziegler
Licensed Audit Expert
Auditor in Charge

Regula Tobler
Licensed Audit Expert

Zurich, 4 November 2024

Financial Statements of Barry Callebaut AG

Income Statement

for the fiscal year in thousands of CHF	Notes	2023/24	2022/23
Income			
Dividend income	2.1	—	100,000
License income	1.7, 2.2	103,337	76,231
Management fees	1.7, 2.3	86,414	67,984
Profit Sharing Split	1.7, 2.4	65,172	—
Other finance income	2.5	5,895	1,901
Other operating income		928	601
Total income		**261,746**	**246,717**
Expenses			
Finance expense	2.6	(40,795)	(30,275)
Personnel expenses		(70,195)	(58,413)
Other operating expense	2.7	(114,524)	(60,485)
Depreciation / impairment of property, plant and equipment		(1,444)	(1,434)
Amortization / impairment		(5,295)	(17,139)
Total expenses		**(232,253)**	**(167,746)**
Profit before income tax		**29,493**	**78,971**
Income tax expense		(2,315)	—
Net profit for the year		**27,178**	**78,971**

Available earnings

in thousands of CHF		2023/24	2022/23
Available earnings as at September 1,		**1,310,386**	**1,385,010**
Dividends to shareholders (gross)		(158,927)	(153,595)
Net profit for the year		27,178	78,971
Available earnings as at August 31,		**1,178,637**	**1,310,386**

Financial Statements of Barry Callebaut AG

Balance Sheet

Assets

as at August 31, in thousands of CHF	Notes	2024	2023
Current Assets			
Cash and cash equivalents		14	37
Other current receivables			
Other current receivables from third parties		1,580	962
Other current receivables from Group companies		144,707	58,271
Current interest-bearing receivables from Group companies		1	—
Prepaid expenses	2.8	2,255	1,420
Total current assets		**148,557**	**60,690**
Non-Current Assets			
Investments in Group companies	1.2, 2.9	2,535,229	2,518,407
Property, plant and equipment		6,382	7,758
Intangible assets			
Patents/R&D Development projects		783	1,086
Other		18	81
Long Term Deposits			
from Group companies	2.10	352,000	—
Other non-current assets		664	1,449
Total non-current assets		**2,895,076**	**2,528,781**
Total assets		**3,043,633**	**2,589,471**

Financial Statements of Barry Callebaut AG

Liabilities and shareholders' equity

as at August 31,

in thousands of CHF	Notes	2024	2023
Current Liabilities			
Current interest-bearing loans from Group companies	1.5, 2.11	37,044	563,656
Other current payables			
to third parties		19,417	15,508
to Group companies		21,202	22,882
to shareholders		90	67
Provisions		13,454	11,966
Accrued expenses			
to third parties	2.12	43,450	16,749
to Group companies		2,111	9,441
to shareholders		167	—
Total current liabilities		**136,935**	**640,269**
Non-Current Liabilities			
Non-current interest-bearing loans			
from third parties	2.13	1,327,437	—
from Group companies	1.6, 2.14	388,958	639,211
Provisions		133	91
Total non-current liabilities		**1,716,528**	**639,302**
Total liabilities		**1,853,463**	**1,279,571**
Shareholders’ Equity			
Share capital	2.16	110	110
Legal capital reserves			
Reserves from capital contributions		39	39
Legal retained earnings			
Legal retained earnings in the narrower sense		25,600	25,600
Treasury shares	1.3, 2.17	(14,216)	(26,235)
Available Earnings			
Profit brought forward		1,151,459	1,231,415
Net profit for the year		27,178	78,971
Total shareholders’ equity		**1,190,170**	**1,309,900**
Total liabilities and shareholders’ equity		**3,043,633**	**2,589,471**

Notes to the Financial Statements

1 Principles

1.1 General aspects

These financial statements have been prepared in accordance with the provisions of the Law on Accounting and Financial Reporting (32nd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below.

Due to rounding, the figures presented in the tables may not add up precisely.

1.2 Investments

Investments are stated at historical costs less any allowance for impairment.

1.3 Treasury shares

Treasury shares are recognized at acquisition cost and deducted from shareholders' equity at the date of acquisition. In case of a resale of treasury shares, the gain or loss is recognized through the income statement as other finance income or finance expense.

1.4 Share-based payments

Should treasury shares be used for share-based payment programs for Board members and employees, the difference between the original acquisition cost and any consideration paid by the employees at grant date is recognized as personnel expenses.

1.5 Current interest-bearing loans

Current interest-bearing loans are recognized on the balance sheet at nominal value.

1.6 Non-current interest-bearing loans

Non-current interest-bearing loans are recognized on the balance sheet at nominal value.

1.7 Revenue recognition for management fees, license income and profit sharing income

Management fees, license income, as well as the income from residual profit sharing arrangements are recorded as revenue when realized.

1.8 Foregoing a cash flow statement and additional disclosures in the notes

As Barry Callebaut AG has prepared its Consolidated Financial Statements in accordance with International Financial Reporting Standards (IFRS), the Company elected to forego presenting additional information on interest-bearing loans and audit fees in the notes as well as a cash flow statement in accordance with the law.

2 Information on balance sheet and income statement items

2.1 Dividend income

No dividend income was recognized in the fiscal year 2023/24. The dividend income in prior fiscal year (CHF 100.0 million) related fully to dividends distributed by Barry Callebaut Sourcing AG, Switzerland.

2.2 License income

License income contains royalties from Group companies that are related to the usage of brands and trademarks.

2.3 Management fees

Barry Callebaut AG provides a wide variety of business support services for the benefit of its Group companies, such as management support services, information management services (i.e. information-technology-related services), accounting and finance, human resources, consulting, tax, and legal services.

2.4 Profit Sharing Income

As a result of the implementation of Barry Callebaut's strategic investment program BC Next Level, the Group has reviewed its global transfer pricing model to accurately reflect the nature of the revised intercompany relationships. Under the updated model, Barry Callebaut AG acts as co-entrepreneur and is therefore entitled to residual profit sharing arrangements.

2.5 Other finance income

Other finance income consists mostly of foreign exchange and hedging gains, as well as interest income.

2.6 Finance expense

for the fiscal year in thousands of CHF	2023/24	2022/23
Bank interest and charges	(210)	(139)
Bonds participation fees and interest	(12,621)	–
Interest to Group companies	(22,095)	(22,411)
Foreign exchange losses	(5,869)	(7,725)
Total	**(40,795)**	**(30,275)**

2.7 Other operating expense

for the fiscal year in thousands of CHF	2023/24	2022/23
Legal and consulting fees	(74,975)	(23,830)
Other expenses third parties	(9,041)	(7,976)
Cash contributions to subsidiaries	(3,000)	–
Assistance fees related parties	(250)	(250)
Assistance fees Group companies	(27,258)	(28,430)
Total	**(114,524)**	**(60,486)**

2.8 Prepaid expenses

Short-term prepaid expenses mainly consist of prepayments for future events, annual subscriptions and social security.

2.9 Investments

as at August 31,					Percentage of ownership[1]	
Name and domicile	**Municipality of registration**		**Share capital**	**Purpose**	**2024**	**2023**
Barry Callebaut Belgium N.V., Belgium	BE-Lebbeke-Wieze	EUR	261,521,544	Production, sales	100 %	100 %
Barry Callebaut Services N.V., Belgium	BE-Lebbeke-Wieze	EUR	929,286,000	Centralized treasury, management services	100 %	100 %
Cabosse Naturals N.V., Belgium	BE-Halle	EUR	1,161,148	Research and development	100 %	100 %
Barry Callebaut Manufacturing Halle B.V., Belgium	BE-Halle	EUR	15,488,952	Production, sales	100 %	100 %
Barry Callebaut Sourcing AG, Switzerland	CH-Zürich	CHF	2,000,000	Sourcing	100 %	100 %
Barry Callebaut Schweiz AG, Switzerland	CH-Dübendorf	CHF	4,600,000	Production, sales	100 %	100 %
Cabosse Naturals Switzerland AG, Switzerland	CH-Zürich	CHF	1,000,000	Research and development	100 %	100 %
Barry Callebaut Management Services AG, Switzerland	CH-Zürich	CHF	100,000	Management services	100 %	100 %
Barry Callebaut Cocoa AG, Switzerland	CH-Zürich	EUR	81,515	Production, sales	100 %	100 %
Barry Callebaut Re AG, Switzerland	CH-Zürich	CHF	3,000,000	Captive Re-Insurance	100 %	100 %
C.J. van Houten & Zoon Holding GmbH, Germany	DE-Norderstedt	EUR	72,092,155	Holding	100 %	100 %
Tagungs- und Seminarzentrum Schloss Marbach GmbH, Germany	DE-Öhningen	EUR	5,600,000	Conference and training center	100 %	100 %
Barry Callebaut Israel LTD, Israel	IL-Tel Aviv	ILS	71,212	Sales	100 %	0 %
Barry Callebaut Kazakhstan LLP, Kazakhstan	KZ-Almaty	KZT	10,000	Sales	100 %	0 %
Barry Callebaut GBS Mexico, S. de R.L. de CV	MX- Monterrey	MXN	10,000	Management services	99 %	0 %
Barry Callebaut Nederland B.V., The Netherlands	NL-Zundert	EUR	21,435,000	Sales	100 %	100 %
Barry Callebaut Decorations B.V., The Netherlands	NL-Zundert	EUR	18,242	Production, sales	100 %	100 %
Barry Callebaut Nigeria Ltd., Nigeria	NG-Lagos	NGN	10,000,000	Dormant	1 %	1 %

1 Capital rights (percentage of ownership) correspond with voting rights.

Barry Callebaut AG controls all entities of the Barry Callebaut Group either directly or indirectly through the above listed companies. All principal subsidiaries are listed in Note 5.1 – "Group entities" to the Consolidated Financial Statements of Barry Callebaut AG.

2.10 Non-current interest-bearing deposits from Group companies

as at August 31,

in thousands of CHF	Maturity	Interest	2024	2023
Deposit from Group companies	5/15/2026	1.852 %	240,000	—
Deposit from Group companies	5/17/2030	2.056 %	112,000	—
Total			**352,000**	**—**

2.11 Current interest-bearing loans from Group companies

as at August 31,

in thousands of CHF	Maturity	Interest	2024	2023
Short-term loan from Group companies	9/20/2023	1.904 %	—	563,500
Short-term loan from Group companies	9/20/2024	1.285 %	3,800	—
Long-term loan from Group exp.<1 year	7/28/2025	1.276 %	18,216	—
Long-term loan from Group exp.<1 year	7/28/2025	2.748 %	15,000	—
Bank overdraft from Group companies	n/a	1.283 %	28	156
Total			**37,044**	**563,656**

2.12 Accrued expenses

Accrued expenses mainly consist of personnel expenses, legal and consulting fees and interest to Group companies.

2.13 Non-current interest-bearing loans from third parties

as at August 31, in thousands of CHF	Maturity	Interest	2024	2023
Senior Bond CHF 225 million	1/24/2028	1.9500 %	224,500	—
Senior Bond CHF 375 million	1/24/2032	2.3000 %	374,167	—
Senior Bond CHF 240 million	5/15/2026	1.8000 %	239,595	—
Senior Bond CHF 270 million	5/17/2030	2.0500 %	269,545	—
Senior Bond CHF 220 million	5/17/2034	2.4000 %	219,630	—
Total			**1,327,437**	**—**

2.14 Non-current interest-bearing loans from Group companies

as at August 31, in thousands of CHF	Maturity	Interest	2024	2023
Loan from Group companies	7/28/2025	3.0010 %	—	15,000
Loan from Group companies	7/28/2025	1.2811 %	—	18,216
Loan from Group companies	2/13/2026	1.8131 %	69,000	69,000
Loan from Group companies	2/13/2026	1.5390 %	115,000	115,000
Loan from Group companies	1/27/2027	1.3839 %	50,534	50,534
Loan from Group companies	1/27/2027	1.7679 %	5,000	5,000
Loan from Group companies	2/13/2027	1.4550 %	21,000	21,000
Loan from Group companies	2/13/2027	1.9882 %	67,000	67,000
Loan from Group companies	7/27/2028	1.6415 %	48,424	48,424
Loan from Group companies	2/13/2029	2.0379 %	13,000	13,000
Loan from Group companies	11/22/2031	4.3710 %	—	217,037
Total			**388,958**	**639,211**

2.15 Lease commitments

for the fiscal year in thousands of CHF	2023/24	2022/23
Future lease commitments		
within the next 5 years	7,228	7,013
more than 5 years	1,902	3,339
Total future lease commitments	**9,130**	**10,352**

2.16 Share capital and authorized capital

Share capital in the amount of CHF 109,777 consists of 5,488,858 registered shares at a par value of CHF 0.02 each.

2.17 Treasury shares

	Number of transactions	Lowest rate in CHF	Highest rate in CHF	Average rate of transaction in CHF	Quantity
as at September 1, 2022	—	—	—	—	**10,295**
Purchase	17	1,576	1,850	1,688	14,000
Allocations to Management	5	—	—	2,123	(7,801)
Allocations to Board members	1	—	—	2,126	(1,278)
Inventory as at August 31, 2023	—	—	—	—	**15,216**
Purchase	—	—	—	—	—
Allocations to Management	15	—	—	1,724	(5,361)
Allocations to Board members	1	—	—	1,724	(1,610)
Inventory as at August 31, 2024	—	—	—	—	**8,245**

As at balance sheet date, acquisition costs for directly held treasury shares amounted to CHF 14.2 million (2022/23: CHF 26.2 million).

3 Other information

3.1 Full-time equivalents

In line with prior fiscal year, the average number of employees (full-time equivalents) of Barry Callebaut AG exceeded 50, but did not exceed 250.

3.2 Liens, guarantees and pledges in favor of third parties

- The Company is a co-debtor for bank loans of max. EUR 1,312.5 million (CHF 1,231.8 million; 2022/23: CHF 862.3 million) obtained by Barry Callebaut Services N.V., Belgium, on October 20, 2021, whereof the maximal liability is limited to the freely distributable retained earnings (CHF 1,164.4 million less 35% withholding tax).
- The Company is a co-debtor on a new Syndicated Term loan of EUR 262.5 million (CHF 246.4 million) obtained by Barry Callebaut Services N.V., Belgium on December 22, 2023.
- The Company is also a co-debtor to a Euro bond of EUR 700.0 million (CHF 656.9 million) disbursed by Barry Callebaut Services N.V., Belgium, on June 14, 2024, as well as to Schuldscheindarlehen of EUR 467.0 million (CHF 438.3 million; 2022/23: 447.5 million) and CHF 21.0 million disbursed by Barry Callebaut Services N.V., Belgium, on February 13, 2019, as well as to Schuldscheindarlehen of EUR 377.0 million (CHF 353.8 million; 2022/23: CHF 361.2 million) and CHF 20.0 million disbursed by Barry Callebaut Services N.V., Belgium, on July 27, 2020.
- Finally the Company is a co-debtor for a EUR 52.3 million long term loan agreement with the European Bank for Reconstruction and Development, disbursed by Barry Callebaut South East Europe d.o.o. Serbia, on April 18, 2023. The maximal liability is limited to the freely distributable retained earnings (CHF 1,164.4 million less 35% withholding tax).
- The Company issued several guarantees for various facilities granted to direct and indirect subsidiaries for an amount of up to CHF 2,492.9 million (2022/23: CHF 1,556.7 million).

3.3 Significant shareholders

The following shareholders hold a participation of more than 3% of the issued share capital of the Group's ultimate parent Barry Callebaut AG:

as at August 31,	2024	2023
Jacobs Holding AG	30.1 %	30.1 %
UBS Fund Management (Switzerland) AG[1]	6.5 %	3.0 %
Artisan Partners Limited Partnership[1]	5.5 %	n/a
Renata Jacobs	5.1 %	5.0 %
BlackRock Inc.	3.1 %	3.1 %
T. Rowe Price Associates Inc.[1]	n/a	3.0 %

1 Based on notifications through the electronic publication platform of the SIX Swiss Exchange.

3.4 Shareholdings of the Board of Directors and the Executive Committee

Shareholdings of the Board of Directors

Number of shares as at August 31,

Name	Function	2024	2023
Patrick De Maeseneire	Chairman	3,212	2,843
Markus R. Neuhaus	Vice-Chairman; Chairman of the AFRQCC	1,052	803
Fernando Aguirre	Chairman of the NCC	1,452	1,211
Angela Wei Dong	Member of the AFRQCC	n/a	571
Mauricio Graber	Member of the NCC	—	n/a
Thomas Intrator	Member of the AFRQCC	182	—
Nicolas Jacobs[1]	Member of the AFRQCC	15,686	11,906
Elio Leoni Sceti	Member of the NCC	n/a	751
Tim Minges	Member of the AFRQCC	1,805	1,606
Antoine de Saint-Affrique	Member of the NCC	3,207	2,815
Yen Yen Tan	Member of the NCC	370	238
Total shares held by Board of Directors		**26,966**	**22,744**

1 Excluding the 30.1% participation held by Jacobs Holding AG (see Note 3.3 “Significant shareholders”).

Shareholdings of the Executive Committee

Number of shares as at August 31,

Name	Function	2024	2023
Peter Feld	Chief Executive Officer	2,730	2,000
Peter Vanneste	Chief Financial Officer as of November 1, 2023	97	n/a
Ben De Schryver	Chief Financial Officer until October 31, 2023	846	588
Steven Retzlaff	President Global Cocoa until March 31, 2024 / Chairman Future Farming Initiative as of April 1, 2024	1,259	910
Massimo Selmo	Chief Procurement Officer	—	310
Jutta Suchanek	Chief People & Diversity Officer as of October 1, 2023	—	n/a
Clemens Woehrle	Chief Customer Supply & Development Officer as of October 1, 2023	527	n/a
Jo Thys	Chief Operations Officer until September 30, 2023	548	440
Rogier van Sligter	President EMEA until August 31, 2023	n/a	366
Masha Vis-Mertens	Chief Human Resources Officer until August 31, 2023	n/a	140
Steve Woolley	President & CEO Americas until August 31, 2023	n/a	68
Total shares held by Executive Committee		**6,007**	**4,822**

3.5 Shares granted to the Board of Directors and employees

	2023/24		2022/23	
	Quantity	Value (CHF)	Quantity	Value (CHF)
Granted to members of the Board	1,849	2,610,788	1,610	3,062,220
Granted to employees[1] of Barry Callebaut AG and subsidiaries	7,150	10,193,028	6,060	11,770,408

1 Employees include all participants in the share plan of the Group including employees on the payroll of subsidiaries of which Barry Callebaut AG is the ultimate parent.

3.6 Significant events after the balance sheet date

Effective in the new fiscal year 2024/25, the entity Cabosse Naturals Switzerland AG was legally merged into its sole parent entity Barry Callebaut AG.

On October 2, 2024, Barry Callebaut AG injected CHF 10.0 million of additional capital into the subsidiary Barry Callebaut Re AG, Switzerland. The transaction was approved by the Board of Directors on September 23, 2024. There are no other significant events that would require any modification of the value of the assets and liabilities or additional disclosures after the balance sheet date.

3.7 Proposed appropriation of available earnings

in thousands of CHF	
Balance carried forward as at September 1, 2023	**1,310,386**
Dividend to shareholders (gross)[1]	(158,927)
Net profit	27,178
Voluntary retained earnings as at August 31, 2024	**1,178,637**
Treasury shares	(14,216)
Available retained earnings as at August 31, 2024	**1,164,421**
Proposed appropriation of available earnings by the Board of Directors	
Dividend of CHF 29.00 per share[2]	(159,177)
Balance carry forward	**1,005,244**

1 Resolution of the General Meeting of Shareholders as of December 6, 2023; payment excludes dividends on treasury shares.

2 The total dividend amount is calculated based on all outstanding registered shares (while payment of dividend for treasury shares held by the Group on payment date will be excluded).

The Board of Directors proposes to the 2024 Annual General Meeting a dividend of CHF 29.00 per share.

The dividend will be paid to shareholders on, or around, January 9, 2025.

Statutory Auditor's Report

To the General Meeting of Barry Callebaut AG, Zurich

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Barry Callebaut AG (the Company), which comprise the balance sheet as at 31 August 2024, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 101 to 110) comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the Company, the remuneration report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

— Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Based on our audit in accordance with Art. 728a para. 1 item 2 CO, we confirm that the proposal of the Board of Directors complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG AG

Marc Ziegler
Licensed Audit Expert
Auditor in Charge

Regula Tobler
Licensed Audit Expert

Zurich, 4 November 2024

Governance

Corporate Governance Report

This Corporate Governance Report provides information on the Group's structure and shareholders, the Company's Board of Directors and its committees as well as the Executive Committee.

Barry Callebaut AG (the "Company" or "Barry Callebaut") and its subsidiaries (together the "Group") are committed to a high standard of corporate governance.

The principles and rules of corporate governance practiced by Barry Callebaut are laid down in the Articles of Incorporation, the Organizational Regulations of the Board of Directors and the Charters of the Board Committees. These are reviewed regularly by the Board of Directors (the "Board") and amended as needed.

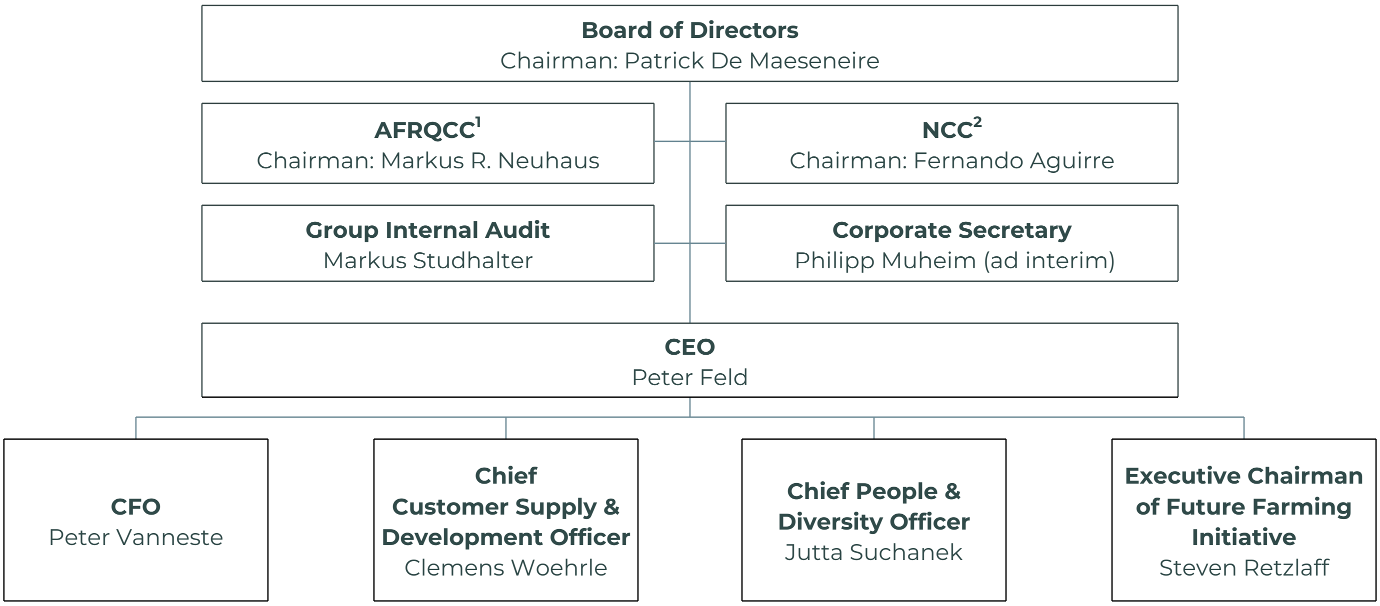
This Corporate Governance Report adheres to the SIX Directive on Information Relating to Corporate Governance (DCG).

Group structure

In the year under review, the Group was organized into two segments: Global Chocolate and Global Cocoa. Within Global Chocolate the Group has five sales groups: Western Europe (WE), Central and Eastern Europe (CEE), North America, Latin America and Asia, Middle East and Africa (AMEA).

The Group's business can also be separated into three different product groups: Food Manufacturers, Gourmet and Cocoa Products.

Organizational Chart as of the publication date of this Annual Report 2023/24



1 Audit, Finance, Risk, Quality & Compliance Committee (AFRQCC).
2 Nomination and Compensation Committee (NCC).

Barry Callebaut is incorporated under Swiss law and has its head offices at Hardturmstrasse 181, Zurich, Switzerland. The Company's shares are listed on the SIX Swiss Exchange in Switzerland (ISIN number: CH0009002962). As at August 31, 2024, the total number of issued shares in the Company was 5,488,858 and the market capitalization based on issued shares was CHF 7,552.7 million (2023: CHF 8,463.8 million).

The principal subsidiaries of the Company are listed in Note 5.1 - "Group entities" to the Consolidated Financial Statements. The significant shareholders of the Company are listed in Note 5.2 - "Significant shareholders and related parties", with reference shareholder Jacobs Holding AG holding 30.1% of the issued share capital (2023: 30.1%) and Renata Jacobs holding 5.1% of the issued share capital (2023: 5.0%).

The Company is not aware of any cross-shareholding agreements exceeding 5% of its capital or voting rights on both sides.

Capital structure and shareholders

The information required by the DCG regarding the Company's capital structure is provided in Note 3.2 - "Equity" to the Consolidated Financial Statements. The Company has no convertible bonds outstanding.

The issued share capital has been unchanged since 2018; it is divided into 5,488,858 registered shares with a nominal value of CHF 0.02 each. All of the issued shares are fully paid up and are not subject to calls for additional payments of any kind.

The Company has one class of shares, which carries no right to a fixed dividend. There are no participation certificates or dividend-right certificates.

The Company does not have authorized or conditional share capital.

Board of Directors

The Board has the ultimate responsibility of directing, supervising and controlling the Company and the Group as well as their management and for supervising their compliance with applicable laws, rules and regulations. The Board establishes the strategic direction and the organizational and financial policies to be followed. It appoints the Executive Committee, to which it has delegated the operational management of the Company. Besides its non-transferable and inalienable duties pursuant to Swiss corporate law, the Board has retained certain responsibilities as set forth in the Company's Organizational Regulations, which are available on the website of Barry Callebaut (www.barry-callebaut.com/about-us/investors/corporate-governance/functioning-board). Pursuant to the Company's Articles of Incorporation, no member of the Board may hold more than 15 additional mandates, of which no more than five may be in stock-exchange-listed companies.

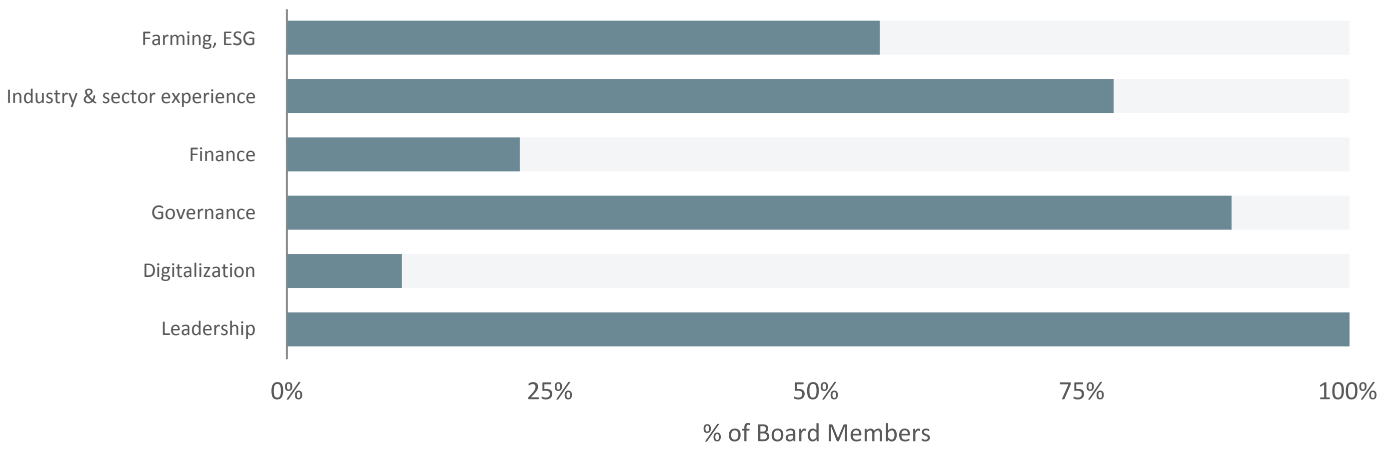
As at August 31, 2024, the Board consisted of nine non-executive members. Each member of the Board is elected by the shareholders of the Company at the Annual General Meeting of Shareholders for a term of office of one year and may be re-elected for successive terms.

The composition of the Board of the Company as at August 31, 2024, was as follows[1]:

Name	Nationality	Member since	Function	AFRQCC	NCC
Patrick De Maeseneire	Belgian	2015	Chairman		
Markus R. Neuhaus	Swiss	2018	Vice-Chairman	Chairman	
Fernando Aguirre	US/Mexican	2013	Director		Chairman
Thomas Intrator	Swiss	2022	Director	Member	
Nicolas Jacobs	Swiss	2012	Director	Member	
Tim Minges	US	2013	Director	Member	
Antoine de Saint-Affrique	French	2021	Director		Member
Yen Yen Tan	Singaporean	2020	Director		Member
Mauricio Graber	Mexican	2023	Director		Member

The below matrix sets out the key skills of the Board based on internal assessment.

Skills matrix



[1] The mandates of the former board members Angela Wei Dong and Elio Leoni Sceti ended as of 6 December 2023 as they did not stand for re-election at the prior Annual General Meeting of the Shareholders. Their details can be found in the Annual Report 2022/23 at https://www.barry-callebaut.com/system/files/2023-11/Barry_Callebaut_Annual_Report_2022-23_2.pdf.

Patrick De Maeseneire

Chairman,
1957, Belgian national

Patrick De Maeseneire joined the Board of Barry Callebaut in 2015 as Vice-Chairman and was elected Chairman in 2016.

He started his career in 1980 at Arthur Andersen and subsequently held senior positions at Wang, Apple and Sun International before joining the Adecco Group in 1998, where he held high-ranking positions in both Europe and the US. From 2002 to 2009, Patrick De Maeseneire was CEO of Barry Callebaut before returning to Adecco to become CEO of the Group in 2009, a position he held until August 2015.

In November 2015, he was appointed CEO of Jacobs Holding AG, the reference shareholder of Barry Callebaut AG, where he remained until April 2023.

In May 2023, he became Chairman and CEO of Colosseum Dental, the leading European dental care provider owned by Jacobs Holding AG.

Patrick De Maeseneire holds a Master's degree in Commercial Engineering from the Solvay Business School of the University of Brussels, Belgium, and a special license in Marketing Management from the Vlerick Business School, Gent, Belgium. Patrick De Maeseneire also studied Business Management at London Business School and INSEAD, Fontainebleau, France. In 2007, Patrick De Maeseneire was awarded the title of Baron by King Albert II of Belgium.

Markus R. Neuhaus

Vice-Chairman,
1958, Swiss national

Markus R. Neuhaus joined the Board of Barry Callebaut in 2018 as Vice-Chairman.

He started his career in 1985 with the audit and advisory firm PwC, to which he remained loyal for almost his entire career, ultimately becoming Chairman of the Board of PwC Switzerland (2012 - 2019) and a member of the Supervisory Board of PwC Europe SE (2013 - 2019). Throughout his career, he held various leadership positions within the PwC Network, including CEO of the Swiss firm from 2003 to 2012.

Markus R. Neuhaus is also Chairman of Galenica AG and a member of the Board of Directors of Bâloise Holding AG and Jacobs Holding AG. He also plays an active role on the boards of various non-profit organizations, such as Avenir Suisse, economiesuisse, ETH Zurich, The Stars Foundation and the Zurich Chamber of Commerce.

Markus R. Neuhaus studied law at the University of Zurich and received his doctorate in 1988. He obtained his second qualification as a Certified Tax Consultant in 1990 and completed various management courses at international business schools (Harvard, INSEAD, IMD).

Fernando Aguirre

Director,
1957, Mexican and US national

Fernando Aguirre joined the Board of Barry Callebaut in 2013.

From 2004 to 2012 he was Chairman and CEO of Chiquita Brands International, Inc., a leading international food company. Prior to Chiquita, Fernando Aguirre spent more than 23 years with Procter & Gamble in various leadership roles, including President of several businesses and divisions.

In November 2018, Fernando Aguirre became a member of the Board of Directors of CVS Health and was elected to the Board of Directors of Synchrony Financial in July 2019.

He previously served on the boards of Aetna, Inc. (2011 to 2018), Levi Strauss & Co. (2010 to 2014) and Coca-Cola Enterprises (2005 to 2010). He has also been involved in philanthropy as a member of the International Board of Directors of the Juvenile Diabetes Research Foundation (2006 to 2012) and is currently the owner and CEO of the Erie Sea Wolves professional baseball team.

He holds a Bachelor of Science in Business Administration from Southern Illinois University Edwardsville and earned Harvard Business School graduate status in 2009.

Mauricio Graber

Director,
1963, Mexican national

Mauricio Graber joined the Board of Barry Callebaut in 2023.

He has many years of leadership and management experience in the global ingredients industry. From 2018 to 2023 he served as President and CEO of Chr. Hansen Holding A/S, a listed Danish global life science company that develops ingredients for a variety of industries, including food and beverage.

Previously, Mauricio Graber was a member of the Executive Committee of the Swiss multinational manufacturer Givaudan SA, where he was President of the Flavour Division as of 2006. Prior to this, he held regional and divisional management positions at Nutra Sweet and at Tastemaker, a flavour company acquired by Givaudan in 1997.

Mauricio Graber is also Vice-Chairman of the Board of Jungbunzlauer Suisse SA, and member of the board of AM Silk GmbH, Munich. He holds a Master of Business Administration from Northwestern University - Kellogg Graduate School of Management, Evanston IL, USA and a Bachelor of Science in Electronic Engineering from the Universidad Autónoma Metropolitana, Mexico City, Mexico.

Thomas Intrator

Director,
1959, Swiss national

Thomas Intrator joined the Board of Barry Callebaut in 2022.

He has extensive board and operational experience in leading complex global organizations and has worked with customers and business teams across Europe, Asia and North America.

Thomas Intrator currently serves on the boards of Argus Media, a leading Price Reporting Agency for the commodity industry, Mabanaft, a leading independent and integrated energy company, MacSteel International, a global leader in trading of steel products and raw materials, and MUR, a leading provider of maritime logistics and freight services. Previously, he was a board member of Norden, one of Denmark's oldest international shipping companies, Polymateria, a developer of biodegradable plastics, the Swiss-American Chamber of Commerce and the Swiss-based Groupement des Enterprises Multinationales.

Thomas Intrator spent more than 32 years with the US food company Cargill, where he was CEO of Cargill International and President of its Energy, Transportation and Metals Trading businesses until 2015. Prior to that, he was president of Cargill's ocean transportation business and also served on a number of corporate committees, providing oversight and guidance on a broad range of strategic management issues.

Thomas Intrator holds a first class double honors Bachelor of Arts degree in Economics and Politics from the University of Warwick, UK, and participated in the International Economics Masters program at the Institute of International Relations in Geneva, Switzerland.

Nicolas Jacobs

Director,
1982, Swiss national

Nicolas Jacobs has served as a Board member of Barry Callebaut since 2012. Previously, he was Managing Director of Barry Callebaut's cocoa and chocolate business in South America.

Nicolas Jacobs is Executive Co-Chairman of Jacobs Holding AG, a professional investment company and reference shareholder of Barry Callebaut.

He is also a member of the Board of Cognita, a leading K-12 school group, which is majority-owned by Jacobs Holding AG. He is the co-founder of arc investors, an entrepreneurial investment company.

Nicolas Jacobs started his career in banking and later held the position of Senior Director for Global M&A and Development at Restaurant Brands International, Inc. (RBI). Nicolas Jacobs holds a Master of Law from the University of Zurich, a Master of Finance from London Business School and a Master of Business Administration from INSEAD in Fontainebleau, France.

Tim Minges

Director,
1958, US national

Tim Minges joined the Board of Barry Callebaut in 2013. He has spent his entire career in the food industry, including 32 years at PepsiCo, where he retired in 2016. Until then, Tim Minges was Executive Vice President Chief Customer Officer, PepsiCo North America Beverages, and a member of PepsiCo's Executive Committee. Prior to 2013, he was President and CEO of PepsiCo's operations in Greater China and President of PepsiCo Foods Asia Pacific, and had been a Chartered Accountant with Alexander Grant & Co, now Grant Thornton.

Tim Minges is an early stage investor in a number of food and beverage start-ups in the Americas and is a co-founder and board member of Taokaenoi USA, a joint venture with Thailand's leading seaweed snack brand. He is also a board member of Tupperware Brands and Master Kong (Tingyi) Beverages, China's largest beverage company.

Tim Minges holds a Bachelor of Science in Accounting from Miami University, Oxford, Ohio, USA, and is a graduate of the PepsiCo Executive Development Program at the Yale School of Management.

Antoine de Saint-Affrique

Director,
1964, French National

Antoine de Saint-Affrique joined the Board of Barry Callebaut in 2021. Effective September 2021, he was appointed Chief Executive Officer of Danone and became a member of Danone's Board of Directors in April 2022. Between 2015 and 2021 he was already at the service of Barry Callebaut as the Group's CEO.

Previously, Antoine de Saint-Affrique was President of Unilever Foods and a member of the Unilever Group Executive Committee (2011 - 2015). Prior management functions include the position as Executive Vice President of Unilever's skin category as well as the responsibility for the company's Central and Eastern Europe region.

Antoine de Saint-Affrique has held assignments in Africa, the US, Hungary, the Netherlands, Russia, Switzerland, and the United Kingdom. Effective January 1, 2023, he has been nominated as President and Chairman of the Board as well as Board member of Livelihoods Fund for Family Farming, a social impact organization that promotes sustainable ecosystems for rural communities. Antoine de Saint-Affrique is also a non-Executive Director at Burberry PLC, a FTSE 100 company. He has a degree in Business Administration from ESSEC-

Business School and a qualification in executive education from Harvard Business School.

Between 1987 and 1988, he served as a reserve naval officer.

Yen Yen Tan

Director,
1965, Singaporean national

Yen Yen Tan joined the Board of Barry Callebaut in 2020. She has more than ten years of experience as an independent director and a career spanning more than 30 years as a senior executive in multinational technology and telecommunications companies based in Singapore and Europe. She is currently a director of ams OSRAM AG, OCBC Bank, Jardine Cycle & Carriage Ltd and EdgeConnex (non-public). She was President Asia Pacific for the Vodafone Group. Prior to this, she held senior management and regional roles with SAS Institute, Oracle Asia Pacific and Hewlett-Packard Singapore (HP). Yen Yen Tan plays an active role in Singapore's InfoComm industry, where she mentors early-stage start-ups through her fund, TNF Ventures. She also volunteers and holds several independent non-profit advisory positions to support causes close to her heart, such as STEM education (science, technology, engineering and mathematics), sports excellence and gender diversity.

In recognition of her contributions and distinguished services, she was appointed a Justice of the Peace by the President of the Republic of Singapore in 2018 and awarded the prestigious Public Service Medal PBM in 2020.

Yen Yen Tan holds a degree in Computer Science from the National University of Singapore and an Executive MBA from the Helsinki School of Economics.

Functioning of the Board

The Board constitutes itself at its first meeting subsequent to the Company's Annual General Meeting of Shareholders, with the exception of the Chairman and the members of the Nomination and Compensation Committee (NCC), who are elected by the Annual General Meeting of Shareholders pursuant to the Articles of Incorporation and Swiss corporate law. The Board appoints the Vice-Chairman. It meets as often as business requires, but at least four times per fiscal year. The meetings usually take place in Zurich. If possible, the Board of Directors meets once per year at one of the Group sites and combines this meeting with a visit to the local operations. Typically, Board meetings last one full day.

During fiscal year 2023/24, the Board convened six regular meetings and one extraordinary meeting. Three meetings were held by way of a video conference without physical attendance. The average attendance rate at the meetings of the Board of Directors was approximately 99% and varied between 90% and 100% for the individual members.

The Chairman invites the members of the Board to the meetings in writing, indicating the agenda and the motions for resolution. The invitations are sent out at least ten business days prior to the meeting. Each member of the Board can request that the Chairman calls for a meeting without undue delay. In addition to the materials for Board meetings, the members of the Board receive monthly financial reports.

At the request of a member of the Board, members of the Executive Committee and the Management can be invited to attend Board meetings. The Board can determine that other third parties, for example external consultants, may attend part or all of the meetings. In the fiscal year under review, the Chief Executive Officer, the Chief Financial Officer and, depending on the agenda items, other members of the Executive Committee and Management of the Company were present at Board meetings and/or Committee meetings.

Resolutions are adopted by a simple majority of the members of the Board being present. Resolutions can also be adopted by unanimous circular decision. Resolutions adopted at Board meetings are documented through written minutes.

The Board is regularly informed of the course of business of the Company and the Group and about material events affecting the Company and the Group by the Chief Executive Officer. At meetings of the Board, every Board member may request information concerning all matters pertaining to the Company and the Group. Outside of meetings, any request for information by a member of the Board shall be submitted to the Chairman.

The Board has formed the following Committees:

Audit, Finance, Risk, Quality & Compliance Committee

Markus R. Neuhaus (Chairman), Nicolas Jacobs, Tim Minges and Thomas Intrator

The role of the Audit, Finance, Risk, Quality & Compliance Committee (AFRQCC) is to assist the Board in carrying out its responsibilities and make recommendations regarding the Group's accounting policies, financial reporting, internal controls, legal and regulatory compliance, internal audit and quality management. The Board has not delegated any decision-making power to the AFRQCC.

In addition, the AFRQCC reviews the basic risk management principles and guidelines, the hedging and financing strategies as well as the bases upon which the Board determines risk tolerance levels and limits for the Company's raw material exposure. For details on the financial risk management, see Note 3.7 to the Consolidated Financial Statements.

The AFRQCC further assists the Board in overseeing the external auditors. The AFRQCC recommends the external auditors for election, reviews the quality of their work, their qualifications and independence, the audit fees, the external audit coverage, the reporting to the Board and the AFRQCC, and assesses the additional non-audit services as well as the annual financial statements and the notes thereto. The external auditors attended four out of six meetings of the AFRQCC in fiscal year 2023/24; furthermore, the Chairman of the AFRQCC met the lead external auditor three times outside of AFRQCC meetings.

The Company's Group Internal Audit Department reports to the Chairman of the AFRQCC. The AFRQCC reviews the performance of Group Internal Audit. The scope of Group Internal Audit encompasses the examination and evaluation of the adequacy and effectiveness of the organization's risk management processes and the internal control system as well as compliance with laws, regulations, policies and procedures.

Key findings are presented and reviewed in the AFRQCC meetings. The AFRQCC reviews and approves the annual plan. In the last fiscal year, the Group Internal Audit Department was supported on one project by third-party experts.

Pursuant to the Group's "Compliance Committee and Whistleblowing Policy", the Compliance Committee, chaired by the Group Compliance Officer, evaluates and, as the case may be, investigates alleged violations of the Code of Conduct and the Group's policies under the supervision of the Chairman of the AFRQCC. Group Compliance reports all pending cases to the AFRQCC on a regular basis.

The AFRQCC meets as often as business requires but at least three times per fiscal year. The meetings usually take place in Zurich. In the last fiscal year, the Committee met six times, of which two times were by video conference. The attendance rate at the meetings of the AFRQCC was 100%. The meetings lasted two to three hours each.

Nomination and Compensation Committee

Fernando Aguirre (Chairman), Antoine de Saint-Affrique, Mauricio Graber and Yen Yen Tan

The Company's Nomination and Compensation Committee (NCC) is elected by the Annual General Meeting of Shareholders and advises the Board in determining and verifying the compensation strategy and regulations of the Group as well as in preparing the motions for the attention of the Annual General Meeting of Shareholders regarding the compensation of the Board and the Executive Committee. It also assists the Board in defining and monitoring the performance criteria, and it makes recommendations to the Board with respect to the selection, nomination, compensation, evaluation, and, when necessary, the replacement of key executives. The Board has not delegated any decision-making power to the NCC. The NCC establishes, jointly with the Chief Executive Officer, a general succession planning and development policy. The NCC reviews and recommends the remuneration to be paid to members of the Board and the Executive Committee. The NCC also ensures a transparent Board and Executive Committee nomination process and evaluates potential conflicts of interest involving Management and members of the Board. The NCC monitors developments in the regulatory framework for compensation of the top Management and the Board on an ongoing basis and prepares recommendations for the respective adaptations of the Group's compensation system.

The NCC meets as often as business requires but at least three times per fiscal year. The meetings usually take place in Zurich. Last year, the NCC met five times, of which two times by video conference. The attendance rate at the meetings of the NCC was 100%. The meetings lasted two hours each.

Executive Committee

The Executive Committee is headed by the Chief Executive Officer and until August 31, 2024 consisted of six members.[1]

As of September 1, 2024, the Executive Committee was reduced from six to five members. The tables below set out the composition of the Executive Committee as of the publication date of this Annual Report 2023/24.

No member of the Executive Committee may hold more than five additional mandates, of which no more than two may be in stock-exchange-listed companies.

Executive Committee as of the publication date of this Annual Report 2023/24

Name	Nationality	Appointment date	Function
Peter Feld	German	April 4, 2023	Chief Executive Officer
Peter Vanneste	Belgian	November 1, 2023	Chief Financial Officer
Steven Retzlaff	US/Swiss	January 1, 2008	Executive Chairman of Future Farming Initiative
Jutta Suchanek	German	October 1, 2023	Chief People & Diversity Officer
Clemens Woehrle	German	October 1, 2023	Chief Customer Supply & Development Officer

1 With effect as of September 1, 2024, Massimo Selmo stepped down from the Executive Committee.

Members of the Executive Committee as of the publication date of this Annual Report 2023/24

Peter Feld

Chief Executive Officer since April 4, 2023 and President of the Executive Committee
1965, German national

Peter Feld was appointed CEO of Barry Callebaut effective April 4, 2023.

He was previously CEO of Jacobs Holding AG and has extensive leadership experience in B2C and B2B companies on almost every continent.

Prior to joining the reference shareholder of Barry Callebaut, Peter Feld was CEO of GfK SE (2017 - 2022) and WMF AG (2013 - 2016). In both companies he achieved significant shareholder value creation by driving profitable growth through increased customer centricity and step-changed digitalization across the business, and transformed cultures and capabilities to be more agile, diverse and hence future-ready.

Prior to that, Peter Feld was Executive Board Member for Europe and North America at Beiersdorf AG (2010 – 2013) and held various senior executive positions at Johnson & Johnson (2004 - 2010) as well as Procter & Gamble.

Peter Feld became a Member of the Board of Shark Ninja (NYSE: SN) in August 2023 and is a former Vice President of the German Brands Association.

He holds a Master's degree in Mechanical Engineering from RWTH Aachen, Germany.

Peter Vanneste

Chief Financial Officer since November 1, 2023 and member of the Executive Committee
1971, Belgian national

Peter Vanneste was appointed Chief Financial Officer effective November 1, 2023. He joins from Ontex, a personal care group listed on Euronext Brussels, where he had been CFO since May 2021. Peter Vanneste has extensive experience in financial management of public and private consumer goods companies and general management, including more than 15 years at Jacobs Douwe Egberts, a leading pure-play coffee and tea company, where he served as Group CFO for the last two years of his tenure.

Peter Vanneste holds a degree in Industrial Engineering from KU Leuven, Belgium and an MBA from the University of Chicago, USA.

Steven Retzlaff

Executive Chairman of Future Farming Initiative, since April 18, 2024 (previously President Global Cocoa) and member of the Executive Committee
1963, US and Swiss national

Steven Retzlaff was appointed Executive Chairman of Future Farming Initiative on April 18, 2024. Prior to that, he served as President of the Global Cocoa division and member of the Executive Committee of Barry Callebaut in January 1, 2008.

He joined Barry Callebaut in 1996 and has since held various senior finance and general management positions within the company. From September 2022 to August 2024, he was in charge of the Group's sustainability strategy.

Prior to joining Barry Callebaut, Steven Retzlaff worked for JMP Newcor AG as Director of European Finance and Operations.

Steven Retzlaff is a member of the Board of the World Cocoa Foundation and holds a Bachelor of Arts degree in Economics from Whitman College, Washington, USA.

Jutta Suchanek

Chief People & Diversity Officer since October 1, 2023 and member of the Executive Committee
1976, German national

Jutta Suchanek was appointed Chief People & Diversity Officer effective October 1, 2023.

She joined from GfK, where she was Chief Human Resources and Diversity Officer since 2017. Previous positions include Chief HR Officer at WMF (2014 - 2017) and at Syngenta (2007 - 2014), a leading provider of agricultural science and technology, where she held various HR and People and Organizational Development leadership roles based in Basel and Singapore. Throughout her career, Jutta Suchanek gained extensive global transformation experience across all HR, talent and culture dimensions.

Jutta Suchanek holds a degree in Economics and Education from the Ludwig-Maximilian University in Munich, Germany, and has completed numerous training programs focusing on HR strategy and leadership development and has earned diplomas in auditing and banking.

Clemens Woehrle

Chief Customer Supply & Development Officer since October 1, 2023 and member of the Executive Committee
1966, German national

Clemens Woehrle was appointed Chief Customer Supply & Development Officer and Member of the Executive Committee of Barry Callebaut, effective October 1, 2023.

He joined from WMF, where he served as Chief Operating Officer since 2014. Before that, he held several senior roles in operations at Beiersdorf AG and Reckitt Benckiser, extending his deep insights and expertise in transformation, leadership and end-to-end supply chain management in both global FMCG and B2B companies.

Clemens Woehrle holds a PhD in Organic Chemistry from the University of Freiburg, Germany.

Previous members of Executive Committee

Massimo Selmo

Chief Procurement Officer and member of the Executive Committee from October 1, 2021 to August 31, 2024
1965, Swiss and Italian national

Massimo Selmo served as Chief Procurement Officer and Member of the Executive Committee of Barry Callebaut from October 1, 2021 to August 31, 2024.

He started his professional career in 1992 with KPMG in Italy as Senior Auditor before joining Barry Callebaut Italia as CFO in 1996. In 1999, he assumed the role of Head of Global Sourcing, building a global multicultural team responsible for all direct costs, such as ingredients for production, as well as indirect expenses. He also initiated the creation of a market analysis team and led a dedicated team to source sustainable ingredients.

Massimo Selmo has also been on the Board of Directors of startup accelerator MassChallenge Switzerland and Aloja Starkelsen, a leading provider of sustainable ingredient solutions for the food and feed manufacturing industry.

He holds a Master of Business Administration from Università Commerciale Luigi Bocconi Milan, Italy and is a graduate of the LEAP Leadership Executive Advanced Program of INSEAD Singapore and a registered chartered statutory auditor.

Shareholder participation

Each share of the Company carries one vote at the General Meetings of Shareholders. Voting rights may be exercised only after a shareholder has been registered in the Company's share register as a shareholder with voting rights.

Shareholders may register their shares in the name of a nominee approved by the Company and may exercise their voting rights by giving instructions to the nominee to vote on their behalf. However, a nominee holding more than 3% of the share capital will be registered as nominee for shareholders with voting rights only if it discloses the identity of each beneficial owner of shares claiming 0.5% or more of the share capital. No nominee holding more than 8% of the share capital may be registered as a shareholder with respect to the excess shares. The Board may, however, on a case-by-case basis, permit some or all of the excess shares to be registered with voting rights. In the last fiscal year, no such exception was requested.

A resolution passed at the General Meeting of Shareholders with a majority of at least two thirds of the shares represented at such meeting is required to change the restrictions on the transferability of registered shares. Shareholders may be represented at the General Meeting of Shareholders by another shareholder, a third party who is not a shareholder or the independent proxy pursuant to the Swiss Code of Obligations (CO). The Articles of Incorporation follow the majority rules and the provisions on convocation prescribed by the Swiss Code of Obligations concerning general meetings of shareholders. Shareholders with registered voting rights who together represent at least 0.25% of the share capital or of the votes may call for the inclusion of an item on the agenda. Such requests for inclusion must be made in writing at least 60 days prior to the date of the General Meeting of Shareholders setting forth the items to be included on the agenda and the motions put forward by the shareholders.

Notice of the General Meeting of Shareholders is given by way of one-time publication in the Company's official publication organ (Swiss Official Gazette of Commerce, "Schweizerisches Handelsamtsblatt"). Shareholders registered in the share register with voting rights at the date specified in the invitation may additionally receive an invitation to the General Meeting of Shareholders in writing. Furthermore, the Company offers its shareholders the opportunity to register with the online platform GVMANAGER-Live and thus the possibility to submit their voting instructions to the independent proxy in an efficient manner.

The published disclosures on significant shareholders of the Company are accessible via the disclosure platform of SIX Exchange Regulation: https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/.

Change of control and defense measures

According to the Swiss Stock Exchange and Securities Trading Act, an investor who acquires 33 1/3% or more of all voting rights in the Company has to submit a take-over offer for all shares outstanding. The Company has not elected to change or opt out of this rule.

There are no change of control clauses in the appointment letters of the members of the Board or in the employment contracts of the Executive Committee.

Blackout periods

The Company's regular blackout periods commence on the first day of a month following the end of a fiscal quarter (i.e. December 1, March 1, June 1 and September 1) and last until and including the date of publication of the Group's respective financial results (i.e. 3-Month Key Sales Figures, Half-Year Results, 9-Month Key Sales Figures and Full-Year Results). The blackout periods apply to all members of the Board and the Executive Committee as well as to all members of the Management and Group employees who have access to and/or are involved in the preparation of the consolidated Group financial results and reports, including but not limited to certain employees within Group Finance.

External auditors

At the Annual General Meeting of Shareholders of the Company held on December 6, 2023, the shareholders voted to re-elect KPMG, Zurich, as statutory auditors.

The statutory auditors are appointed annually by the General Meeting of Shareholders for a term of office of one year. Pursuant to the Swiss Code of Obligations, the lead auditor in charge may exercise her/his role for a maximum of seven years. A new lead auditor was appointed as of fiscal year 2021/22.

For fiscal year 2023/24, the remuneration for the audit of the accounting records and the financial statements of the Company, the audit of local statutory financial statements and the audit of the Group's Consolidated Financial Statements amounted to CHF 2.9 million. The remuneration was evaluated and determined to be reasonable by the AFRQCC in view of the scope and the complexity of the Group. The performance of the auditors is monitored by the AFRQCC, to which the auditors present a detailed report on the result of the audit of the Group. Prior to the presentation to the AFRQCC, the lead auditor in charge reviews the audit findings with the Chairman of the AFRQCC without the presence of any members of the Management.

KPMG received a total amount of CHF 0.03 million for additional services, i.e. for transaction and other advisory services (including due diligence). Adequate measures for the avoidance of potential conflicts of interests between the different services provided by KPMG were observed.

Information policy

The Company is committed to continuous and open communication with its shareholders, potential investors and other stakeholders based on the principles of transparency and equal treatment, i.e. simultaneous provision of price-sensitive information and no selective disclosure.

The Group provides detailed information on its business activities and financial performance in its quarterly reports and press releases, at conferences for media and financial analysts as well as at the Annual General Meeting of Shareholders. Further, representatives of the Group regularly meet (current and potential) investors in personal meetings and present the Company and the Group at industry events and investor conferences.

Presentations are also made available on the Group's website, which is updated continuously. The financial calendar for fiscal year 2024/25 and related contacts are published on page 150.

The published media releases of Barry Callebaut are accessible via: www.barry-callebaut.com/en/about-us/media/news-stories

To subscribe to the Group's electronic news alerts, please go to: www.barry-callebaut.com/en/media/subscribe-news

Remuneration Report

Dear Shareholders,

On behalf of the Nomination and Compensation Committee (NCC), I am pleased to share with you the Remuneration Report for the fiscal year 2023/24. This Remuneration Report has been prepared in accordance with the Swiss Code of Obligations, the Corporate Governance Directive issued by the SIX Exchange Regulation, the Swiss Code of Best Practice for Corporate Governance issued by economiesuisse, and the Articles of Incorporation of Barry Callebaut AG.

In fiscal year 2023/24, we demonstrated resilience despite a significantly disrupted environment and new rigor to safeguard quality and food safety. Global Chocolate saw slightly positive volume, while the Group saw flat sales volume of 2,279,811 tonnes, which aligns with our guidance. Sales revenue increased by +28.1% in local currencies (+22.6% in CHF) to CHF 10.4 billion, driven by the significant cocoa bean price increases. The operating profit (EBIT) recurring[1] rose by +12.7% in local currencies (+6.8% in CHF), reaching CHF 704.4 million, already including initial cost savings from BC Next Level. In this fiscal year, operational improvements were more than offset by the impact of the substantial rise in cocoa bean prices affecting our working capital, leading to a free cash flow of CHF -2,330.7 million.

This report explains how the performance in the reporting year impacted the compensation paid to the Executive Committee under the incentive plans.

During the reporting year, the Executive Committee was streamlined to support strategic priorities. In this course, Peter Vanneste joined as CFO on November 1, 2023, while Jutta Suchanek and Clemens Woehrle joined on October 1, 2023, as Chief People & Diversity Officer and Chief Customer Supply & Development Officer, respectively. Jo Thys, former Chief Operations Officer, assumed accountability as President Operations Strategy & Innovation, reporting to Clemens Woehrle. Former CFO Ben De Schryver returned to a commercial role and assumed responsibility for the North America chocolate region as Regional President. Vamsi Mohan Thati became Regional President for the Asia Pacific, Middle East and Africa chocolate region. All regions report directly to the CEO but are no longer part of the Executive Committee. Steve Woolley, President & CEO Americas, Masha Vis-Mertens, CHRO, and Rogier van Sligter, President EMEA, decided to pursue new endeavors outside of Barry Callebaut.

With regard to the remuneration programs, as announced last year, the KPIs under the short-term incentive plan for the Executive Committee were reviewed to ensure alignment with the BC Next Level strategic investment program. In this course, effective for the reporting year, specific KPIs and their weights were tailored to systematically reflect the transformative changes and to promote a strong and fast transformation progress. Further, the focus on sustainability was fostered by taking a holistic perspective on traceability and segregation. The NCC believes that these changes strengthen the alignment with the interests of the shareholders. For the upcoming financial year, more adaptations will be implemented to foster harmonization throughout the organization. With respect to the long-term incentive plan, no changes were implemented compared to the previous reporting year. For the upcoming financial year, specific changes will be implemented to adequately reflect the long-term strategic priorities.

The NCC performed its regular activities throughout the year, such as the succession planning for the positions on the Board of Directors and the Executive Committee, the performance goal setting at the beginning of the financial year and the performance assessment at financial year end for the Executive Committee members, the determination of the remuneration of the members of the Board of Directors and the Executive Committee, as well as the preparation of the Remuneration Report and the say-on-pay vote at the Annual General Meeting of Shareholders.

You will find further information on the activities of the NCC and on Barry Callebaut's remuneration programs on the following pages.

At the 2024 Annual General Meeting of Shareholders, we will request your approval of the maximum aggregate remuneration amount to be awarded to the Board of Directors for the period until the following Annual General Meeting of Shareholders, the maximum aggregate amount of fixed remuneration to be awarded to the Executive Committee in fiscal year 2025/26, and the aggregate amount of variable remuneration awarded to the Executive Committee in fiscal year 2023/24. Additionally, you will have the opportunity to express your opinion on this Remuneration Report in a consultative vote. You will find in the report that the remuneration awarded to the Board of Directors for the compensation period ending with the 2024 Annual General Meeting of Shareholders and the fixed remuneration awarded to the Executive Committee in 2023/24 are within the limits approved at the 2023 Annual General Meeting of Shareholders and the 2022 Annual General Meeting of Shareholders, respectively.

We will continue to assess and review our compensation programs to ensure that they are still fulfilling their purpose in the evolving context in which the Company operates and we will pursue an open and active dialogue with our shareholders as we continue to enhance the compensation system.

Fernando Aguirre
Chairman of the NCC

[1] Refer to page 149 for the detailed recurring results reconciliation.

Remuneration at a glance

Summary of current remuneration system Board of Directors

In order to ensure their independence in the exercise of their supervisory function, members of the Board of Directors receive only fixed remuneration in the form of cash and restricted share units (RSU) settled in shares and blocked for three years. The remuneration system for the Board of Directors does not contain any performance-related components.
Compared to the previous reporting year, the remuneration for the Chairman was reduced to CHF 330,000 in cash (from CHF 400,000) and to CHF 570,000 in RSU (from CHF 700,000). The remuneration for the other board members and the committee fees remained unchanged.

Annual compensation

(amount in CHF)	Cash	RSUs
Chairman	330,000	570,000
Vice-Chairman	200,000	350,000
Member	100,000	250,000
Committee Chair	40,000	
Committee Member	25,000	

Summary of current remuneration system Executive Committee

The remuneration of the Executive Committee consists of fixed and variable elements.

- The annual base salary forms the fixed remuneration.
- Variable remuneration drives and rewards best-in-class performance based on ambitious and stretched targets. It consists of short-term and long-term elements and benefits.

Base salary	Pay for the function
Benefits	Cover retirement, death and disability risks, attract & retain
Short-Term Incentive (STI)	Drive and reward annual performance, attract & retain
Long-Term Incentive (LTI)	Drive and reward long-term performance, align with shareholders' interests, retain

Executive Committee members are subject to minimum shareholding requirements (CEO 300%, other members 200% of annual base salary).

Remuneration Board of Directors

The remuneration awarded to the Board of Directors from AGM 2022 to AGM 2023 is within the limits approved by the shareholders at the Annual General Meeting of Shareholders (AGM):

Compensation period	Approved amount (CHF)	Effective amount (CHF)
AGM 2022 – AGM 2023	CHF 6,200,000	CHF 5,286,375
AGM 2023 – AGM 2024	CHF 5,500,000	To be determined*

* The compensation period is not yet completed; a definitive assessment will be provided in the Remuneration Report for fiscal year 2024/25.

Remuneration in 2023/24 Executive Committee

The fixed remuneration awarded to the Executive Committee in fiscal year 2023/24 is within the limits approved by the shareholders at the Annual General Meeting of Shareholders (AGM):

Compensation period	Approved amount (CHF)	Effective amount (CHF)
Fiscal year 2023/24	6,500,000	4,453,752

Short-term performance achievement fiscal year 2023/24

CEO: 104.0% of target; for each member of the Executive committee 104.0% of target.

Changes from fiscal year 2024/25 onwards

The short-term incentive will be subject to further adaptations to foster alignment with the BC Next Level strategy as well as to ensure harmonization throughout the organization.
The long-term incentive will be finetuned in terms of KPIs as well as in terms of peer group. Details will be disclosed in the Remuneration Report for the fiscal year 2024/25.

Remuneration policy and principles

In order to ensure the Company's success and to maintain its position as market leader, it is critical to attract, develop and retain the right talents. Barry Callebaut's remuneration programs are designed to support this fundamental objective and are based on the following principles:

- We reward performance and share the Company's success;
- We act with fairness and transparency;
- We offer competitive remuneration;
- We share responsibility with our employees;
- We encourage employee development.

Compensation governance

- Authority for decisions related to remuneration are governed by the Articles of Incorporation of Barry Callebaut AG.
- The maximum aggregate amounts of remuneration of the members of the Board of Directors and of the Executive Committee are subject to a binding vote at the Annual General Meeting.
- In addition, the Remuneration Report for the preceding period is subject to a consultative vote at the Annual General Meeting.
- The Board of Directors is supported by the NCC in preparing all compensation-related decisions regarding the Board of Directors and the Executive Committee.

Remuneration Report

This Remuneration Report describes the fundamental principles of the remuneration system at Barry Callebaut as well as the governance framework related to remuneration decisions. The report provides details on the remuneration of the members of the Board of Directors and the Executive Committee related to fiscal year 2023/24. Shareholdings and external mandates of the members of the Board of Directors and the Executive Committee are also disclosed.

This Remuneration Report has been prepared in accordance with the Swiss Code of Obligations, the Corporate Governance Directive issued by the SIX Exchange Regulation, the Swiss Code of Best Practice for Corporate Governance issued by economiesuisse, and the Articles of Incorporation of Barry Callebaut AG.

Remuneration philosophy and principles

The remuneration philosophy and principles are laid out in the Total Reward Policy that was adopted by the Board of Directors in fiscal year 2014/15. Reward programs strengthen the Group's ability to attract and retain talented individuals and support the employees' on-going career development within the Company.

Barry Callebaut believes that the commitment and performance of its executives, managers and employees should be rewarded, balancing both the success of Barry Callebaut as a company and the individual's contribution. Barry Callebaut fosters a performance-oriented culture and uses an annual Performance Management (PM) process to monitor and assess the contributions of all employees to the achievement of business results as well as to their personal and professional development.

The remuneration principles are summarized below:

We reward performance and share the Company's success…	… by balancing a mix of short-term and long-term remuneration components as rewards for Company results, individual performance and long-term success.
We act with fairness and transparency…	… by taking remuneration decisions on the basis of the scope of the function rather than personal attributes, and thus by ensuring internal equity.
We offer competitive remuneration…	… by considering relevant market benchmarks when taking remuneration decisions.
We share responsibility with our employees…	… by providing risk benefits including retirement and health care insurances, in line with the local regulations and market practice.
We encourage employee development…	… by offering challenging work assignments and Company-sponsored training and education.

Governance related to remuneration

Pursuant to the Swiss Code of Obligations as implemented in the Company's Articles of Incorporation (Article 30), the Annual General Meeting of Shareholders votes on the total remuneration of the members of the Board of Directors and the Executive Committee. The Annual General Meeting of Shareholders votes on the motions of the Board of Directors on an annual basis and with binding effect with regard to:

a) The aggregate maximum amount of the remuneration of the Board of Directors for the forthcoming term of office.
b) The aggregate maximum amount of the fixed remuneration of the Executive Committee for the forthcoming fiscal year.
c) The aggregate amount of the variable remuneration of the Executive Committee for the past fiscal year.

The Annual General Meeting of Shareholders votes separately on the aggregate remuneration of the Board of Directors and the Executive Committee.

The Board of Directors reports to the Annual General Meeting of Shareholders on the remuneration system and the actual remuneration for the past fiscal year in the Remuneration Report. The Remuneration Report is subject to a consultative vote by the Annual General Meeting of Shareholders.

Further, the Articles of Incorporation include the remuneration principles applicable to the Board of Directors and to the Executive Committee. Those provisions can be found and downloaded as a PDF under: https://www.barry-callebaut.com/en/group/investors/corporate-governance and include:

- Rules in the Articles of Incorporation on the vote on pay at the general meeting (Article 30);
- Principles of remuneration of the Board of Directors (Articles 32 and 33);
- Principles of remuneration of the Executive Committee (Articles 32 and 34);
- Additional amount for new members of the Executive Committee (Article 31);
- Credits and loans (Article 35).

The Board of Directors of Barry Callebaut entrusted the NCC with providing support in evaluating and reviewing the remuneration strategy and plans, in proposing the individual remuneration packages for the Board of Directors, the members of the Executive Committee and other key members of the senior management and in preparing the remuneration proposals to the Annual General Meeting of Shareholders. The Board of Directors has not delegated any decision-making power to the NCC; therefore, remuneration decisions are taken by the full Board of Directors based on recommendations of the NCC.

In the reporting year, the NCC met five times according to the standard annual meeting schedule below.

NCC	Standard agenda items	Sept	Nov	Dec	Apr	July
Compensation	Confirmation of relevant benchmarking peer group			x		
	Benchmarking analysis of ExCo compensation (every 2nd year)					x
	Determination of individual LTI grants of ExCo and all other participants	x				x
	Determination of performance and vesting level of LTI	x	x			
	Determination of individual ExCo target compensation	x				
	Determination of performance achievement under STI plan and related payouts for CEO and ExCo members		x			
	Determination of performance criteria for STI for ExCo		x			
	Benchmarking analysis of Board compensation (every 2nd year)					x
	Determination of Board compensation for following term					x
Nomination	Review of talent management ExCo: calibration, succession planning, individual development plans					x
	Update on personnel changes in key positions	x	x	x	x	x
	Update on key human resources initiatives (diversity, engagement)	x	x	x	x	x
	Review of structure & composition of the Board (profiles, skills sets) and review of potential candidates to the Board	x	x			
Governance	Preparation and review of compensation report, review of shareholders' feedback post-AGM and considerations for future disclosure	x	x		x	
	AGM preparation: preparation of say-on-pay votes		x			
	NCC self-evaluation			x		
	Annual governance and legislative update			x		
	Review of NCC charter and determination of NCC agenda items for term of office				x	

In the reporting year, the NCC performed its regular activities throughout the year, such as the determination of the remuneration of the Board of Directors and Executive Committee as well as the preparation of the Remuneration Report and of the say-on-pay motions for submission to the Annual General Meeting of Shareholders.

The Chairman of the NCC reports to the Board of Directors after each meeting on the activities of the NCC. The minutes of the NCC meetings are available to all members of the Board of Directors. As a general rule, the Chairman of the Board of Directors and the CEO attend the meetings in an advisory capacity. To mitigate any potential conflicts of interest, they do not attend the meeting when their own compensation and/or performance are being discussed.

The NCC may decide to consult an external advisor from time to time for specific compensation matters. In the reporting year, a company specialized in executive compensation in Swiss listed companies was engaged to provide independent advice on specific compensation and governance matters. This company provides other services to Barry Callebaut and there are clear rules in place to ensure the independence of consultants involved.

For further details on the NCC, please refer to the section "Functioning of the Board" in the Corporate Governance Report.

The General Meeting of Shareholders of December 2023 elected the following members to the NCC:

Name	Nationality	Member of the NCC since
Fernando Aguirre (Chairman)	Mexican/US	2013
Antoine de Saint-Affrique	French	2022
Yen Yen Tan	Singaporean	2020
Mauricio Graber	Mexican	2023

Remuneration of the Board of Directors

In order to reinforce the independence of the Board in exercising its supervisory duties towards executive management, the remuneration of its members is not linked to any performance criteria.

The remuneration of the Board of Directors is reviewed annually and determined at the discretion of the Board of Directors. The last benchmarking analysis was conducted in the fiscal year 2022/23 on the basis of Swiss listed companies of similar size and complexity including the following companies: Adecco, Clariant, DKSH, Dufry, Emmi, Georg Fischer, Givaudan, Kühne + Nagel, Lindt, Logitech, Lonza, Schindler, SGS and Sika.

The remuneration of the Board of Directors consists of fixed compensation in cash and a grant of Barry Callebaut AG shares blocked for a period of three years after vesting. The fixed compensation in cash amounts to CHF 330,000 for the Chairman of the Board of Directors, CHF 200,000 for the Vice-Chairman, CHF 140,000 for members chairing a Board Committee, CHF 125,000 for members participating in a Board Committee and CHF 100,000 for the other members. The compensation in cash is paid out in quarterly installments in arrears. The remuneration in restricted share units (RSU) is allocated based on a monetary amount of CHF 570,000 for the Chairman, CHF 350,000 for the Vice-Chairman and CHF 250,000 for the other members of the Board of Directors. The number of RSU to be granted is calculated by dividing the monetary amount by the 3-month average share price preceding the beginning of the term of office; the RSU are granted at the beginning and vest at the end of the term of office. The resulting shares are allocated at the end of the term of office and are blocked for three years.

The remuneration of the Board of Directors is summarized below.

Annual compensation (AGM 2023 - AGM 2024)

	Cash (net amount in CHF)	Shares (net amount in CHF)
Chairman	330,000	570,000
Vice-Chairman	200,000	350,000
Member	100,000	250,000
Committee Chair	40,000	
Committee Member	25,000	

Compared to the previous reporting year, the remuneration for the Chairman was reduced to CHF 330,000 in cash (from CHF 400,000) and to CHF 570,000 in RSU (from CHF 700,000). The remuneration for the other board members and the committee fees remained unchanged.

Annual compensation (AGM 2024 to AGM 2025; subject to AGM approval)

	Cash (net amount in CHF)	Shares (net amount in CHF)
Chairman	330,000	570,000
Vice-Chairman	200,000	350,000
Member	100,000	250,000
Committee Chair	40,000	
Committee Member	25,000	

At the Annual General Meeting of Shareholders in December 2022, the shareholders approved a maximum aggregate amount of CHF 6,200,000 for the remuneration in cash and in RSU for the Board of Directors for the period from the Annual General Meeting of Shareholders in December 2022 until the Annual General Meeting of Shareholders in December 2023. The remuneration paid for this term of office amounts to CHF 5,286,375 and is therefore within the limit approved by the shareholders.

At the Annual General Meeting of Shareholders in December 2023, the shareholders approved a maximum aggregate amount of CHF 5,500,000 for the remuneration in cash and in RSU for the Board of Directors for the period from the Annual General Meeting of Shareholders in December 2023 until the Annual General Meeting of Shareholders in December 2024.

The remuneration effectively paid for the portion of this term of office included in this Remuneration Report (that is, from January 1, 2024 until August 31, 2024) is within the limit approved by the shareholders.

A conclusive assessment for the entire period will be included in the Remuneration Report 2024/25.

During fiscal year 2023/24, no compensation was paid to former members of the Board of Directors. No compensation was paid to parties closely related to members or former members of the Board of Directors.

During fiscal year 2023/24, no loans or credits were granted to members of the Board of Directors, former members of the Board of Directors or to related parties. As at August 31, 2024, there were no outstanding loans or credits to members of the Board of Directors, to former members or to related parties.

Board members do not receive any lump-sum payments for expenses. The remuneration of the members of the Board of Directors is subject to the mandatory social security contributions. The Company pays for both, the employer and the employee contributions to social security, where applicable.

Pursuant to the Articles of Incorporation, the members of the Board of Directors may in principle be eligible for pension fund contributions by the Company. However, in fiscal year 2023/24 no such contributions were made.

For the next term of office, the compensation of the Board of Directors remains unchanged.

Remuneration of the Board of Directors for fiscal year 2023/24 (audited figures)

in CHF	Fixed compensation	Other compensation[1]	Total cash-related remuneration	Number of RSU[2]	Value of RSU[3]	Total remuneration 2023/24
Board Member						
Patrick De Maeseneire Chairman/Delegate	353,334	124,120	477,454	387	615,256	1,092,710
Markus R. Neuhaus Vice-Chairman Chairman of the AFRQCC[4]	240,000	76,134	316,134	224	351,448	667,582
Fernando Aguirre[6] Member of the NCC[5] Chairman of the NCC[5]	135,000	—	135,000	160	250,396	385,396
Angela Wei Dong[7] Member of the AFRQCC[4]	41,668	16,739	58,407	44	85,008	143,415
Mauricio Graber[8] Member of the NCC[5]	83,334	32,841	116,175	116	165,388	281,563
Thomas Intrator Member of the AFRQCC[4]	125,000	49,580	174,580	160	250,396	424,976
Nicolas Jacobs Member of the AFRQCC[4]	125,000	55,350	180,350	160	250,396	430,746
Elio Leoni Sceti[9] Member of the NCC[5]	41,668	—	41,668	44	85,008	126,676
Tim Minges[10] Chairman of the NCC[5] Member of the AFRQCC[4]	138,334	—	138,334	160	250,396	388,730
Antoine de Saint-Affrique Member of the NCC[5]	125,000	75,080	200,080	160	250,396	450,476
Yen Yen Tan Member of the NCC[5]	125,000	55,350	180,350	160	250,396	430,746
Total remuneration Board of Directors	**1,533,338**	**485,194**	**2,018,532**	**1,775**	**2,804,484**	**4,823,016**

1 Including social security contributions.
2 Number of shares granted in relation to the fiscal year under review; Grants to the BoD are based on the service period between Annual General Meetings of Shareholders.
3 Value defined as grant value at the beginning of the term of office.
4 Audit, Finance, Risk, Quality & Compliance Committee.
5 Nomination & Compensation Committee.
6 Member of the NCC until December 6, 2023; Chairman of the NCC as of December 6, 2023.
7 Member of the Board and member of the AFRQCC until December 6, 2023.
8 Member of the Board and member of the NCC as of December 6, 2023.
9 Member of the Board and member of the NCC until December 6, 2023.
10 Chairman of the NCC and member of the AFRQCC until December 6, 2023; member of the Board and member of the AFRQCC as of December 6, 2023.

Remuneration of the Board of Directors for fiscal year 2022/23 (audited figures)

in CHF	Fixed compensation	Other compensation[1]	Total cash-related remuneration	Number of RSU[2]	Value of RSU[3]	Total remuneration 2022/23
Board Member						
Patrick De Maeseneire Chairman/Delegate	400,000	144,373	544,373	353	707,805	1,252,178
Markus R. Neuhaus Vice-Chairman Chairman of the AFRQCC[4]	240,000	78,071	318,071	177	354,547	672,618
Fernando Aguirre Member of the NCC[5]	125,000	—	125,000	126	252,856	377,856
Angela Wei Dong Member of the AFRQCC[4]	125,000	53,792	178,792	126	252,856	431,648
Thomas Intrator[6] Member of the AFRQCC[4]	83,334	33,478	116,812	88	170,016	286,828
Nicolas Jacobs Member of the AFRQCC[4]	125,000	53,792	178,792	126	252,856	431,648
Elio Leoni Sceti Member of the NCC[5]	125,000	—	125,000	126	252,856	377,856
Tim Minges Chairman of the NCC[5] Member of the AFRQCC[4]	165,000	—	165,000	126	252,856	417,856
Antoine de Saint-Affrique Member of the NCC[5]	116,667	73,905	190,572	126	252,856	443,428
Yen Yen Tan Member of the NCC[5]	125,000	53,792	178,792	126	252,856	431,648
Total remuneration Board of Directors	**1,630,001**	**491,203**	**2,121,204**	**1,500**	**3,002,360**	**5,123,564**

1 Including social security contributions.
2 Number of shares granted in relation to the fiscal year under review; Grants to the BoD are based on the service period between Annual General Meetings of Shareholders.
3 Value defined as grant value at the beginning of the term of office.
4 Audit, Finance, Risk, Quality & Compliance Committee.
5 Nomination & Compensation Committee.
6 Member of the Board and member of the AFRQCC as of December 14, 2022.

Remuneration of the Executive Committee

The individual remuneration of the members of the Executive Committee is reviewed annually and determined at the discretion of the Board of Directors, based on the proposal of the NCC, in accordance with the principles set out in the Executive Total Reward Policy, market information and data, scope and level of responsibility of the position, and profile of the incumbents in terms of qualification, experience and skills set.

The remuneration structure for the Executive Committee of Barry Callebaut consists of four main remuneration elements: a fixed annual base salary, an annual short-term cash bonus pursuant to the Company's Short-Term Incentive Plan, share-based long-term incentives pursuant to the Company's Long-Term Incentive Plan and other benefits.

Base salary (fixed)	Annual gross base salary	• Determined at the discretion of the Board of Directors based on various criteria such as market value of the role, scope of the position and profile (experience, skills) of the incumbent • Target weight in % of total remuneration: CEO 25%–40%, Executive Committee 25%–40%
Annual cash bonus (variable)	Barry Callebaut Short-Term Incentive Plan (STIP)	• Target 100% of annual base salary for the Chief Executive Officer and all other members of the Executive Committee • Based on the achievement of financial and strategic targets • Maximum payout: 200% of target • Payout in cash annually after release of full-year results • Target weight in % of total remuneration: CEO 25%–40%, Executive Committee 25%–40%
Share based awards (variable)	Barry Callebaut Long-Term Incentive Plan (LTIP)	• Individual grant values approved by the Board of Directors; number of shares determined by dividing the grant value by the average share price over three months prior to the grant • Cliff vesting at the end of the third year, subject to performance criteria • Performance criteria: 50% relative performance of the Barry Callebaut share price compared to peer companies and 50% ROIC performance of the Company over the three-year vesting period • Target weight in % of total remuneration: CEO 20%–50%, Executive Committee 20%–50%
Other benefits	Risk benefits and perquisites	• Social security contributions by employer • Post-employment and retirement benefits • Health care and medical insurances • Executive perquisites such as company car, relocation costs, etc.

The last benchmarking analysis of the remuneration of the Executive Committee was conducted in fiscal year 2022/23 with the support of an external independent consultant. The analysis was based on a peer group of Swiss multinational companies of the industry sector listed on the SIX Swiss Exchange. The peer group consisted of Adecco, Clariant, DKSH, Dufry, Emmi, Georg Fischer, Givaudan, Kühne+Nagel, Lindt, Logitech, Lonza, Schindler, SGS and Sika. This analysis showed that while annual base salaries are positioned according market, incentive opportunities are above market levels, in line with the pay-for-performance philosophy of Barry Callebaut and resulting in a competitive positioning overall.

The NCC consider the results of this analysis in making decisions related to the remuneration of the Executive Committee members.

Base salary

The annual base salary is defined at the discretion of the Board of Directors on the basis of various criteria, such as market value of the role, scope of the position, and profile of the incumbent in terms of skill set and professional experience.

Short-Term Incentive Plan (STIP)

The STIP is designed to reward the performance of the Company, its regions/segments/functions and the individual contributions of the participants over a time horizon of one year.

in CHF million	Market capitalization Dec 31, 2023 (timing of analysis)	Revenue Dec 31, 2023 (timing of analysis)	Headcount Dec 31, 2023 (timing of analysis)
Barry Callebaut (figures as at Aug 31, 2023)	8,464	8,471	13,754
1st quartile	5,009	4,591	14,940
Median	12,937	6,816	23,443
3rd quartile	25,629	11,430	60,139

The short-term incentive (STI) target is expressed as percentage of the fixed annual base salary and amounts to 100% for the CEO and all other members of the Executive Committee.

For the fiscal year 2023/24 all ExCo members are measured on the exact same performance criteria (CPF) in order to ensure alignment with the BC Next Level strategic investment program, systematically reflecting the transformative changes and promoting a strong and fast transformation progress. The focus on sustainability was fostered by taking a holistic perspective on traceability and segregation and key financial KPIs count for 50% of the STI:

- Group sales volume: 20% of STI
- Group EBIT: 20% of STI
- Group Free cash flow: 10% of STI
- Establishing traceability & segregation: 10% of STI
- Next Level transformation progress: 40% of STI.

For each financial objective, an expected level of performance ("target") is defined, corresponding to a payout factor of 100%. A threshold level of performance, below which there is no payout, and a maximum level of performance, above which the payout is capped at 200% of the target, have also been defined.

The CEO proposes the relevant performance criteria of the Executive Committee members to the NCC. The NCC reviews and submits the recommendations to the Board of Directors for approval.

A performance assessment is provided ex post in the Remuneration Report in order to inform the shareholders on the link between pay and performance. However, specific performance targets are not disclosed for confidentiality reasons. Most direct competitors of Barry Callebaut are not stock-listed and, consequently, not subject to the same financial reporting requirements. As a result, the disclosure of performance targets would lead to significant competitive disadvantages.

The STI is paid out in cash with the December payroll, after approval by the shareholders.

STI KPIs

	Group sales volume	Group EBIT	Group free cash flow	Traceability & segregation	Next Level transformation progress
Purpose	Measuring growth	Measuring profitability	Measuring ability to generate cash	Focus on sustainability	Measuring focus on strategic initiatives
Performance factor	CPF	CPF	CPF	CPF	CPF
Weighting	20% of STI	20% of STI	10% of STI	10% of STI	40% of STI

Long-Term Incentive Plan (LTIP)

The purpose of the LTIP is to provide the participants with an ownership interest in Barry Callebaut and to reward them for the long-term performance of the Company. The LTIP thus aligns their interests with those of the shareholders.

The grant of performance share units (PSU) under the LTIP is based on a long-term incentive (LTI) target amount determined individually for each plan participant. The individual LTI amount is divided by the average share price of the last three months of the preceding fiscal year in order to calculate the number of share units awarded. The PSU vest on the 3rd anniversary of the grant date, subject to the LTIP participant continuing to be employed by the Company and to the achievement of two performance criteria over the three-year vesting period.

The first performance criterion, accounting for 50% of the respective PSU grant, is the relative share price development of Barry Callebaut versus a peer group of companies in the chocolate, ingredients and FMCG sector: AAK, Fuji Oil, Givaudan, Hershey, Kellogg, Kerry, Lindt, Mondelēz, Nestlé, Olam and Unilever. The objective (100% vesting) is to achieve median performance, e.g., to outperform half of the peer companies, with a 100% vesting for ranking 6 or 7.

There is no vesting for a performance within the first quartile of the peer group (threshold), and the vesting is now capped at 200% for delivering the best performance in the peer group.

The second performance criterion, accounting for 50% of the relevant PSU grant, is Return on Invested Capital (ROIC). The ROIC criterion rewards the sustainable management of the Company's assets. The three-year ROIC target was set by the Board of Directors on the basis of the long-term strategic plan of the Company. The vesting also ranges from 0% to newly 200% of target. Consequently, the overall vesting of the LTI award ranges from 0% to 200% of the initially determined number of PSU granted.

Similarly to the STIP, an ex-post performance assessment is also provided for the LTIP in the Remuneration Report.

The Board of Directors reserves the right to suspend or adjust the vesting of all share units in case of a negative result from continuous operations of the Barry Callebaut Group. Once the shares are vested and transferred, they are free of any selling restrictions.

For the CEO, the individual LTI target value amounts to 150.0% of annual base salary, for the other members of the Executive Committee, it amounts to 71.2% of the annual base salary on average in fiscal year 2023/24. The unvested PSU, as well as any unvested RSU from grants under the previous LTIP or in the course of other awards, forfeit in case of termination for cause or voluntary resignation. In other circumstances, such as a termination of employment by the Company without cause, retirement, disability or death, the unvested PSU and RSU may be subject to a pro-rata vesting at the regular vesting date, except in the event of death, in which case vesting will be accelerated. In case of change of control, the unvested awards are subject to an immediate vesting subject to the achievement level as determined by the Board of Directors in its reasonable discretion.

Further, any award granted under the LTIP is subject to clawback and malus provisions. In case of a material misstatement of financial results or a serious reputational damage to Barry Callebaut due to fraud or willful intent, or of a gross misconduct which would qualify as a cause for termination, the Board of Directors may forfeit or claim back unvested and vested share units, within a period of two years after the vesting of the award.

LTI KPIs

	Relative share price development	ROIC
Purpose	Measuring ability to provide investors with strong returns	Measuring ability to generate returns from invested capital
Performance factor	CPF	CPF
Weighting	50% of STI	50% of STI

Other benefits

Other benefits include risk benefits that provide for a reasonable level of income in case of retirement, death or disability. Those consist of social security contributions, post-employment benefits, pension contributions and insurance. The members of the Executive Committee with a Swiss employment contract participate in the occupational pension plan offered to all employees in Switzerland. Members of the Executive Committee under foreign employment contract are insured commensurately with market conditions and with their position. Each plan varies, but is in line with the local competitive and legal environment and is in accordance with the legal requirements of the respective country.

Members of the Executive Committee are also provided with certain executive perquisites such as relocation allowances, housing or other cost of living allowances, car allowances, and gross-up for tax equalization of certain benefits. The benefits for each member of the Executive Committee are subject to their specific situation, the typical market practice and other factors after consideration of the total value of their individual remuneration package.

The monetary value of these benefits is disclosed in the remuneration tables at their fair value.

Share ownership guidelines

Members of the Executive Committee are required to own a minimum multiple of their annual base salary in Barry Callebaut AG shares within five years of their appointment to the Executive Committee.

Role	Minimum shareholding requirement
CEO	300% of annual base salary
Other ExCo members	200% of annual base salary

To calculate whether the minimum holding requirement is met, all privately owned shares, either directly or indirectly, and all shares vested under the LTIP are considered, regardless of whether they are blocked or not. However, unvested awards such as PSU and RSU are excluded. The NCC will review compliance with the share ownership guidelines on an annual basis.

Employment contracts

The members of the Executive Committee are employed under employment contracts of unlimited duration and subject to a notice period of one year. They are not contractually entitled to severance payments or to change of control provisions.

Special contractual agreements

No special contractual arrangements are in force.

Remuneration of the Executive Committee for fiscal year 2023/24 (audited figures)

in CHF	Compensation fixed	Compensation variable[2]	Post-employment benefits[3]	Other compensation[4]	Total cash-related remuneration	Number of shares[5]	Value of shares[6]	Total remuneration 2023/24
Remuneration Executive Committee[1]	4,453,752	4,631,902	1,698,956	493,066	11,277,676	4,165	5,845,016	**17,122,692**
Highest individual remuneration within Executive Committee: Peter Feld, CEO Barry Callebaut Group	1,600,000	1,664,001	492,177	86,967	3,843,145	1,445	2,055,864	**5,899,009**

1 Disclosure relates to the Executive Committee including all members during fiscal year 2023/24, i.e.: Ben De Schryver until 1 November 2023, Peter Feld, Steven Retzlaff, Massimo Selmo, Jutta Suchanek as of 1 October 2023, Jo Thys until 30 September 2023, Peter Vanneste as of 1 November 2023 and Clemens Woehrle as of 1 October 2023.
2 Based on best estimate of expected payout for fiscal year 2023/24 (accrual principle).
3 Including social security and pension contributions.
4 Includes international relocation costs, assignment related benefits such as tax equalization, schooling costs as well as international insurance coverage.
5 Number of shares granted in relation to the fiscal year 2023/24 as follows:
CFO: Sign-on bonus amounting to 736 shares, delivered as restricted share units and vesting as follows: 442 shares vesting on 1 November 2024, 147 shares vesting at 1 November 2025, 147 shares vesting at 1 November 2026. The shares will forfeit if the incumbent terminates the employment prior to the vesting dates.
CSDO: Sign-on Bonus amounting to 527 restricted shares, blocked for 3 years.
LTIP CEO: 723 ROIC-dependent performance share units and 722 share price dependent performance share units; LTIP for all other members of the Executive Committee: 731 ROIC-dependent performance share units and 726 share price-dependent performance share units.
6 The value of the restricted shares is defined as fair value at grant date (CHF 1,424). The value of the restricted share units is defined as fair value at grant date (CHF 1,314). The value of the ROIC-dependent PSU is the market price at grant date (CHF 1,485) discounted for dividends until the vesting. For share price-dependent PSU, the fair value is established based on a valuation performed by external experts applying the "Monte Carlo simulation" method (CHF 1,360) excluding the net present value of expected dividends.

Executing a strategic investment program of the scale of BC Next Level requires specific expertise in similar programs. With Peter Vanneste (Chief Financial Officer, CFO) and Clemens Woehrle (Chief Customer Supply & Development Officer, CSDO) Barry Callebaut found the right talent. The two sign-on bonuses for the CFO and CSDO are based on both managers leaving the former employer and are designed as a replacement award; the amounts have been substantiated by the Nomination & Compensation Committee and have been approved by the Board of Directors.

	ROIC dependent	Share price dependent	Sign-on	Total
Executive Committee	1,454	1,448	1,263	**4,165**
CEO	723	722		**1,445**

Remuneration of the Executive Committee for fiscal year 2022/23 (audited figures)

in CHF	Compensation fixed	Compensation variable[2]	Post-employment benefits[3]	Other compensation[4]	Total cash-related remuneration	Number of shares[5]	Value of shares[6]	Total remuneration 2022/23
Remuneration Executive Committee[1]	6,300,000	5,726,009	2,126,289	868,090	15,020,388	4,456	8,652,571	**23,672,959**
Highest individual remuneration within Executive Committee: Peter Feld, CEO Barry Callebaut Group	666,667	666,667	447,873	36,210	1,817,417	2,528	4,939,771	**6,757,188**

1 Disclosure relates to the Executive Committee including all members during fiscal year 2022/23, i.e.: Peter Boone, Ben De Schryver, Olivier Delaunay, Peter Feld, Pablo Perversi, Steven Retzlaff, Massimo Selmo, Jo Thys, Rogier van Sligter, Vamsi Mohan Venkata Thati, Masha Vis-Mertens and Steve Woolley.
2 Based on best estimate of expected payout for fiscal year 2022/23 (accrual principle).
3 Including social security and pension contributions.
4 Includes international relocation costs, assignment related benefits such as tax equalization, schooling costs as well as international insurance coverage.
5 Number of shares granted in relation to the fiscal year 2022/23 as follows:
CEO: Sign-on bonus amounting to 2,000 restricted shares (RS), blocked for 3 years; Executive Committee: sign-on bonus amounting to 255 restricted share units (RSU) vesting over three years.
LTIP CEO: 264 ROIC-dependent performance share units and 264 share price dependent performance share units; LTIP for all other members of the Executive Committee, in total: 838 ROIC-dependent performance share units and 835 share price-dependent performance share units.
6 The value of the RS and RSU is defined as fair value at grant date (CHF 1,963). The value of the ROIC-dependent PSU is the market price at grant date (CHF 1,934) discounted for dividends until the vesting. For share price-dependent PSU, the fair value is established based on a valuation performed by external experts applying the "Monte Carlo simulation" method (CHF 1,906) excluding the net present value of expected dividends.

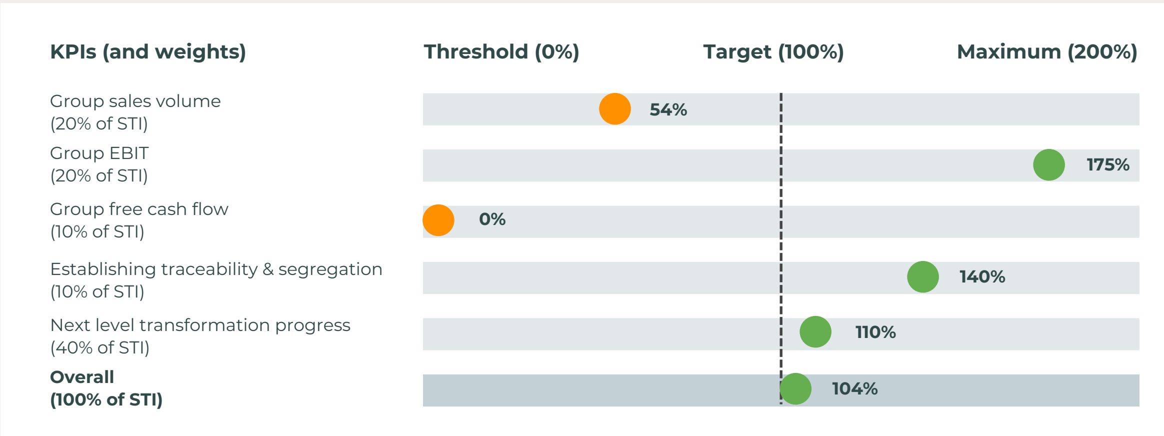
Comments on the remuneration tables

The deviation in remuneration compared to the previous fiscal year is mainly due to the following factors:

- During the reporting year, the Executive Committee was streamlined to support strategic priorities. In this course, Peter Vanneste joined as CFO on November 1, 2023, while Jutta Suchanek and Clemens Woehrle joined on October 1, 2023, as Chief People & Diversity Officer and Chief Customer Supply & Development Officer, respectively. Jo Thys, former Chief Operations Officer, assumed accountability as President Operations Strategy & Innovation, reporting to Clemens Woehrle as of 1 October 2024. Former CFO Ben De Schryver returned to a commercial role and assumed responsibility for the North America regional division as Regional President as of 1 November 2024. Vamsi Mohan Thati became Regional President for the Asia Pacific, Middle East & Africa region as of September 1, 2024. All regional presidents report directly to the CEO but are no longer part of the Executive Committee.
- The overall payout under the STIP is slightly higher compared to the previous year. The achievement levels of the various STI related KPIs reflect a mixed picture: Whilst the STI volume and free cash flow targets are underachieved, all other targets reached an achievement level between 110% and 175%, leading to an overall STI payout of 104.0%.
- Consequently, the ratio of fixed versus variable remuneration amounts to 27.1% versus 72.9% for the CEO and 31.8% versus 68.2% in average for the other members of the Executive Committee. These ratios are calculated excluding the sign-on bonus.

Please find below a detailed ex-post performance assessment. For both the STI and the LTI, the individual performance achievements are disclosed.

STI FY 2023/24



For the LTIP, the PSU granted under the LTIP in 2021 vested at the end of the reporting year. Under the plan rules of the 2021 LTIP, the vesting of the first half of the PSU was conditional upon the share price evolution of Barry Callebaut compared to the average share price evolution of peer companies. The share price of Barry Callebaut decreased by 34.3% during the plan period, which ranks Barry Callebaut as number eleven among twelve companies and translates into a vesting level of 0%. The vesting of the other half of PSU related to the ROIC target translated into a vesting level of 0%. The aggregate vesting level of the PSU related to the grants in fiscal year 2021/22 thus amounts to 0%. The aggregate amount of remuneration for the Executive Committee is subject to the approval of the Annual General Meeting of Shareholders. A maximum aggregate amount of fixed remuneration of CHF 6,500,000 was approved by the Annual General Meeting of Shareholders in December 2022 prospectively for fiscal year 2023/24. Accordingly, the fixed remuneration of CHF 4,453,752 effectively paid is within the approved limits. The aggregate remuneration amount for the variable compensation for fiscal year 2023/24 will be submitted to a shareholder vote at the upcoming Annual General Meeting of Shareholders in December 2024.

During fiscal year 2023/24, CHF 4,567,262 was paid to seven former Executive Committee members as follows:

in CHF	Compensation fixed	Compensation variable	Post-employment benefits	Other compensation	Total cash-related remuneration	Number of shares	Value of shares	Total remuneration 2023/24
Remuneration former Executive Committee members	1,701,796	1,899,375	470,388	444,847	4,516,406	36	50,856	**4,567,262**
Highest individual remuneration: Rogier van Sligter, President EMEA	560,000	560,000	125,850	—	1,245,850	—	—	**1,245,850**

During fiscal year 2023/24, no loans or credits were granted to members of the Executive Committee, former members of the Executive Committee or to related parties. As at August 31, 2024, there were no outstanding loans or credits to members of the Executive Committee, to former members or to related parties.

Shareholdings of the Board of Directors and the Executive Committee

Shareholdings of the Board of Directors

Number of shares as at August 31,

Name	Function	2024	2023
Patrick De Maeseneire	Chairman	3,212	2,843
Markus R. Neuhaus	Vice-Chairman; Chairman of the AFRQCC	1,052	803
Fernando Aguirre	Chairman of the NCC	1,452	1,211
Angela Wei Dong	Member of the AFRQCC	n/a	571
Mauricio Graber	Member of the NCC	—	n/a
Thomas Intrator	Member of the AFRQCC	182	—
Nicolas Jacobs[1]	Member of the AFRQCC	15,686	11,906
Elio Leoni Sceti	Member of the NCC	n/a	751
Tim Minges	Member of the AFRQCC	1,805	1,606
Antoine de Saint-Affrique	Member of the NCC	3,207	2,815
Yen Yen Tan	Member of the NCC	370	238
Total shares held by Board of Directors		**26,966**	**22,744**

1 Excluding the 30.1% participation held by Jacobs Holding AG (see Note 3.3 to the Financial Statements of Barry Callebaut AG).

Shareholdings of the Executive Committee

Number of shares as at August 31,

Name	Function	2024	2023
Peter Feld	Chief Executive Officer	2,730	2,000
Peter Vanneste	Chief Financial Officer as of November 1, 2023	97	n/a
Ben De Schryver	Chief Financial Officer until October 31, 2023	846	588
Steven Retzlaff	President Global Cocoa until March 31, 2024 / Chairman Future Farming Initiative as of April 1, 2024	1,259	910
Massimo Selmo	Chief Procurement Officer	—	310
Jutta Suchanek	Chief People & Diversity Officer as of October 1, 2023	—	n/a
Clemens Woehrle	Chief Customer Supply & Development Officer as of October 1, 2023	527	n/a
Jo Thys	Chief Operations Officer until September 30, 2023	548	440
Rogier van Sligter	President EMEA until August 31, 2023	n/a	366
Masha Vis-Mertens	Chief Human Resources Officer until August 31, 2023	n/a	140
Steve Woolley	President & CEO Americas until August 31, 2023	n/a	68
Total shares held by Executive Committee		**6,007**	**4,822**

Equity overhang and dilution

As at August 31, 2024, the equity overhang, defined as the total number of share units and blocked shares outstanding as calculated in the Dilution Potential (9,126 units) divided by the total number of outstanding shares (5,488,858 registered shares), amounts to 0.2%.

The Company's "burn rate", defined as the number of equities (shares and share units) granted in the reporting year (8,999 units) divided by the total number of outstanding shares, is 0.2%. These disclosures reflect the entire Long-Term-Incentive Plan including non-key management personnel.

External mandates of the Board of Directors and the Executive Committee

External mandates of the Board of Directors

Comparable functions at other companies with an economic purpose

As at August 31, 2024

Name	Mandate	Company
Patrick De Maeseneire	Chairman and CEO	Colosseum Dental
Markus R. Neuhaus	Chairman	Galenica AG
	Member of the Board of Directors	Bâloise Holding AG
	Member of the Board of Directors	Jacobs Holding AG
Fernando Aguirre	Member of the Board of Directors	CVS Health
	Member of the Board of Directors	Synchrony Financial
	Owner and CEO	Erie Sea Wolves Baseball Team
Mauricio Graber	Vice-Chairman of the Board of Directors	Jungbunzlauer Suisse AG
	Member of the Board of Directors	AM Silk GmbH
Thomas Intrator	Member of the Board of Directors	Argus Media
	Member of the Board of Directors	Mabanaft
	Member of the Board of Directors	MacSteel International
	Member of the Board of Directors	MUR
Nicolas Jacobs	Executive Co-Chairman	Jacobs Holding AG
	Member of the Board of Directors	Cognita
	Co-Founder	arc investors
Tim Minges	Co-Founder and Member of the Board of Directors	Taokaenoi USA
	Member of the Board of Directors	Tupperware Brands
	Member of the Board of Directors	Master Kong (Tingyi) Beverages
Antoine de Saint-Affrique	CEO and member of the Board of Directors	Danone
	Member of the Board of Directors	Burberry PLC
Yen Yen Tan	Member of the Board of Directors	ams OSRAM AG
	Member of the Board of Directors	OCBC Bank
	Member of the Board of Directors	Jardine Cycle & Carriage Ltd
	Member of the Board of Directors	EdgeConnex

External mandates of the Executive Committee

Comparable functions at other companies with an economic purpose

As at August 31, 2024

Name	Mandate	Company
Peter Feld	Member of the Board of Directors	Shark Ninja

KPMG

Report of the statutory auditor

To the General Meeting of Barry Callebaut AG, Zurich

Report on the Audit of the Remuneration Report

Opinion

We have audited the Remuneration Report of Barry Callebaut AG (the Company) for the year ended 31 August 2024. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the tables marked “audited” on pages 137 and page 141 of the Remuneration Report.

In our opinion, the information pursuant to Art. 734a-734f CO in the accompanying Remuneration Report complies with Swiss law and the Company’s articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor’s Responsibilities for the Audit of the Remuneration Report” section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked “audited” in the Remuneration Report, the consolidated financial statements, the stand-alone financial statements and our auditor’s reports thereon.

Our opinion on the Remuneration Report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Remuneration Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the Remuneration Report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Remuneration Report

The Board of Directors is responsible for the preparation of a Remuneration Report in accordance with the provisions of Swiss law and the Company’s articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a Remuneration Report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's Responsibilities for the Audit of the Remuneration Report

Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Remuneration Report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the Remuneration Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

KPMG AG

Marc Ziegler
Licensed Audit Expert
Auditor in Charge

Stefan Widmer
Licensed Audit Expert

Zurich, 4 November 2024

KPMG AG, Badenerstrasse 172, CH-8036 Zurich

Alternative Performance Measures

Barry Callebaut uses a number of non-IFRS measures to report the performance of its business. Recurring results and other non-IFRS measures may be considered in addition to, but not as a substitute for, or superior to, information presented in accordance with IFRS.

Sales volume	Sales volume, measured in metric tonnes, is a key performance measure for Barry Callebaut to assess growth. Sales volume includes semi-finished cocoa products, chocolate & compounds and specialties. Sales volume does not include bean sales.
Organic sales volume and growth	Organic sales volume and growth is adjusted for changes in the consolidation scope such as acquisitions and disposals during a certain reporting period. It is not corrected for new outsourcing / long-term partnerships, which are part of the growth strategy and defined as organic volume growth.
Sales, EBIT and net profit in local currencies	Barry Callebaut operates a global business and its reporting currency is Swiss franc. Sales, EBIT and net profit in local currencies are translated to reporting currency (CHF) using prior-year exchange rates for comparability purposes.
Compound annual growth rate (CAGR)	Compound annual growth rate over the 5-year period.
Earnings before interest, taxes, depreciation and amortization (EBITDA)	Operating profit (EBIT) increased by depreciation and amortization recognized for property, plant and equipment, right-of-use assets and intangible assets.
Earnings before interest and taxes (EBIT)	Operating profit before finance income, finance expense and income tax expense.
EBIT per tonne	Operating profit (EBIT) divided by the sales volume in tonnes.
EBIT per share	Operating profit (EBIT) divided by the weighted average number of shares outstanding.
Recurring EBITDA, EBIT and net profit	Reported profit (EBITDA, EBIT or net profit) adjusted for significant items considered to be exceptional for the respective period. Exceptional items are expenses or benefits / income with a one-off character, such as changes in laws, legal cases, restructuring or major unforeseen events and are described in the annual report. Recurring numbers allow consistent comparison of profit numbers over multiple financial years.
Basic earnings per share	Net profit for the year attributable to shareholders of Barry Callebaut AG divided by the weighted average number of shares outstanding.
Cash earnings per share	Free cash flow divided by the weighted average number of shares outstanding.
Net working capital	Net working capital is a measure of current assets and liabilities with a short-term impact on liquidity. It consists of all current assets less all current liabilities, except for short-term debt, cash and cash equivalent.
Net debt	Net debt consists of financial debt against third parties, such as bank overdrafts, short-term debt, long-term debt, less cash and cash equivalents and short-term deposits.
Shareholders' equity	Total equity attributable to the shareholders of Barry Callebaut AG.
Free cash flow	Operating Cash flow and Investing Cash flow, excluding acquisitions of subsidiaries/ businesses net of cash acquired.
Adjusted free cash flow	Free cash flow adjusted for the cash flow impact of cocoa bean inventories regarded by the Group as readily marketable inventories (RMI).
Capital expenditure	Cash outflows for capital expenditure on property, plant and equipment and intangible assets (excluding leased assets).
Interest coverage ratio	EBITDA divided by the financial result.
Payout ratio	Dividend per share multiplied by number of shares issued divided by the net profit for the year.
Debt to equity ratio	Net debt divided by shareholders' equity.
Price-earnings ratio at year-end	Share price at fiscal year-end divided by basic earnings per share.

Return on equity (ROE)	Net profit for the year divided by shareholders' equity.
Return on invested capital (ROIC)	Operating profit (EBIT) multiplied by one minus a normalized tax rate divided by the average capital employed.

The reconciliation of non-recurring items of fiscal year 2023/24 and their impact on the Group's Key Alternative Performance Measures (APMs) can be found in the table below. There are no non-recurring items in fiscal year 2022/23.

2023/24 in CHF million	**Global Chocolate**	**Global Cocoa**	**Group (incl. Corporate)**
EBITDA	**773.9**	**101.6**	**692.2**
Non-recurring items:	116.7	75.5	258.3
Brazilian indirect tax credits[1]	(1.0)	(5.2)	(6.2)
BC Next Level costs[2]	117.7	80.7	264.5
EBITDA (recurring)	**890.6**	**177.1**	**950.5**
Operating profit (EBIT)	**608.8**	**25.2**	**446.1**
Non-recurring items (see above for details)	116.7	75.5	258.3
Operating profit (EBIT, recurring)	**725.5**	**100.7**	**704.4**
Net profit for the period			**190.9**
Non-recurring items including interest and tax			226.6
Non-recurring items before interest and tax (see above for details)			258.3
Brazilian indirect tax credits interest income			(4.9)
Tax effect on non-recurring items			(26.8)
Net profit for the period (recurring)			**417.5**

[1] Reported mainly as Other income (CHF 5.8 million) and excluding interest income of CHF 4.9 million which is reported as "Finance income".
[2] BC Next Level cost include CHF 199.3 million reported as "Other expense" (refer to Note 1.3 - "Other income and expense"), CHF 61.0 million program cost reported as "General and administration expenses" and CHF 4.2 million of write-down of inventories reported as "Cost of goods sold".

Contact & Financial Calendar

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Financial Calendar

December 4, 2024

Annual General Meeting of Shareholders 2024

January 22, 2025

3-month Key Sales Figures 2024/25

April 10, 2025

Half-Year Results 2024/25

July 10, 2025

9-month Key Sales Figures 2024/25

November 5, 2025

Full-Year Results 2024/25

December 10, 2025

Annual General Meeting of Shareholders 2025

Forward-looking statement

Certain statements in this document regarding the business of Barry Callebaut are of a forward-looking nature and are therefore based on management's current assumptions about future developments. Such forward-looking statements are intended to be identified by words such as 'believe,' 'estimate,' 'intend,' 'may,' 'will,' 'expect,' and 'project' and similar expressions as they relate to the company. Forward-looking statements involve certain risks and uncertainties because they relate to future events.

Actual results may vary materially from those targeted, expected or projected due to several factors. The principal risk factors that may negatively affect Barry Callebaut's future financial results are disclosed in more detail in the Annual Report 2023/24 and include, among others, general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures, the effect of a pandemic/epidemic or a natural disaster, as well as changes in tax regimes and regulatory developments. The reader is cautioned to not unduly rely on these forward-looking statements that are accurate only as of November 6, 2024. Barry Callebaut does not undertake to publish any update or revision of any forward-looking statements.