

FINANCIAL STATEMENTS AND MANAGEMENT REPORT

FOR THE YEAR ENDED

December 31, 2022

EBRO FOODS, S.A.

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EBRO FOODS, S.A.			
BALANCE SHEET AT DECEMBER 31, 2022 AND 2021			
Thousands of euros			
ASSETS	Note	31.12.2022	31.12.2021
A) NON-CURRENT ASSETS		1,905,348	1,913,884
I. Intangible assets	5	13,062	15,308
3. Patents, licences and trademarks		12,418	14,355
5. Software		644	953
II. Property, plant and equipment	6	718	671
2. Plant and other PP&E items		718	671
III. Investment property	7	8,464	8,478
1. Land		7,273	7,273
2. Buildings		1,191	1,205
IV. Non-current investments in group companies and associates	8	1,876,430	1,884,330
1. Equity instruments		1,876,430	1,765,668
2. Loans to companies	8 & 17	0	118,662
V. Non-current financial assets	9 & 13	146	146
5. Other financial assets		146	146
VI. Deferred tax assets	15	6,528	4,951
B) CURRENT ASSETS		39,910	195,628
III. Trade and other receivables	9 & 10	35,796	8,237
1. Trade receivables		99	1,573
2. Trade receivables, group companies and associates	17	9,029	4,643
3. Miscellaneous receivables		8	8
4. Receivable from employees		177	183
5. Current tax assets	15	38	1,830
6. Other tax receivables	15	26,445	0
VI. Accruals		6	0
VII. Cash and cash equivalents	11	4,108	187,391
1. Cash		4,108	187,391
TOTAL ASSETS		1,945,258	2,109,512

The accompanying notes 1 to 20 are an integral part of the balance sheet at December 31, 2022.

EBRO FOODS, S.A.			
BALANCE SHEET AT DECEMBER 31, 2022 AND 2021			
Thousands of euros			
EQUITY AND LIABILITIES		Note	31.12.2022
			31.12.2021
A) EQUITY			1,364,790
A.1) CAPITAL AND RESERVES		12	1,364,790
I. Capital			92,319
1. Issued capital			92,319
II. Share premium			5
III. Reserves			1,057,904
1. Legal and statutory reserves			18,464
2. Other reserves			1,039,440
VII. Profit for the year			214,562
B) NON-CURRENT LIABILITIES			560,295
I. Non-current provisions		14	16,042
1. Non-current employee benefit obligations			4,000
4. Other provisions			12,042
II. Non-current borrowings		9	355,414
2. Bank borrowings		13	349,872
4. Derivatives		9	5,530
5. Other financial liabilities			12
III. Non-current borrowings from group companies and associates		17	158,309
IV. Deferred tax liabilities		15	30,530
C) CURRENT LIABILITIES			20,173
III. Current borrowings:		9	14,453
2. Bank borrowings		13	14,453
IV. Current borrowings from group companies and associates		17	290
V. Trade and other accounts payable:		9	5,430
1. Trade payables			868
2. Trade payables, group companies and associates			1
4. Employee benefits payable			4,316
5. Current tax liabilities		15	0
6. Other taxes payables		15	245
TOTAL EQUITY AND LIABILITIES			1,945,258
			2,109,512

The accompanying notes 1 to 20 are an integral part of the balance sheet at December 31, 2022.

EBRO FOODS, S.A.			
STATEMENT OF PROFIT OR LOSS FOR THE YEARS ENDED			
DECEMBER 31, 2022 AND 2021			
Thousands of euros	<u>Note</u>	<u>2022</u>	<u>2021</u>
CONTINUING OPERATIONS			
Revenue		213,087	6,704
Revenue from services rendered		3,507	3,868
Dividends from group companies and associates	8 & 17	209,177	1,397
Finance income from group companies	17	403	1,439
Other operating income		5,085	5,401
Ancillary and other operating income		5,085	5,401
Employee benefits expense		(14,164)	(14,244)
Wages and salaries		(11,230)	(10,855)
Employee benefits		(1,229)	(1,225)
Provisions		(1,705)	(2,164)
Other operating expenses		(8,609)	(11,574)
External services		(8,262)	(9,827)
Taxes other than income tax		(347)	(1,747)
Depreciation and amortization	5, 6 & 7	(2,625)	(1,723)
Impairment of and gains/(losses) on disposal of fixed assets		0	263
Gains/(losses) on disposals	5 & 7	0	263
OPERATING PROFIT/(LOSS)		192,774	(15,173)
Finance income		44	2
From marketable securities and other financial instruments:			
Third parties		44	2
Finance costs		(8,340)	(5,196)
Borrowings from group companies and associates	17	(6,529)	(2,673)
Third-party borrowings		(1,811)	(2,523)
Change in fair value of financial instruments		570	1,550
Held-for-trading portfolio and other securities	9	570	1,550
Exchange gains/(losses)	9	(2,816)	(1,144)
Impairment of and gains/(losses) on disposal of financial assets		27,768	332,129
Impairment and losses	8	27,768	4,500
Gains/(losses) on disposals	8 & 9	0	327,629
NET FINANCE INCOME		17,226	327,341
PROFIT BEFORE TAX		210,000	312,168
Income tax	15	4,562	14,977
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		214,562	327,145
PROFIT FOR THE YEAR		214,562	327,145

The accompanying notes 1 to 20 are an integral part of the statement of profit or loss for the year ended December 31, 2022.

EBRO FOODS, S.A. STATEMENT OF RECOGNIZED INCOME AND EXPENSE FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021			
Thousands of euros		Note	
			<u>2022</u>
			<u>2021</u>
A) Profit as per statement of profit or loss			214,562
Income and expense recognized directly in equity			
I. Measurement of financial instruments			
1. Valuation adjustments: financial assets at fair value	9	0	0
2. Other income/expense			
II. Cash flow hedges			
III. Grants, donations and bequests received			
IV. Actuarial gains and losses and other adjustments			
V. Tax effect			0
B) Total income and expense recognized directly in equity			0
Amounts reclassified to profit or loss			
VI. Measurement of financial instruments			
1. Valuation adjustments: financial assets at fair value	9	0	0
2. Other income/expense			
VII. Cash flow hedges			
VIII. Grants, donations and bequests received			
IX. Tax effect			0
C) Total amounts reclassified to profit or loss			0
TOTAL RECOGNIZED INCOME AND EXPENSE (A + B + C)			214,562
			327,145

The accompanying notes 1 to 20 are an integral part of the statement of recognized income and expense for the year ended December 31, 2022.

EBRO FOODS, S.A.
STATEMENT OF TOTAL CHANGES IN EQUITY FOR THE YEARS
ENDED DECEMBER 31, 2022 AND 2021

Thousands of euros	Capital	Share premium	Reserves	Own shares	Retained earnings	Profit/(loss) for the year	Interim dividend	Other equity instruments	Valuation adjustments	Grants, donations and bequests received	TOTAL
OPENING BALANCE AT 31/12/2020	92,319	5	959,434	0	0	34,461	0	0	0	0	1,086,219
I. Restatements for changes in accounting criteria											0
II. Adjustments for misstatements											0
RESTATED BALANCE AT 1/1/2021	92,319	5	959,434	0	0	34,461	0	0	0	0	1,086,219
I. Total recognized income and expense						327,145			0		327,145
II. Transactions with shareholders and owners:	0	0	(175,411)	0	0	0	0	0	0	0	(175,411)
- Dividend distribution			(175,407)								(175,407)
- Transactions with own shares (net)			(4)								(4)
- Other transactions with shareholders			0								0
III. Other changes in equity			34,461			(34,461)					0
CLOSING BALANCE AT 31/12/2021	92,319	5	818,484	0	0	327,145	0	0	0	0	1,237,953
I. Restatements for changes in accounting criteria											0
II. Restatements for prior-years errors											0
RESTATED BALANCE AT 1/1/2022	92,319	5	818,484	0	0	327,145	0	0	0	0	1,237,953
I. Total recognized income and expense						214,562			0		214,562
II. Transactions with shareholders and owners:	0	0	(87,725)	0	0	0	0	0	0	0	(87,725)
- Dividend distribution			(87,703)								(87,703)
- Transactions with own shares (net)			(22)								(22)
- Other transactions with shareholders			0								0
III. Other changes in equity			327,145			(327,145)					0
CLOSING BALANCE AT 31/12/2022	92,319	5	1,057,904	0	0	214,562	0	0	0	0	1,364,790

The accompanying notes 1 to 20 are an integral part of the statement of total changes in equity for the year ended December 31, 2022.

EBRO FOODS, S.A.			
STATEMENT OF CASH FLOWS FOR THE YEARS			
ENDED 31 DECEMBER 2022 AND 2021			
Thousands of euros		Note	2022
			2021
NET CASH FLOWS (USED IN) FROM OPERATING ACTIVITIES			(62,127)
1. Profit for the year before tax			210,000
2. Adjustments for non-cash income and expenses:			(222,476)
a) Depreciation and amortization (+)	5, 6 & 7	2,625	1,723
b) Impairment charges (+/-)	8	(27,768)	(6,050)
c) Changes in provisions (+/-)	14	1,705	2,164
e) Gains/(losses) on derecognition and disposal of fixed assets (+/-)	7	0	(263)
f) Gains/(losses) on derecognition and disposal of financial instruments (+/-)	8	0	(327,629)
g) Finance income (-)		(447)	(1,441)
h) Finance costs (+)		7,770	3,646
i) Exchange differences (+/-)	9.1	2,816	1,144
k) Other income and expenses (+/-)		(209,177)	(1,397)
3. Changes in working capital			(12,223)
b) Trade and other accounts receivable (+/-)		(108)	1,203
c) Other current assets (+/-)		(6)	0
d) Trade and other payables (+/-)		(12,109)	(9,042)
4. Other cash flows from operating activities			(37,428)
a) Interest paid (-)		(2,837)	(4,106)
b) Dividends received (+)		1,233	1,397
c) Interest received (+)		181	1,216
d) Income tax receipts (payments) (+/-)		(36,005)	9,575
NET CASH FLOWS FROM INVESTING ACTIVITIES			(70,290)
6. Payments for investments (-)			(70,305)
a) Group companies and associates		(69,893)	0
b) Intangible assets		(106)	(11,591)
c) Property, plant and equipment	6	(306)	(172)
7. Proceeds from disposals (+)			15
a) Group companies and associates		0	548,636
d) Investment properties		15	232
f) Non-current assets held for sale		0	56
NET CASH FLOWS USED IN FINANCING ACTIVITIES			(50,948)
9. Proceeds from and payments for equity instruments			(665)
c) Acquisition of own equity instruments (-)		(665)	(632)
10. Proceeds from and repayment of financial liabilities			37,420
a) Issuance of:			243,059
2. Bank borrowings (+)		33,696	503,081
3. Borrowings from group companies and associates (+)		209,363	161,079
b) Repayment of:			(205,639)
2. Bank borrowings (-)		(44,391)	(693,114)
3. Borrowings from group companies and associates (-)		(160,420)	(151,330)
4. Other borrowings (-)		(828)	(793)
11. Dividends and payments on other equity instruments			(87,703)
a) Dividends (-)		(87,703)	(175,407)
EFFECT OF CHANGES IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS			82
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			(183,283)
Cash and cash equivalents - opening balance			187,391
Cash and cash equivalents - closing balance			4,108

The accompanying notes 1 to 20 are an integral part of the statement of cash flows for the year ended December 31, 2022.

EBRO FOODS, S.A.

Notes to the financial statements for the year ended December 31, 2022 (Thousands of euros)

1. CORPORATE INFORMATION

Ebro Foods, S.A., a Spanish public limited company (*sociedad anónima*), hereinafter, the Company, was created by the merger by absorption of Puleva S.A. into Azucarera Ebro Agrícolas S.A. on 1, January 2001. On the occasion of that transaction, Azucarera Ebro Agrícolas, S.A.'s name was changed to Ebro Puleva, S.A. Later, at the Annual General Meeting of 1, June 2010, its registered name was changed again to its current name: Ebro Foods, S.A.

The Company's current registered office is in Madrid (28046), at Paseo de la Castellana, 20. The Company's corporate object is to perform the following business activities in Spanish and foreign markets:

- a) The production, preparation, sale, research, export and import of all manner of food and dietary products for both human and animal consumption, in addition to energy food products, including their by-products and waste, and, in particular, rice, pasta, sauces and all manner of nutritional products.
- b) The production, exploitation and sale of all manner of food, soft and alcoholic beverages.
- c) The use of by-products and the provision of services or products of all types relating to the aforementioned activities, including refrigeration cabinets, ice, industrial gas, steam, cold and energy.
- d) The acquisition, lease, creation, installation, development and management of industrial, farming and livestock facilities in the food, nutrition and beverage (including alcohol) industries.
- e) The performance of projects and installation work and the provision of all manner of technical assistance to other companies in the aforementioned industries; the creation, development, protection and use of patents, trademarks and other assets susceptible to intellectual property protection.
- f) Staff training, computer programming or management, investment and monetization of resources, advertising and image, transport, distribution and sale and marketing activities that are ancillary or complementary to the aforementioned activities.

The activities comprising the Group's corporate object may be carried on through the subscription or acquisition of shares or other equity interests in companies with an identical or similar corporate purpose.

Ebro Foods, S.A. is the parent of a consolidated group comprising it and its subsidiaries and associates (the Ebro Group or the Group) with which it has separately presented consolidated financial statements for 2022, which were authorised for issue by the Board of Directors of Ebro Foods, S.A. on 30 March 2023. The 2021 consolidated financial statements were approved at the Annual General Meeting held by Ebro Foods, S.A. on June 29, 2022 and duly filed with Madrid's Companies Register.

EBRO FOODS, S.A.

Notes to the financial statements for the year ended December 31, 2022 (Thousands of euros)

This fact should be taken into consideration in assessing the working capital position typical of year-end in the separate annual financial statements of Ebro Foods, S.A., which, as the Group's parent company, has the option of financing itself via dividends and additional bank or Group financing, among other alternatives.

The key figures contained in the 2022 and 2021 consolidated financial statements, which were drawn up in accordance with Final Provision Eleven of Spanish Law 62/2003, of December 30, under the International Financial Reporting Standards approved by the European Commission, are replicated below:

Thousands of euros	At 31/12/2022		At 31/12/2021	
Total assets		3,900,216		3,938,622
Equity:		2,198,280		2,133,190
- Attributable to equity holders of the parent	2,164,438		2,101,627	
- Attributable to non-controlling interest	33,842		31,563	
Revenue		2,967,672		2,427,068
Profit for the year:		138,648		250,246
- Attributable to equity holders of the parent	122,059		238,629	
- Attributable to non-controlling interests	12,589		11,617	

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

The figures provided in these financial statements are presented in thousands of euros, unless otherwise indicated.

Financial reporting framework applicable to the Company

The accompanying financial statements were authorised for issue by the directors in keeping with the financial reporting regulatory framework applicable to Company, namely:

- a) Spain's Code of Commerce and other company law
- b) Spain's General Accounting Plan, enacted by Royal Decree 1514/2007, as amended in 2021 by Royal Decree 1/2021, of January 12, and other prevailing company law.
- c) The binding rules issued by the ICAC (acronym in Spanish for the Audit and Accounting Institute) enacting the General Accounting Plan and its complementary rules and regulations.
- d) Other applicable Spanish accounting regulations.

Fair presentation

The accompanying financial statements were prepared from the Company's accounting records in keeping with the prevailing applicable financial reporting framework and, specifically, the accounting principles and criteria contained therein, to present fairly the Company's equity and financial position at year-end and financial performance and cash flows during the year.

EBRO FOODS, S.A.

Notes to the financial statements for the year ended December 31, 2022 (Thousands of euros)

These financial statements have been authorised for issue by the Company's directors and will be submitted for shareholder approval at the Annual General Meeting at which they are expected to be ratified without modification. The financial statements for 2021 were approved by shareholders at the Annual General Meeting held on June 29, 2022.

Comparative information

The information provided in these financial statements in respect of 2022 is presented to enable a reader comparison with the 2021 figures.

Critical issues concerning the measurement and estimation of uncertainty

The directors have prepared the Company's financial statements using estimates based on historical experience and other factors considered reasonable under the circumstances. The carrying amounts of assets and liabilities that are not readily apparent from other sources were established on the basis of those estimates. The Company reviews those estimates continually. However, given the uncertainty inherent in those estimates, there is a considerable risk that the carrying amounts of affected assets and liabilities may have to be significantly adjusted in the future should material changes occur in the assumptions, events or circumstances on which they were based.

In addition to other relevant information regarding the estimation of uncertainty at the reporting date, the key assumptions regarding the future that imply a risk that the carrying amounts of assets and liabilities may require material adjustment in the next financial year, are as follows:

Taxation

In accordance with prevailing tax legislation, tax returns cannot be considered final until they have been inspected by the tax authorities or until the four-year inspection period from the date of presentation of the respective returns has elapsed. The directors believe there are no contingencies that could give rise to material additional liabilities for the Company in the event of a tax inspection (Note 15).

Impairment of non-financial assets

Until December 31, 2015, the Company used to test its non-financial assets for signs of impairment annually. Specifically, indefinite-lived intangible were tested for impairment at least annually.

Since January 1, 2016, as provided for in Spanish Royal Decree 602/2016, of December 2nd, which introduces a change in the criteria applicable to the amortization of intangible assets, those assets are now subject to amortization on a straight-line basis over a 10-year period. Irrespective of the new amortization regime, those intangible assets are tested for signs of impairment annually, along with the rest of the Company's non-financial assets.

EBRO FOODS, S.A.

Notes to the financial statements for the year ended December 31, 2022 (Thousands of euros)

Deferred tax assets

Deferred tax assets are recognized on the basis of the Company's estimates regarding the probability of occurrence and level of future taxable profits (Note 15).

Provisions

The Company recognises provisions for liabilities in keeping with the accounting policy outlined in Note 4.o below. The Company has made judgements and estimates as to the likelihood that the provisioned liabilities will materialise, as well as the corresponding amounts, and has recognized provisions when the liability is deemed probable, estimating the cost that would be generated by the obligating event (Note 14).

Although the above-mentioned estimates were made on the basis of the best information available at year-end, events that take place in the future, specifically including events related with the COVID-19 situation and the war in Ukraine (outlined below), might make it necessary to revise them (upwards or downwards) in coming years. Any changes in accounting estimates would be applied prospectively.

COVID-19 and war in Ukraine Implications for the 2022 financial statements

With respect to the COVID-19 pandemic: the global economy continues to recover, albeit unevenly across the various countries and regions. As expected, 2022 was marked by extension of the gradual recovery in GDP embarked on in 2021, particularly in Europe and the Americas (and possibly for some of 2023, depending on the country and region).

After successive “waves” and variants between March 2020 and well into 2022, it is safe to say that by the end of 2022 things were virtually back the way they were before it all started (particularly in Europe and North America).

In Spain, a raft of urgent and extraordinary measures were passed to address the economic and social fallout from COVID-19. The majority of the Spanish population is currently vaccinated against the coronavirus. Other countries took similar actions, introducing their own measures.

With respect to the war in Ukraine: events in Ukraine, following military invasion by the Russian Federation on 24 February 2022, have sparked significant global uncertainty. The international community reacted swiftly, with many countries (including the European Union and United States) imposing sanctions on Russia and its people.

The difficulty in predicting how the conflict will end and its obvious geopolitical implications mean that it is not currently possible to reliably estimate what potential impact the conflict and the international response to it could have on the Group's businesses. The situation is affecting the availability and prices of certain commodities (those in which Russia and Ukraine are leading global producers and exporters, such as wheat and sunflower oil), energy prices and exchange rates.

EBRO FOODS, S.A.

Notes to the financial statements for the year ended December 31, 2022 (Thousands of euros)

In short, the post-pandemic era has been marked unanticipated economic developments such as global supply chain friction, energy inflation (oil, gas and electricity), financial market and exchange rate volatility and, ultimately, the war in Ukraine, which has ushered in a period of high inflation with scope for provoking recessionary episodes in Europe and the Americas and social tension, which have in turn triggered new monetary and economic policies in an attempt to curb and resolve the prevailing inflationary cycle. As a result, it is hard to estimate how these variables will evolve in the coming months.

Despite the uncertainty and impossibility of making reliable estimates, the Company's directors believe that the current situation and its consequences are not and should not have a material impact on the Company and its Group, underpinned primarily by the following considerations:

- The Group has no subsidiaries, branches or operations in the region affected by the armed conflict. The Group does not have (and has not had in the recent past) factories, customers or suppliers in Ukraine or Russia.
- Neither Russia nor Ukraine are or have been sources of wheat supply for the Group which, moreover, downsized its dry pasta business significantly in 2021 and 2020. As a result, its exposure to the potential impact of inflation in that commodity and its different variants is considered low (as it should not go beyond the indirect effect that the reduction of wheat exports from Russia and Ukraine could have on the prices of wheat sourced from other markets).
- With respect to the global economic impact, the type of products made by the Ebro Group makes its businesses more resilient during times of economic crisis. As a result, the Group does not anticipate a significant decrease in customer demand, loss of suppliers or other adverse effects on its supply and distribution channels.
- As for energy costs, the measures announced by the European Union and other countries with the aim of (i) reducing dependence on oil and gas sourced from Russia; and (ii) mitigating the effect of the conflict on energy costs, should mean that those potential increases will not have a very significant impact on the Group's businesses.

On the basis of the most updated information available, in order to duly reflect the prevailing and prospective impacts of the situation induced by COVID-19 and the war in Ukraine on the financial situation, performance and cash flows of Ebro Foods, S.A., the following specific disclosures are made:

1. To date there have been no material adverse impacts on the financial position, earnings performance or cash flows of Ebro Foods, S.A. or its consolidated Group.

EBRO FOODS, S.A.

Notes to the financial statements for the year ended December 31, 2022 (Thousands of euros)

2. Ebro Foods, S.A., in its capacity as the holding company for its group of subsidiaries and associates, does carry on industrial or sales activities directly. It has not therefore been directly impacted by the war. Nor has the Ebro Group sustained material adverse impacts. The reader is referred to the related disclosures made in the notes to the Group's 2022 consolidated financial statements.

3. The pandemic is under control in Europe and the US, while the war in Ukraine is having different impacts from one country to the next. Given the complexity of the situation and difficulty implicit in assessing the course the war will take, it is not presently possible to make a reliable quantitative estimate of its potential additional impact, if any, on Ebro Foods, S.A. or on its Group beyond December 31, 2022, which, if necessary, would be recognized prospectively in the 2023 financial statements.

4. Ebro Foods, S.A. continues to take the steps required to tackle the situation and minimize its impact. It believes that the situation is circumstantial and, based on its most recent estimates and its liquidity position as of the reporting date, will not compromise its ability to continue as a going concern.

Transactions concluded in 2022 that affect the basis of presentation

The Company did not undertake any transactions in 2022 or 2021 that affect the presentation or comparability of these financial statements.

Other transactions undertaken in prior years require specific disclosures in subsequent reporting periods, as outlined below:

- a) Merger by absorption of Productos La Fallera, S.A.:
Refer to the 2003 financial statements.

- b) Dissolution of Azucarera Ebro Agrícolas Gestión de Patrimonio, S.L. (GDP) transferring all of its assets and liabilities to Ebro Foods, S.A.:
Refer to the 2003 financial statements.

- c) Non-monetary contribution to Ebro Financial Corporate Services S.L.:
Refer to the 2012 financial statements.

- d) Liquidation of Azucarera Energías, S.A. in December 2015:
Refer to the 2015 financial statements.

- e) Liquidation of Beira Terrace Soc.de Const., Ltda. (Portugal), all of whose assets and liabilities were assigned to Ebro Foods, S.A. by way of liquidating dividend.
Refer to the 2019 financial statements.

EBRO FOODS, S.A.

Notes to the financial statements for the year ended December 31, 2022 (Thousands of euros)

3. APPROPRIATION OF PROFIT

	Amount (thousands of euros)
<u>Basis of appropriation:</u>	
Unrestricted reserves	1,036,271
Profit for the year (as per statement of profit or loss)	<u>214.562</u>
	<u><u>1,250,833</u></u>

The distribution of profit proposed by the directors of Ebro Foods, S.A. at a meeting of the Board of Directors held on December 21, 2022 for submission for ratification at the upcoming Annual General Meeting is as follows:

The profit generated by the Ebro Foods Group in 2022 makes it possible, as in prior years, to propose the payment of a cash dividend by Ebro Foods, S.A. with a charge against profit for the year, of 0.57 euros per share, payable in the course of 2023, in a total amount of 87,703 thousand euros (Note 12.g).

The dividend will be paid out in three equal instalments of 0.19 euros per share on April 3, June 30, and October 2, 2023.

Limitations on the distribution of dividends

The Company is obliged to transfer 10% of profit for the year to a legal reserve until that reserve reaches an amount equal to at least 20% of share capital. This reserve cannot be distributed to shareholders (Note 12.c) unless it exceeds and only in the amount by which it exceeds this 20% threshold.

Once the legal and bylaw-stipulated requirements have been met, dividends may be distributed against profit for the year or freely distributable reserves, so long as the value of equity is not lower than or would not fall below share capital as a result of the distribution. Any profit recognized directly in equity may not be distributed either directly or indirectly for such purposes. If prior-year losses were to reduce the Company's equity to below the amount of share capital, profit would have to be allocated to offset those losses.

4. RECOGNITION AND MEASUREMENT ACCOUNTING POLICIES

a) Intangible assets

Intangible assets are initially measured at either acquisition or production cost. The cost of intangible assets acquired in a business combination is their acquisition-date fair value.

Following initial recognition, they are stated at cost less accumulated amortization and any impairment losses.

Intangible assets are assets with a finite useful life and are therefore amortized on a straight-line basis as a function of their estimated useful life and residual value. Amortization methods and periods are reviewed at the end of each reporting period, and adjusted prospectively where applicable.

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Intangible assets are tested for impairment at least at each financial year-end and any impairment is recognized. Patents, licences and trademarks are amortized on a straight-line basis over their useful lives, generally 10 years, while computer software is amortized over an estimated useful life of four years.

b) Property, plant and equipment

Items of property, plant and equipment are initially recognized at either acquisition or production cost. The cost of property, plant and equipment acquired in a business combination is the fair value of the assets at the acquisition date. Following initial recognition, they are carried at cost less accumulated depreciation and any impairment losses.

The cost of assets acquired or produced since January 1, 2008 that require more than one year to get ready for use (qualifying assets) includes borrowing costs accrued prior to putting the assets to use whenever such expenses meet the capitalisation requirements.

Property, plant, and equipment likewise includes the initial estimate of the present value of asset dismantling or retirement obligations and other associated costs, such as the cost of restoring assets, when these obligations trigger the recognition of provisions.

Expenses for repairs that do not prolong the useful life of the assets, as well as maintenance expenses, are taken to profit and loss in the year incurred. Expenses incurred for expansion or improvements that increase the productivity or prolong the useful life of those assets are capitalized as an increase in the carrying amount of the item.

Depreciation charges are recognized in the statement of profit or loss. Assets are depreciated from when they are available for use.

Items of property, plant and equipment are depreciated on a straight-line basis over their respective estimated useful lives, taking into consideration actual depreciation sustained through operation, usage and wear and tear, as follows:

Depreciation rates	
Buildings	2.0% to 3.0%
Machinery, plant and tools	2.0% to 8.0%
Furniture and other fixtures	10.0% to 25.0%
Vehicles	5.5% to 16.0%

The Company reviews its material assets' residual values, useful lives and depreciation methods at each year-end and adjusts them prospectively where applicable.

c) Investment properties

Investment properties comprise land and buildings that are leased to third parties or not being used for operating purposes. Buildings so classified are depreciated on a straight-line basis over an estimated useful life of 50 years.

The measurement criteria applicable to property, plant and equipment apply in full to investment properties. Transfers are made to (or from) investment property only when there is a change in use.

d) Exchanges of assets

Assets acquired in exchange for other assets are analyzed individually to determine whether the related transaction has commercial substance.

When the transaction has commercial substance, the asset received is measured at the fair value of the asset given up, plus any monetary compensation where applicable, except for transactions for which the evidence supporting the fair value of the asset received is better, in which case this measurement is taken. Any valuation differences arising upon derecognition of the asset given up are recognized in the statement of profit or loss.

When the exchange does not have commercial substance or when the fair value of the assets exchanged cannot be reliably measured, the asset received is measured at the carrying amount of the asset given up, plus monetary consideration given, if any.

e) Impairment of non-current and non-financial assets

The Company assesses whether there is any indication that a non-current financial asset or cash-generating unit may be impaired at least at each reporting date. If there is any indication of impairment, the asset's recoverable amount is estimated.

The recoverable amount is the higher of fair value less costs to sell and value in use. When the carrying amount exceeds the recoverable amount, the asset is considered impaired.

Value in use is the present value of expected future cash flows, discounted using risk-free market rates, adjusted for the risks specific to the asset. For those assets that do not generate cash inflows that are largely independent of those from other assets or groups of assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses and any subsequent reversals are recognized in profit and loss. Impairment losses are reversed only if the circumstances giving rise to them have ceased to exist. Goodwill impairment losses are not reversed. Any such reversal is limited to the carrying amount that would have been determined had no impairment loss been recognized for the asset in question.

f) Leases

Leases are classified as finance leases when, based on the economic terms of the arrangement, substantially all the risks and rewards incidental to ownership of the leased item are transferred to the lessee. All other lease arrangements are classified as operating leases.

Company as lessee

Assets acquired under finance leases are classified by their nature within property, plant and equipment and are measured at the lower of the fair value of the leased property and the present value of the minimum lease payments; a corresponding financial liability is recognized in the same amount. Lease payments are apportioned between finance charges and reduction of the lease liability. Leased assets are depreciated, impaired and derecognized using the same criteria as apply to owned assets of a similar nature.

Operating lease payments are expensed in profit and loss as they accrue.

Company as lessor

Rental income from operating leases is recognized in the statement of profit or loss as accrued. Direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and are expensed over the term of the lease using the same criteria as are used to recognize lease income.

g) Financial assets

1) Classification and measurement

1.1) *Financial assets at fair value through profit or loss -*

This category includes financial assets originated or acquired principally for the purpose of selling them in the near future (*for example, debt securities, irrespective of their maturity, and listed equity instruments that are purchased for sale in the short term*). It also includes assets that are part of a portfolio of financial instruments identified or administered on a joint basis, for which there is evidence of recent action to obtain short-term profit, and derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

These financial assets are initially measured at fair value, which, unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration paid. Transaction costs that are directly attributable to their issuance are recognized in profit or loss in the year incurred.

Subsequent to initial recognition, the Company measures the financial assets included in this category at their fair value, recognizing changes in their fair value in profit or loss.

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Lastly, in addition to the above-listed financial instruments, any financial asset other than investments in a subsidiary, joint venture or associate may be designated at fair value through profit or loss upon initial recognition if management so decides when recognizing the asset for the first time.

1.2) Financial assets at amortized cost -

This category includes trade and non-trade receivables, specifically including financial assets originating from the sale of goods and provision of services in the ordinary course of business for which payment is deferred and financial assets that are not commercial in origin, are neither equity instruments nor derivatives, carry fixed or determinable payments and derive from loans or credit granted by the Company.

Upon initial recognition, these assets are recognized at fair value, which, unless there is evidence to the contrary, is the transaction price, deemed equivalent to the fair value of the consideration paid plus directly attributable transaction costs.

Nevertheless, trade receivables that mature within no more than a year from the reporting date with no explicit contractual interest rate, as well as advances and loans to employees, dividends receivable and called-up payments on equity instruments, the amount of which is expected to be realized in the short term, may be measured at their face value, provided that the effect of not discounting the cash flows is not material.

1.3) Financial assets at cost -

This category includes equity investments in group companies, joint ventures, and associates, other investments in equity instruments whose fair value cannot be determined by reference to a quoted price in an active market for an identical instrument or otherwise reliably estimated, and derivatives with such an investment as its underlying. Hybrid financial assets whose fair value cannot be reliably estimated, unless they meet the criteria for classification as financial assets at amortized cost. Contributions made under unincorporated joint venture and similar agreements.

Profit-participating loans in which interest payments are contingent either because the parties agree a fixed or variable rate conditional upon a specific milestone at the borrower (e.g., the generation of a profit) or because the interest is calculated exclusively by reference to the borrower's business performance. Any other financial asset which would initially fall into the fair value through profit or loss category when it is ultimately not possible to reliably estimate its fair value.

These assets are initially recognized at cost, which is equivalent to the fair value of the consideration delivered plus directly attributable transaction costs, additionally taking into consideration the criteria governing related-party transactions and the rules for determining the cost of a business combination, as required.

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The initially-recognized amount of an equity investment includes preferential subscription and similar rights acquired. Equity investments in group companies, joint ventures and associates are subsequently measured at cost less any accumulated impairment.

When an investment is newly classified as an investment in a subsidiary, joint venture or associate, its deemed cost is the carrying amount of that investment immediately prior to the reclassification.

The financial assets included in this category are subsequently measured at cost less any accumulated impairment.

In the case of equity investments in group companies that give control over the subsidiary, the fees paid to legal advisors and other professionals in connection with the acquisition have been recognized directly in the statement of profit or loss since January 1, 2010.

1.4) Financial assets at fair value through equity -

A financial asset is included in this category when the contractual terms of a financial asset give rise to payments on specific dates that are solely payments of principal and interest on the principal outstanding, it is not held for trading and cannot be classified at amortized cost.

In addition, the equity investments the Company decides not to include in financial assets at fair value through profit or loss may be classified in this category so long as management makes that irrevocable choice upon initial recognition.

1.5) Hedging derivatives -

Derivatives designated as hedging instruments.

Financial instruments that have been designated as hedging instruments or hedged items are measured as described in Note 4.j below.

2) Derecognition

Financial assets are derecognized when (i) the contractual rights to the related cash flows have expired; or (ii) when the assets have been transferred, provided that the risks and rewards incidental to ownership have been substantially transferred.

If the Company has neither substantially transferred nor retained the risks and rewards incidental to ownership of the financial asset, it is derecognized when control over the asset is relinquished. If control over the asset is retained, the Company continues to recognise it to the extent to which it is exposed to changes in the value of the transferred asset, i.e. to the extent of its continuing involvement, recognizing the associated liability as well.

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The difference between the consideration received, net of attributable transaction costs, including any new financial asset obtained less any liability assumed, and the carrying amount of the asset transferred, plus any cumulative gain or loss recognized directly in equity, determines the gain or loss generated upon derecognition, and is included in the statement of profit or loss for the year to which it relates.

The Company does not derecognise financial assets in respect of the sale of financial assets in which it has retained substantially the risks and rewards incidental to ownership, such as discounted bills, recourse factoring arrangements, disposals of financial assets under repurchase agreements at fixed prices or at the sale price plus interest, and securitisations of financial assets in which it retains subordinated financing or other types of guarantees that substantially absorb all the estimated losses. In those instances, it recognises a financial liability at an amount equal to the consideration received.

3) Interest and dividend income generated by financial assets

Interest and dividends accrued on financial assets subsequent to their acquisition are recognized as income; specifically, dividends and finance income received from Group companies are classified as revenue in the statement of profit or loss. Interest is recognized using the effective interest rate method; dividends are recognized when the right to receive them is established.

To this end, financial assets are recognized separately upon initial measurement based on maturity, accrued explicit interest receivable at that date, and the dividends approved by the competent governing body up to the date the assets are acquired. Explicit interest refers to the contractual interest rate applied to the financial instrument.

In addition, when distributed dividends are derived unmistakably from profit generated prior to the date of acquisition, based on the conclusion that the amounts distributed exceed the profit generated by the investee and its subsidiaries (in the case of subgroups) since acquisition, the dividends are not recognized as revenue but rather as a decrease in the carrying amount of the investment.

4) Reclassification of financial assets

When the Company's business model for managing financial assets changes it reclassifies all of the assets affected in keeping with the criteria outlined above. A category reclassification does not imply a derecognition but rather a change of measurement criteria and is accounted for prospectively.

h) Impairment of financial assets

The carrying amount of financial assets is adjusted against profit and loss when there is objective evidence of an impairment loss.

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To determine whether its financial assets may be impaired, the Company tests individual assets and portfolios of assets with similar risk traits for impairment.

Financial assets at amortized cost

At least at every year-end, the Company checks for objective evidence of impairment of an individually assessed financial asset or a group of financial assets with similar credit risk characteristics as a result of one or more events occurring after initial recognition that has the effect of reducing the estimated future cash flows due to impaired debtor creditworthiness.

Any required financial asset impairment allowances are calculated as the difference between the carrying amount of the assets and the present value of estimated future cash flows (including cash flows expected from the foreclosure of any collateral), discounted at the effective interest rate prevailing at the initial recognition date.

Impairment allowances and any subsequent reversals (when the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized) are recognized as an expense or as income, respectively, in profit or loss. The reversal is limited to the amount at which the asset would have been recognized at the reversal date had no impairment loss been recognized.

Financial assets at cost

Investments in equity instruments are tested for impairment at least at each reporting date and the corresponding impairment losses are recognized when there is objective evidence that the carrying amount of an investment may not be recoverable.

Impairment of financial assets is recognized at the difference between their carrying and recoverable amounts, the latter understood as the higher of fair value less costs to sell and the present value of expected future cash flows from the investment, which in the case of equity instruments is calculated either by estimating the cash flows from the dividends to be received from the investee and the proceeds from the ultimate disposal of the investment or by estimating the Company's share of expected cash flows from the investee's operations and the proceeds from its ultimate disposal.

Financial assets at fair value through equity

In the case of equity instruments measured at fair value through equity, impairment allowances are measured at the difference between acquisition cost and fair value, less any previously recognized impairment losses. Unrealized capital losses deferred in equity are recognized immediately in profit or loss whenever it is deemed that such losses reflect a decline in fair value resulting from impairment.

In the case of equity instruments, impairment allowances give rise to a new cost basis for the impaired asset that provides the benchmark going forward for determining whether the investment has sustained additional permanent impairment and recognizing the related allowances. If, in a subsequent period, impairment allowances are partially or totally reversed, a valuation adjustment is recognized for the related amount in equity.

i) Financial liabilities

1) Classification and measurement

1.1) *Financial liabilities at amortized cost -*

These instruments include financial liabilities generated by the purchase of goods and services in the ordinary course of the Company's business with deferred settlement and non-trade payables that are not derivative instruments.

Profit-participating loans with characteristics akin to an ordinary loan are also included in this category, even if the interest rate agreed is a below-market rate or a rate of zero.

Upon initial recognition, they are recognized at fair value, which, barring evidence to the contrary, is the transaction price, deemed equivalent to the fair value of the consideration received, adjusted by directly attributable transaction costs.

Nevertheless, trade payables that mature within less than one year with no contractual interest rate, as well as called-up payments on shares, payment of which is scheduled in the short term, may be carried at their face value when the effect of not discounting the cash flows is not significant.

Subsequent to initial recognition, these financial liabilities are measured at amortized cost. Accrued interest is recognized in profit and loss using the effective interest rate method.

However, payables that mature no more than one year from the reporting date and are carried at face value, as outlined above, continue to be measured at that amount.

1.2) *Financial liabilities at fair value through profit or loss -*

This category includes financial liabilities issued with the intention of buying them back in the near term and derivative instruments that have not been designated as hedging instruments.

These financial liabilities are initially measured at fair value, which, unless there is evidence to the contrary, is the transaction price, which is equivalent to the fair value of the consideration paid. Transaction costs that are directly attributable to their issuance are recognized in profit or loss in the year incurred.

Subsequent to initial recognition, the Company measures the financial liabilities included in this category at their fair value, recognizing changes therein in profit or loss.

**Notes to the financial statements for the year ended December 31, 2022
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1.3) Hedging derivatives -

Derivatives designated as hedging instruments. Financial instruments that have been designated as hedging instruments or hedged items are measured as described in Note 4.j below.

2) Derecognition

The Company derecognizes a financial liability when the obligation under the liability has been extinguished.

When debt instruments are exchanged, insofar as their contractual terms are substantially different, the original financial liability is derecognized and a new financial liability is recognized. Financial liabilities whose contractual terms are substantially modified are treated in the same manner.

The difference between the carrying amount of the derecognized financial liability (or part thereof) and the consideration paid, including any attributable transaction costs, which extends to any asset transferred other than cash and/or any liability assumed, is recognized in the statement of profit or loss in the year to which it relates.

When debt instruments are exchanged for other instruments whose contractual terms are not substantially different, the original financial liability is not derecognized and the commissions paid are recognized as a correction to the carrying amount. The new amortized cost of the financial liability is determined by applying the effective interest rate, namely that which equates the carrying amount of the financial liability on the modification date to the cash flows to be paid as per the new terms.

j) Hedge accounting

The Company typically arranges fair value hedges in respect of its foreign currency-denominated accounts receivable and cash flow hedges on loans arranged at floating rates and also hedges its net investments in its US subsidiaries.

Transactions are only designated as hedges when they effectively eliminate any risk inherent to the hedged item or position throughout the duration of the hedge, which means that the hedging item must be deemed highly effective at the inception of the contract (prospective effectiveness) and there must be sufficient evidence that the hedge has been effective throughout the life of the hedge (retrospective effectiveness).

The Company adequately documents its hedges, including how they are intended to achieve and measure effectiveness under current risk management policies.

To test its hedges for effectiveness, the Company verifies the actual results of the hedge, i.e., that the changes in the cash flows of the hedged item are offset by changes in the cash flows of its hedging instrument within a range of 80% and 125% throughout the life of the hedge, effectively delivering the forecasts established at inception.

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If this correlation ceases to hold at any time, hedge accounting is discontinued and the hedges are reclassified as trading derivatives.

For measurement purposes, the Company classifies its hedges into three categories:

- **Fair value hedges:** These arrangements hedge the risk of variations in the fair value of accounts receivable as a result of changes in exchange rates. The changes generated by exchange differences in respect of both the hedging instrument and the hedged item are recognized in profit or loss.
- **Cash flow hedges:** These instruments hedge the risk of variations in cash flows attributable to changes in the interest rates borne on loans taken on. The Company uses interest rate swaps to exchange floating for fixed rates. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized temporarily in equity; the cumulative gain or loss is reclassified to profit or loss in the year or years in which the hedged transaction affects profit or loss.
- **Hedges of net investments in foreign operations:** These instruments hedge the foreign currency risk associated with the Company's net investments in its US subsidiaries. These hedges take the form of the dollar-denominated loans used to finance the acquisition of these businesses. The exchange gains and losses arising on both the hedging instrument and the US investments are recognized in profit or loss.

k) Fair value estimation

The fair value of financial instruments is determined as follows:

- The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market prices.
- Where there is no active market, fair value is determined using valuation techniques based on market assumptions at the time of the measurement, specifically discounted cash flow analysis using market discount rates and, in the case of options, factoring in the volatilities implicit in the market participants' prices.

Non-current financial assets

There is no difference between the fair value and carrying amount of non-current loans granted since they all accrue interest at floating rates.

Since it is usually not possible to measure the fair value of shareholdings in unlisted companies reliably, these investments are measured at cost, or below cost if there is evidence of impairment.

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Trade receivables

For receivables due in less than one year, the Company estimates that the carrying amount is a reasonable approximation of fair value.

Current financial assets

There is no difference between the fair value and carrying amount of current loans granted since they all accrue interest at market rates. For current financial assets, as their maturity is close to the financial year-end, the Company considers their carrying amount to be a reasonable approximation of fair value.

Bank borrowings

For current and non-current bank borrowings there is no significant difference between fair value and carrying amount since all these borrowings carry interest at market rates.

Trade and other payables

The Company considers the carrying amount of these headings to be a reasonable approximation of fair value.

Fair value of financial instruments

The fair values of current and non-current financial assets and liabilities do not differ significantly from their respective carrying amounts.

The Company used the three following fair value hierarchies, based on the relevance of the variables used, to measure the fair value of its financial instruments:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.
- Level 2: estimates based on quoted prices in active markets for similar instruments or by means of other valuation techniques for which all of the significant inputs are based on market data that are observable either directly or indirectly.
- Level 3: estimates in which at least one significant input is not based on observable market data.

I) Own shares

Own shares are recognized at the amount of consideration delivered; they are recognized in equity (as a deduction) when they are acquired, and no gain or loss is recognized in the statement of profit or loss when they are sold or cancelled. The costs incurred to trade in own shares are recognized directly in equity as a deduction from reserves.

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m) Cash and cash equivalents

This heading includes cash, current accounts, short-term deposits and purchases of assets under resale agreements that meet the following criteria:

- They are readily convertible to cash.
- They mature within less than three months from the acquisition date.
- The risk of change in value is insignificant.
- They are part of the Group's standard cash management strategy.

For cash flow statement purposes, occasional bank overdrafts used as part of the Company's cash management strategy are recognized as a decrease in cash and cash equivalents.

n) Grants

Grants are classified as non-repayable once the terms attaching to their award have been met. They are recognized directly in equity, net of the corresponding tax effect.

Repayable grants are recognized as liabilities by the Company until deemed non-repayable; no income is recorded until that point.

Grants received to finance specific expenses are recognized as income over the periods necessary to match them with the related costs which they are intended to compensate. Grants received to acquire property, plant and equipment are released to income in proportion to the related depreciation charges.

o) Provisions and contingencies

Provisions are recognized on the balance sheet when the Company has a present obligation (legal or constructive, explicit or implicit) arising from past events, settlement of which is expected to result in an outflow of resources embodying economic benefits that can be measured reliably.

Provisions are measured at the present value of the best possible estimate of the amount needed to cancel the obligation or transfer it to a third party, recognizing the increase in the carrying amount of the provision due to the passage of time as borrowing cost. Provisions due to be settled within twelve months are not discounted if the impact of not doing so is not material. Provisions are reviewed at each reporting date and adjusted to reflect the best estimate of the liability at each review date.

p) Provisions for long-term employee benefits

Under its prevailing collective bargaining agreements and other non-binding agreements, the Company is obliged to make annual supplementary payments of various kinds and other bonuses for long service and retirement, where applicable, to its permanent employees upon retirement at the legally stipulated age or early retirement. At present, the Company only has these commitments with some of its current employees.

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The provision recognized for long-service bonuses represents the present value, calculated using actuarial studies performed by independent experts, of the potential future payments to these employees.

The post-employment and similar obligations have been externalized as stipulated under prevailing legislation. Since externalising this obligation, the Company is committed to making annual contributions to the externalized pension fund in an estimated amount that is not material in respect of the universe of employees affected.

In addition, the Company grants its employees certain voluntary retirement bonuses of undetermined amount. Those bonuses, which are scanty material, are recognized as an expense when they are paid.

q) Income tax

Income tax expense for the year is calculated as the sum of current tax resulting from applying the corresponding tax rate to taxable profit for the year, less any applicable tax credits, taking into account changes during the year in recognized deferred tax assets and liabilities. The corresponding tax expense is recognized in the statement of profit or loss, except when it relates to transactions recognized directly in equity, in which case it is likewise recognized in equity, and when it relates to business combinations, in which case it is recognized with a charge or credit to goodwill.

Deferred income tax is recognized using the liability method on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts. The tax base of an asset or liability is the amount attributed to it for tax purposes.

The tax effect of temporary differences is included in "Deferred tax assets" or "Deferred tax liabilities" on the balance sheet, as applicable. The Company recognizes deferred tax liabilities in respect of all taxable temporary differences, except as stipulated in prevailing legislation.

The Company recognizes deferred tax assets for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred assets are recognized to the extent that it is probable that taxable profit will be available against which the deferred tax assets can be utilized, except where disallowed by prevailing tax legislation.

At each reporting date the Company reassesses recognized and unrecognized deferred taxes. Based on the outcome of that assessment, the Company derecognizes a previously recognized deferred tax asset if its recovery is no longer deemed probable, and recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates expected to apply in the period in which they reverse, as required by enacted tax laws, and in the manner in which it reasonably expects to recover or settle the deferred tax asset or liability, respectively.

Deferred tax assets and liabilities are not discounted and are classified as non-current assets or non-current liabilities, respectively.

r) Distinction between current and non-current

A distinction is made between current and non-current assets and liabilities in the balance sheet. An item is classified as current if it is associated with the Company's normal operating cycle and its realization, sale or consumption is expected to occur within that cycle; falling beyond this scope, if its realization is expected to occur within twelve months of the reporting period; if it is held primarily for the purpose of trading; or if it is cash or a cash equivalent, so long as its use is not restricted for more than one year.

s) Income and expense

Revenue and expenses are recognized on an accruals basis, regardless of when actual payment or collection occurs.

Revenue from sales of goods and rendering of services

Revenue is recognized when control over the promised goods or services has been transferred to the customer. At that point, the Company recognises revenue at the amount of consideration received or receivable in exchange for those goods and services. Applicable indirect taxes on transactions which are reimbursed by third parties are not included.

In recognizing revenue for accounting purposes, the Company follows a multi-step process:

- a) It identifies the contract(s) with its customers.
- b) It identifies the performance obligation(s) in the contract(s).
- c) It determines the transaction price.
- d) It allocates the transaction price to the performance obligation(s).
- e) It recognises revenue when (or as) it performs the performance obligation(s).

The Company's key sources of revenue are the dividends paid by its subsidiaries and the IT services it provides to its subsidiaries. The IT services provided are governed by one-year agreements that are automatically rolled over each year; those contracts feature a fixed price. The services are provided and consumed over the course of the one-year provision period and are not subject to price variability, so that it is assumed that the contracts cannot be modified during the provision period (of one year).

t) Discontinued operations

The income and expenses of discontinued operations are included in a single line item, net of the corresponding tax effect, under "Profit/(loss) for the year from discontinued operations, net of income tax". This heading also includes the after-tax gain or loss recognized upon measuring the assets or disposal groups constituting the discontinued operation at fair value less costs to sell.

u) Foreign currency transactions

The Company's functional and presentational currency is the euro.

Transactions in foreign currency are initially translated at the spot rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the spot rate prevailing at the reporting date. All exchange gains or losses arising from translation as well as those resulting from settlement of balance sheet are recognized in profit or loss in the year in which they arise.

Non-monetary items measured at historical cost are translated at the exchange rate prevailing on the date of the transaction. As an exception, as indicated in Note 4.j above, valuation adjustments deriving from the impact of exchange rate movements on the Company's US subsidiaries are recognized by restating the value of these net investments with a credit or charge in profit or loss.

Non-monetary items measured at fair value are translated at the exchange rate prevailing when fair value is determined. When a gain or loss on a non-monetary item is recognized directly in equity, any exchange component of that gain or loss is similarly recognized in equity; conversely, when the gain or loss is recognized in profit or loss, any exchange component is recognized in the statement of profit or loss.

v) Environmental assets and liabilities

Expenses relating to decontamination and restoration work in contaminated areas, as well as the elimination of waste and other expenses incurred to comply with environmental legislation are expensed in the year to which they relate, unless they correspond to the purchase of assets for the purpose of long-standing use in its business operations whose main purpose is to minimize environmental damage and/or enhance environmental protection, in which case they are recognized in the corresponding heading within "Property, plant and equipment" and are depreciated using the same criteria as other assets so classified.

x) Termination benefits

Under prevailing legislation, the Company is obliged to pay severance to employees that are discontinued under certain circumstances. Termination benefits that can be reasonably estimated are recognized as an expense in the year in which the redundancy decision is taken.

y) Related-party transactions

The Company conducts all related-party transactions on an arm's length basis. In addition, its transfer prices are duly documented so that the Company's directors do not believe there is a significant risk of related liabilities going forward.

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5. INTANGIBLE ASSETS

The reconciliation of the carrying amounts of the various items comprising intangible assets at the beginning and the end of 2022 and 2021 is as follows:

<u>Carrying amounts</u>	Trademarks & patents	Computer software	Total
Balance at December 31, 2020	3,930	1,272	5,202
Balance at December 31, 2021	14,356	952	15,308
Balance at December 31, 2022	12,418	644	13,062

<u>Gross carrying amounts</u>	Trademarks & patents	Computer software	Total
Balance at December 31, 2020	13,109	4,482	17,591
Business combinations			0
Additions	11,500	91	11,591
Decreases			0
Translation differences			0
Transfers	1	(1)	0
Balance at December 31, 2021	24,610	4,572	29,182
Business combinations			0
Additions		106	106
Decreases			0
Translation differences			0
Transfers			0
Balance at December 31, 2022	24,610	4,678	29,288

<u>Amortization and impairment charges</u>	Trademarks & patents	Computer software	Total
Balance at December 31, 2020	(9,179)	(3,210)	(12,389)
Business combinations			0
Additions	(1,075)	(410)	(1,485)
Decreases			0
Translation differences			0
Transfers			0
Balance at December 31, 2021	(10,254)	(3,620)	(13,874)
Business combinations			0
Additions	(1,938)	(414)	(2,352)
Decreases			0
Translation differences			0
Transfers			0
Balance at December 31, 2022	(12,192)	(4,034)	(16,226)

At year-end 2022, the Company had patents and trademarks with an original cost of 1,649 thousand euros (year-end 2021: 1,649 thousand euros) and computer software with an original cost of 3,114 thousand euros (year-end 2021: 2,691 thousand euros) still in use that were fully amortized.

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Notes to the financial statements for the year ended December 31, 2022 (Thousands of euros)

There were no significant movements under this heading in 2022. The only movement of significance in 2021 was the acquisition of the Kohinoor rice trademark for use in Europe and the UK for 11,500 thousand euros.

None of the Company's intangible assets is located outside Spain other than the Portuguese brand "Saludaes", the Dutch brand "Lassie", both acquired in 2011, and the Kohinoor brand (for use in continental Europe and the UK), acquired in 2021. The Company was not party to any firm commitments for the acquisition of intangible assets at either year-end.

In 2022, the Company recognized 2,352 thousand euros of amortization charges in respect of these intangible assets (2021: 1,485 thousand euros); it did not recognize any impairment losses on these assets in either reporting period.

Although the Company did not identify potential indications that their carrying amount could exceed their fair value in 2022, it tested its brands for impairment at both year-ends. The main assumptions made to test those brands for impairment are detailed next. The recoverable amount of the Company's trademarks and brands was determined by calculating their value in use, using cash flow projections that are based on budgets that cover a five-year horizon and are then projected for another five years. The table below presents the discount rates used to discount these assets' projected cash flows for the initial five-year projection period and the medium- to long-term growth rates used to extrapolate the cash flows for each CGU beyond that horizon:

	Pre-tax discount rate		Post-tax discount rate		Growth rate "g"	
	2022	2021	2022	2021	2022	2021
Lassie	9.00%	5.58%	7.38%	5.25%	2.50%	2.00%
Saludaes	10.25%	5.64%	8.63%	6.25%	2.35%	1.90%
Kohinoor	10.38%	-	8.38%	-	2.55%	-

With respect to the assumptions used to calculate these brands' value in use, management believes that no reasonably-possible change in the key assumptions used would cause their carrying amounts to significantly exceed their recoverable amounts, indicating the need to recognise additional impairment losses.

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6. INTANGIBLE ASSETS

The reconciliation of the carrying amounts of the various items comprising property, plant and equipment at the beginning and the end of 2022 and 2021 is as follows:

<u>Carrying amounts</u>	Land	Buildings	Plant and other PP&E	In progress and prepayments	Total
Balance at December 31, 2020	0	0	723	0	723
Balance at December 31, 2021	0	0	671	0	671
Balance at December 31, 2022	0	0	718	0	718

<u>Gross carrying amounts</u>	Land	Buildings	Plant and other equipment	In progress	Total
Balance at December 31, 2020	0	0	5,706	0	5,706
Additions			171		171
Decreases					0
Transfers					0
Balance at December 31, 2021	0	0	5,877	0	5,877
Additions			306		306
Decreases					0
Transfers					0
Balance at December 31, 2022	0	0	6,183	0	6,183

<u>Accumulated depreciation</u>	Land	Buildings	Plant and other equipment	In progress	Total
Balance at December 31, 2020	0	0	(4,983)	0	(4,983)
Additions			(223)		(223)
Decreases					0
Transfers					0
Balance at December 31, 2021	0	0	(5,206)	0	(5,206)
Additions			(259)		(259)
Decreases					0
Transfers					0
Balance at December 31, 2022	0	0	(5,465)	0	(5,465)

There were no significant movements under this heading in 2022 or 2021.

According to the directors' estimates and projections, there are no indications that its property, plant or equipment may be impaired. The Company has taken out insurance policies to cover the carrying amount of its property, plant and equipment. The breakdown at year-end of the original cost of fully-depreciated items of property, plant and equipment still in use is shown in the next table:

	<u>2022</u>	<u>2021</u>
Other fixtures, tools and furniture	2,314	2,363
Other assets	2,469	2,231

There were no firm commitments for the acquisition of material amounts of property, plant and equipment at either year-end. No material items of property, plant or equipment are located outside Spain.

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Notes to the financial statements for the year ended December 31, 2022 (Thousands of euros)

Operating leases

The Company leases its head offices in Madrid under an agreement in force until April 1, 2024, and its Barcelona office under an agreement that terminates on March 1, 2023. These leases are rolled over automatically (tacitly in some cases) if neither party gives termination notice. There are no material contingent payments under these leases. Expenditure under operating leases (including rent and general expenses) totalled 1,233 thousand euros in 2022 (2021: 1,069 thousand euros). The future minimum payments under the Company's non-cancellable operating leases at December 31, 2022 break down as follows:

	31/12/2022	31/12/2021
Within one year	1,004	959
Between one and five years	366	185
More than five years	7	0
	1,377	1,144

7. INVESTMENT PROPERTIES

The reconciliation of the carrying amounts of the Company's investment properties at the beginning and the end of 2022 and 2021 is as follows:

<u>Carrying amounts</u>	Land	Buildings	Total
Balance at December 31, 2020	7,276	1,233	8,509
Balance at December 31, 2021	7,273	1,205	8,478
Balance at December 31, 2022	7,273	1,191	8,464

<u>Gross carrying amounts</u>	Land	Buildings	Total
Balance at December 31, 2020	7,276	1,596	8,872
Additions			0
Decreases	(3)	(25)	(28)
Balance at December 31, 2021	7,273	1,571	8,844
Additions			0
Decreases			0
Balance at December 31, 2022	7,273	1,571	8,844

<u>Accumulated depreciation</u>	Land	Buildings	Total
Balance at December 31, 2020	0	(363)	(363)
Additions		(15)	(15)
Decreases		12	12
Balance at December 31, 2021	0	(366)	(366)
Additions		(14)	(14)
Decreases			0
Balance at December 31, 2022	0	(380)	(380)

There were no material movements under this heading in 2022. The only movement of significance in 2021 was the sale of a small property in Barcelona, which generated a gain of 264 thousand euros.

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Except for a small property in Portugal, the Company has no investment properties outside of Spain. The original cost of fully-depreciated investment properties still in use was 81 thousand euros at both year-ends. The expenses associated with these properties related to their upkeep and the related depreciation charges. Maintenance expenses totalled 203 thousand euros in 2022 (2021: 191 thousand euros). All expenses are recognized in the statement of profit or loss as accrued. The Company has no contractual obligations to acquire, build on or develop its investment properties or to repair, maintain or upgrade them.

The breakdown of the future minimum payments receivable under non-cancellable operating leases at year-end is as follows:

	Year-end 2022	Year-end 2021
Within one year	91	89
Between one and five years	0	0
More than five years	0	0
	<u>91</u>	<u>89</u>

There are no restrictions on the monetization of the Company's investment properties or any proceeds from their disposal.

8. NON-CURRENT INVESTMENTS IN GROUP COMPANIES AND ASSOCIATES

The reconciliation of the carrying amounts of the Company's investments in Group companies at the beginning and end of 2022 and 2021 is as follows:

ITEM	Balance at 31/12/2020	Increases	Decreases	Transfers	Balance at 31/12/2021
Equity investments in group companies	1,879,926	338,051	(440,838)	0	1,777,139
Equity investments in associates	31,615	0	0	0	31,615
Provision for impairment	(47,586)	0	4,500	0	(43,086)
	1,863,955	338,051	(436,338)	0	1,765,668
Loans to group companies	200,000	118,662	(200,000)	0	118,662
TOTAL INVESTMENTS IN GROUP COMPANIES AND ASSOCIATES	2,063,955	456,713	(636,338)	0	1,884,330

ITEM	Balance at 31/12/2021	Increases	Decreases	Transfers	Balance at 31/12/2022
Equity investments in group companies	1,777,139	82,245	0	0	1,859,384
Equity investments in associates	31,615	0	0	0	31,615
Provision for impairment	(43,086)	0	28,517	0	(14,569)
	1,765,668	82,245	28,517	0	1,876,430
Loans to group companies	118,662	0	(118,662)	0	0
TOTAL INVESTMENTS IN GROUP COMPANIES AND ASSOCIATES	1,884,330	82,245	(90,145)	0	1,876,430

a) Equity instruments in Group companies:

The main changes in each year are as follows:

2022

1. In 2022, the Company's equity investment in Riviana Foods Inc. increased by 12,353 thousand euros. The original cost basis of the investment (acquisition cost) is 526,639 thousand euros. However, this financial asset is a designated hedged item; the hedging item, which is effective, is the loan taken on to fund the acquisition; accordingly, the changes in value arising between its original cost in US dollars and its euro equivalent give rise to adjustments in this cost basis.

The corresponding adjustment in 2022 was an increase of 12,353 thousand euros, which was recognized as a gain in the statement of profit or loss; the accumulated net gain at year-end stood at 51,410 thousand euros (Note 9.2.c).

2. The Company's investment in Ebro Premium Food (France) increased by 69,892 thousand euros due to a capital increase by that investee (refer to paragraph 5 and section c) of this note).

2021

3. In 2021, the Company's equity investments in group companies increased by 11,245 thousand euros as follows: The original cost basis of the investment in Riviana Foods Inc. (acquisition cost) is 526,639 thousand euros. However, this financial asset is a designated hedged item; the hedging item, which is effective, is the loan taken on to fund the acquisition; accordingly, the changes in value arising between its original cost in US dollars and its euro equivalent give rise to adjustments in this cost basis.

The corresponding adjustment in 2021 was an increase of 11,245 thousand euros, which was recognized as a gain in the statement of profit or loss; the accumulated net gain at year-end 2021 stood at 39,057 thousand euros.

4. On July 26, 2021, Ebro Foods, S.A. received a binding offer from CVC Capital Partners VIII and decided to give that candidate exclusivity in relation to the sale of Panzani's dry pasta, semolina, couscous and sauce business in France. Execution of the sale was subject, among other formalities and closing conditions customary in transactions of this kind, to approval at the Annual General Meeting of Ebro Foods, S.A., which was obtained on December 15, 2021.

The transaction closed on December 31, 2021 and materialised in the sale of 100% of the shares of Panzani SAS. The business sold was valued at 550 million euros (value of 100% of the business, before possible adjustments for debt and working capital) and its sale generated a provisional cash inflow of 549 million euros (the definitive calculation of those adjustments during the first half of 2022 had the effect of reducing that provisional price by 749 thousand euros).

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Given that Panzani carried on other businesses that were not sold (fresh pasta and rice), prior to completion of the sale, steps were taken to de-merge those businesses and retain them under the Ebro Group's control (see below). Following that transaction, the Ebro Group continues to have a strong presence in France, specifically including leadership positions in the rice segment (with the Taureau Aile® and Lustucru® brands) and in the dry pasta business (Lustucru®), so cementing and extending its strategy of focusing on faster-growing markets in which it commands global leadership positions.

The gain generated by that sale for the Company in 2021 (before tax effects) was 327.6 million euros; the value of the instruments derecognized (as provided for in the Resolution issued by the Spanish Audit and Accounting Institute (ICAC) on 5 March 2019 on owner accounting for de-mergers) was quantified at the proportion between the fair value of the assets de-merged or sold and the fair value of the businesses retained. Irrespective of the accounting treatment emanating from the economic substance of the transaction, for legal purposes, the sale materialised in the distribution of a dividend after execution of the share purchase agreement but prior to the sale close in the amount of 224.4 million euros.

5. As a result of the events narrated in paragraph 4 above, as at December 31, 2022 and 2021, the investment in group companies held by the Company in businesses in France corresponds to a 100% interest in Ebro Premium Food (formerly, LTL, a 100%-owned subsidiary of Panzani SAS). Ebro Premium Food is the holding company which now encompasses all the French fresh pasta and rice businesses retained by Ebro. Following the sale, the remaining investment in the former Panzani subgroup stood at 326,806 thousand euros at December 31, 2021 (before the capital increase completed in 2022; refer to paragraph 2) and 396,698 thousand euros at December 31, 2022.

b) Equity instruments in associates:

The 31,615 thousand euro investment corresponds to a 40% equity interest in Italy's Riso Scotti S.p.A. In August 2013, the Company acquired 25% of this Italian company from the Scotti Group. In 2016, it increased its shareholding to 40%.

The Scotti Group is an Italian group specialized in the production and processing of rice. It is the leading maker of risotto rice in Italy and boasts a broad portfolio of products that it sells under the Scotti brand in more than 70 markets. This portfolio includes multiple value-added products (rice and soy milk, rice biscuits, rice oils, ready meals, etc.) that represent a modern take on Italian cuisine and are targeted at the premium segment. The Company's 40% interest in the Scotti Group is accounted for as an investment in an associate.

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Notes to the financial statements for the year ended December 31, 2022 (Thousands of euros)

c) Non-current loans to group companies:

On December 31, 2021, a credit agreement was arranged with the Group's French subsidiary, Ebro Premium Food (formerly, LTL, SAS), in the amount of 118,662 thousand euros, as a result of the restructuring work undertaken prior to the sale of Panzani, SAS. In 2022, that loan was partially capitalized by means of a capital increase at that investee (refer to paragraph 2.a) of this note) and the remainder was collected by the Company.

d) Impairment losses:

In 2022, the Company reversed the 28,517 thousand euros impairment allowance recognized against its investment in Ebro Foods, GmbH due to the revaluation of that investment. The decrease in 2021 corresponded to the derecognition of 4,500 thousand euros of the allowance previously recognized against the Company's investment in Ebro Frost NA, Inc. (USA), following the recovery in the value of that investment.

The earnings of the group companies indicated in the table at the end of this Note correspond in their entirety to continuing operations.

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The direct investments held by Ebro Foods, S.A. in group companies and associates at December 31, 2022 (none of the group companies being listed other than Ebro Foods, S.A. itself) are:

SUBSIDIARIES AND ASSOCIATES	Investment	Impairment losses	% Shareholding	Registered office	Business activity	(a) Capital & reserves	(a) Profit/(loss) 2022	Dividend paid in 2022	Total equity	Op. profit/ (loss)
Dosbio 2010, S.L.	22,297	(14,569)	100.00%	Madrid (Spain)	Flour production	7,944	21	-	7,965	0
Fincas e Inversiones Ebro, S.A.	4,926	-	100.00%	Madrid (Spain)	Agricultural holding	7,447	34	-	7,481	45
Arotz Foods, S.A.	22,864	-	100.00%	Madrid (Spain)	Tinned vegetables	33,023	601	-	33,624	549
Herba Foods S.L.	59,695	-	100.00%	Madrid (Spain)	Investment management	133,663	1,631	-	135,294	510
Herba Ricemills S.L.	153,451	-	100.00%	Madrid (Spain)	Production and sale of rice	236,696	8,907	-	245,603	19,214
Herba Nutrición S.L.	526	-	100.00%	Madrid (Spain)	Production and sale of rice	9,814	2,262	-	12,076	2,980
Fundación Ebro	0	-	100.00%	Madrid (Spain)	Foundation	301	0	-	301	0
Ebro Financial Corporate Services, S.L.	150,003	-	100.00%	Madrid (Spain)	Financial and insurance management	157,711	844	-	158,555	(293)
Harinas Santa Rita, S.A.	4,778	-	52.00%	Guadalajara (Spain)	Production and sale of flour	9,266	266	(116)	9,416	689
Riceland, Kft. (*)	597	-	20.00%	Budapest (Hungary)	Production and sale of rice	2,689	283	-	2,972	389
Riviana Foods Inc. (Group) (**)	578,049	-	84.47%	Houston, Texas (USA)	Production and sale of rice and pasta	1,249,208	65,057	(207,943)	1,106,322	73,102
Ebro Premium, SAS (Group)	396,698	-	100.00%	Lyon (France)	Production and sale of fresh pasta	302,080	(3,097)	-	298,983	10,565
Ebro Foods, GmbH (Group) (***)	87,078	-	68.90%	Germany	Production and sale of pasta and sauces	87,576	5,395	-	92,971	9,750
Ebro Foods Alimentación, S.A.	0	-	100.00%	Mexico	Sale and marketing of rice	133	(11)	-	122	(9)
Pastificio Lucio Garofalo, S.r.l. (Group)	62,586	-	52.00%	Naples (Italy)	Production and sale of pasta and sauces	146,321	6,434	-	152,755	17,117
Geovita Functional Ingredients	20,000	-	52.00%	Vercelli (Italy)	Production and sale of pulses	37,797	9	(118)	37,688	181
Ebro Frost ENA, Inc.	4,500	-	100.00%	Houston (USA)	Production and sale of rice and pasta	1,068	3,629	-	4,697	5,043
Tilda Limited (Tilda)	282,736	-	100.00%	London (UK)	Production and sale of rice	317,909	15,997	-	333,906	17,260
Ebro Tilda Private Limited	860	-	100.00%	New Delhi (India)	Sale and marketing of rice	900	0	-	900	0
Ebro India Private Limited (****)	7,740	-	18.43%	New Delhi (India)	Production and sale of rice	38,339	6,939	-	45,278	7,327
Riso Scotti, S.p.a. (Group)	31,615	-	40.00%	Milan (Italy)	Production and sale of rice	86,466	1,392	(1,000)	86,858	3,550
TOTAL	1,890,999	(14,569)						(209,177)		

The direct investments held by Ebro Foods, S.A. in group companies and associates at December 31, 2021 are itemised below:

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Notes to the financial statements for the year ended December 31, 2022 (Thousands of euros)

SUBSIDIARIES AND ASSOCIATES	Investment	Impairment losses	% Ownership interest	Registered office	Business activity	(a) Capital & reserves	(a) Profit/(loss) 2021	Dividend paid in 2021	Total equity	Op. profit/ (loss)
Dosbio 2010, S.L.	22,297	(14,569)	100.00%	Madrid (Spain)	Flour production	7,780	164	-	7,944	17
Fincas e Inversiones Ebro, S.A.	4,926	-	100.00%	Madrid (Spain)	Agricultural holdco	7,405	42	-	7,447	56
Arotz Foods, S.A.	22,864	-	100.00%	Madrid (Spain)	Tinned vegetables	32,723	300	-	33,023	213
Herba Foods S.L.	59,695	-	100.00%	Madrid (Spain)	Investment management	114,992	17,406	-	132,398	13,896
Herba Ricemills S.L.	153,451	-	100.00%	Madrid (Spain)	Production and sale of rice	213,839	22,885	-	236,724	25,231
Herba Nutrición S.L.	526	-	100.00%	Madrid (Spain)	Production and sale of rice	6,818	2,996	-	9,814	3,996
Fundación Ebro	0	-	100.00%	Madrid (Spain)	Foundation	301	0	-	301	0
Ebro Financial Corporate Services, S.L.	150,003	-	100.00%	Madrid (Spain)	Financial and insurance management	157,004	706	-	157,710	(193)
Harinas Santa Rita, S.A.	4,778	-	52.00%	Guadalajara (Spain)	Production and sale of flour	8,761	448	(82)	9,127	598
Riceland, Kft. (*)	597	-	20.00%	Budapest (Hungary)	Production and sale of rice	2,625	301	-	2,926	340
Riviana Foods Inc. (Group) (**)	565,696	-	84.47%	Houston, Texas (USA)	Production and sale of rice and pasta	1,099,379	77,302	-	1,176,681	66,064
Ebro Premium, SAS (Group), formerly LTL	326,806	-	100.00%	Lyon (France)	Production and sale of fresh pasta	223,134	13,411	-	236,545	36,760
Ebro Foods, Gmbh (Group) (***)	87,078	(28,517)	68.90%	Germany	Production and sale of pasta and sauces	94,773	7,229	-	102,002	273
Ebro Foods Alimentación, S.A.	0	-	100.00%	Mexico	Sale and marketing of rice	127	(7)	-	120	(7)
Pastificio Lucio Garofalo, S.r.l. (Group)	62,586	-	52.00%	Naples (Italy)	Production and sale of pasta and sauces	139,601	4,014	-	143,615	14,408
Geovita Functional Ingredients	20,000	-	52.00%	Vercelli (Italy)	Production and sale of pulses	36,245	1,720	(315)	37,650	214
Ebro Frost ENA, Inc.	4,500	-	100.00%	Houston (USA)	Production and sale of rice and pasta	(1,886)	2,936	-	1,050	3,798
Tilda Limited (Tilda)	282,736	-	100.00%	London (UK)	Production and sale of rice	331,674	4,226	-	335,900	15,955
Ebro Tilda Private Limited	8,600	-	100.00%	New Delhi (India)	Sale and marketing of rice	9,368	900	-	10,268	1,240
Riso Scotti, S.p.a. (Group)	31,615	-	40.00%	Milan (Italy)	Production and sale of rice	86,466	2,500	(1,000)	87,966	9,774
TOTAL	1,808,754	(43,086)						(1,397)		

(a) Whenever the subsidiary's name is followed by "(Group)", the figures pertaining to that company's capital, reserves and profit or loss refer to the consolidated figures of that investee and its own subsidiaries and associates before considering dividends paid during the reporting period. In order to present uniform data for the various companies and groups of companies, the capital, reserves and earnings figures are obtained applying the International Financial Reporting Standard adopted by the European Union.

(*) Ebro Foods, S.A. owns 100% of this company, 20% directly and the other 80% indirectly via Herba Foods, S.L.

(**) Ebro Foods, S.A. owns 100% of this company, 84.5% directly and the other 15.5% indirectly via wholly-owned subsidiaries of Riviana.

(***) Ebro Foods, S.A. owns 100% of this company, 68.9% directly and the other 31.1% indirectly via subsidiaries.

(****) Ebro Foods, S.A. owns 100% of this company, 18.43% directly and the other 81.57% indirectly via subsidiaries.

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Notes to the financial statements for the year ended December 31, 2022 (Thousands of euros)

9. FINANCIAL INSTRUMENTS

9.1 Financial assets

The breakdown of financial assets, excluding investments in group companies, jointly-controlled entities and associates (Note 8), at year-end, is as follows:

NON-CURRENT FINANCIAL INSTRUMENTS (assets)	Equity instruments		Debt securities		Loans, receivables & derivatives		TOTAL	
	31.12.22	31.12.21	31.12.22	31.12.21	31.12.22	31.12.21	31.12.22	31.12.21
Categories								
Assets at fair value through profit or loss:								
a) Held for trading							0	0
b) Other							0	0
Held-to-maturity investments							0	0
Loans and receivables					146	118,808	146	118,808
Available-for-sale financial assets:								
a) Measured at fair value	0	0					0	0
b) Measured at cost							0	0
Hedging derivatives							0	0
TOTAL	0	0	0	0	146	118,808	146	118,808

CURRENT FINANCIAL INSTRUMENTS (assets)	Equity instruments		Debt securities		Loans, receivables & derivatives		TOTAL	
	31.12.22	31.12.21	31.12.22	31.12.21	31.12.22	31.12.21	31.12.22	31.12.21
Categories								
Assets at fair value through profit or loss:								
a) Held for trading							0	0
b) Other					0	0	0	0
Held-to-maturity investments							0	0
Loans and receivables					9,313	6,407	9,313	6,407
Available-for-sale financial assets:								
a) Measured at fair value							0	0
b) Measured at cost							0	0
Hedging derivatives							0	0
TOTAL	0	0	0	0	9,313	6,407	9,313	6,407

Loans and receivables

	31.12.22	31.12.21
Non-current financial instruments		
Loans to group companies (notes 8 & 17)	0	118,662
Long-term deposits	146	146
	146	118,808
Current financial instruments		
Trade and other receivables (note 10)	9,313	6,407
	9,313	6,407
TOTAL	9,459	125,215

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Notes to the financial statements for the year ended December 31, 2022 (Thousands of euros)

Exchange differences recognized in profit or loss for the year

The exchange differences recognized in profit or loss in 2022 and 2021 for each financial asset category are broken down below:

Exchange differences recognized in profit or loss	Loans and receivables		Equity investments in group companies		Loans and payables		TOTAL	
	2022	2021	2022	2021	2022	2021	2022	2021
- For transactions settled during the year	(547)	296	0	0	22	5	(525)	301
- For transactions pending settlement at year-end	0	0	0	0	(2,291)	(1,445)	(2,291)	(1,445)
- For foreign exchange hedges	0	0	12,353	11,245	(12,353)	(11,245)	0	0
Total (expense)/income recognized in profit or loss for the year	(547)	296	12,353	11,245	(14,622)	(12,685)	(2,816)	(1,144)

9.2 Financial liabilities

The breakdown of the Group's financial liabilities at December 31, 2022 and 2021 is as follows:

NON-CURRENT FINANCIAL INSTRUMENTS (liabilities)	Bank borrowings		Bonds and other marketable securities		Derivatives and other accounts payable		TOTAL	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Categories								
Debts and payables	349,872	349,805			12	12	349,884	349,817
Liabilities at fair value through profit or loss								
a) Held for trading							0	0
b) Other					5,530	6,100	5,530	6,100
Hedging derivatives							0	0
Total	349,872	349,805	0	0	5,542	6,112	355,414	355,917

CURRENT FINANCIAL INSTRUMENTS (liabilities)	Bank borrowings		Bonds and other marketable securities		Derivatives and other accounts payable		TOTAL	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Categories								
Debts and payables	14,453	25,151			5,185	10,413	19,638	35,564
Liabilities at fair value through profit or loss								
a) Held for trading							0	0
b) Other							0	0
Hedging derivatives							0	0
Total	14,453	25,151	0	0	5,185	10,413	19,638	35,564

a) Bank borrowings Refer to Note 13

b) Derivatives and other accounts payable

The breakdown of the financial liabilities included in this category is as follows:

Thousands of euros	31.12.22	31.12.21
Non-current		
Derivatives	5,530	6,100
Security deposits	12	12
	5,542	6,112
Current		
Trade and other payables	5,185	10,413
	5,185	10,413

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The non-current derivatives balance includes the value assigned to the derivative contracts indicated below:

- Call-put option over 48% of Santa Rita Harinas, S.L. – the value ascribed to this derivative is 650 thousand euros (year-end 2021: 750 thousand euros). When acquiring 52% of this entity, the Company arranged two options with the other shareholder over the remaining 48%, granting the seller a put option (exercisable from August 2019 with no expiry date) and the Ebro Group a call option (exercisable from August 2026 with no expiry date). The acquisition price in the event the options are exercised will be determined as a function of the targets' average earnings metrics over a series of years, as well as other terms and conditions customary in arrangements of this nature. This option contractually gives rise to a financial derivative for the period until the call or put is exercised, due to the existence of a minimum guaranteed price; this derivative contract has been recognized as a non-current financial liability.
- Call-put option over 48% of Geovita Funcional, S.r.l. – the value ascribed to this derivative is 980 thousand euros (year-end 2021: 1,250 thousand euros). When acquiring 52% of that entity, the Company granted the other shareholder a put option over the remaining 48% (exercisable over a 10-year period from July 2021). The acquisition price in the event this option is exercised will be determined as a function of the target's average earnings metrics over a series of years, as well as other terms and conditions customary in arrangements of this nature. This option contractually gives rise to a financial derivative for the period until the put is exercised, due to the existence of a minimum guaranteed price; this derivative contract has been recognized as a non-current financial liability.
- A vendor put option over 48% of the Italian pasta group, Garofalo – the value ascribed to this derivative is 3,900 thousand euros (year-end 2021: 4,100 thousand euros). When the Company acquired a 52% interest in this entity in 2014, it wrote a put option with the other shareholder over the remaining 48% (exercisable until May 2024) and wrote a call option (exercisable from June 2024 to May 2026). The original agreement was amended in 2019 such that the term of the vendor put option has been extended until December 31, 2029 and the term of the call option held by the Ebro Group has been extended to 2030 (between 1 January and December 31).

The price of these options will be determined as a function of the target's average earnings metrics over a series of years, as well as other terms and conditions customary in arrangements of this nature. As amended in 2019, the option contractually gives rise to a new financial derivative for the period until the put is exercised, due to the existence of a minimum guaranteed price throughout that period; this derivative contract has been recognized as a non-current financial liability.

c) Nature and extent of risks arising from financial instruments

The main objective of the Company's capital management policy is to guarantee a capital structure that complies with prevailing regulations in its group's operating markets. In addition, its capital management policy is designed to preserve its credit metrics and to maximize shareholder value.

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The Company's business activities and operations expose it to financial risks including foreign currency and interest rate risk.

Interest-rate risk: The Company is exposed to changes in market interest rates, mainly on account of its non-current payment obligations arranged at floating rates of interest. Its policy is to manage its borrowing costs using a mix of fixed and variable rates. The goal is minimize the Company's exposure to this risk factor, to which end it tracks market rate trends exhaustively with the help of external experts.

It arranges interest-rate hedges as deemed necessary under which it agrees to swap, during specific periods, the difference between the amount of fixed and variable interest, calculated on the basis of a notional amount of principal agreed between the parties. These derivative or structured products are designed to hedge the underlying payment obligations.

Foreign currency risk: As a result of the investments made in the US, the carrying amounts of the Company's assets and liabilities are significantly exposed to changes in the USD / EUR exchange rate. The Company attempts to mitigate the impact of this structural exchange-rate risk by denominating its borrowings in US dollars.

Liquidity risk: The Company manages the risk of a shortfall of short-term liquidity with a liquidity planning tool. The tool analyses the maturity of the Company's financial assets and liabilities in conjunction with its operating cash flow projections.

Ebro Foods, S.A. is the parent of a consolidated group comprising it and its subsidiaries and associates (the Ebro Group) with which it separately presents consolidated financial statements. This fact should be taken into consideration in assessing the working capital position typical of year-end in the separate annual financial statements of Ebro Foods, S.A., which, as the Group's parent company, has the option of financing itself via dividends, among other alternatives.

10. TRADE AND OTHER RECEIVABLES

The breakdown of trade and other receivables at year-end 2022 and 2021 is as follows:

Thousands of euros	31.12.2022	31.12.2021
Trade receivables	99	1,573
Trade receivables, group companies and associates (note 17)	9,029	4,643
Sundry receivables	8	8
Receivable from employees	177	183
	9,313	6,407

Impairment allowances: The "Trade receivables" balance in the table above is presented net of impairment losses. The Company did not recognise any new impairment losses against its trade receivables in 2022 or 2021. The accumulated balance of impairment allowances was nil at both year-ends.

All of the balances recognized under trade receivables are denominated in euros.

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11. CASH AND CASH EQUIVALENTS

Cash equivalents are typically bank deposits with a maturity of three months or less at the time of their acquisition. There are no restrictions on these balances.

12. CAPITAL AND RESERVES

- a) Issued capital: The Company's share capital consisted of 153,865,392 fully subscribed and paid bearer shares with a par value of 0.60 euros each at both year-ends. The Company's shares are traded on the Spanish stock exchanges. All of its shares belong to the same class and carry identical rights.

The Company gathers the information regarding its significant shareholders and their shareholdings from the information they themselves provide directly to the Company or the disclosures they make under applicable legislation on significant shareholdings and from information collected by the Company from its shareholders as part of the process of preparing its annual financial statements. Based on that information, the Company's significant shareholders and their shareholdings at year-end are as follows:

Significant shareholder	2022					2021				
	% of voting rights attributed to the shares			% voting rights held through financial instruments	% of total voting rights	% of voting rights attributed to the shares			% voting rights held through financial instruments	% of total voting rights
	Direct	Indirect	Total			Direct	Indirect	Total		
Corporación Financiera Alba, S.A.	14.522	0.000	14.522	0.000	14.522	14.443	0.000	14.443	0.000	14.443
Sociedad Anónima Damm (via Corporación Económica Delta, S.A.)	0.000	11.686	11.686	0.000	11.686	0.000	11.686	11.686	0.000	11.686
Sociedad Estatal de Participaciones Industriales (via Alimentos y Aceites, S.A.)	0.000	10.360	10.360	0.000	10.360	0.000	10.360	10.360	0.000	10.360
Hercalanz Investing Group, S.L.	9.000	0.000	9.000	0.000	9.000	8.621	0.000	8.621	0.000	8.621
Grupo Tradifin, S.L.	7.961	0.000	7.961	0.000	7.961	7.961	0.000	7.961	0.000	7.961
Empresas Comerciales e Industriales Valencianas, S.L.	7.827	0.000	7.827	0.000	7.827	7.827	0.000	7.827	0.000	7.827
José Ignacio Comenge Sánchez-Real (via Mendibea 2002, S.L.)	0.002	5.362	5.364	0.000	5.364	0.002	5.199	5.201	0.000	5.201
Artemis Investment Management, LLP	0.000	3.160	3.160	0.000	3.160	0.000	3.650	3.650	0.000	3.650

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- b) Share premium: The Consolidated Text of the Spanish Corporate Enterprises Act permits the use of the share premium account balance to increase share capital and provides no specific limitation with respect to its availability.
- c) Legal reserve: The companies that generate a profit are required to earmark 10% of net profit for the year to a legal reserve until such reserve is equivalent to 20% of share capital.

The legal reserve cannot be distributed except in the event of dissolution, but it can be used to offset losses insofar as other reserves are not available for this purpose and to increase capital by the amount that exceeds 10% of capital after the increase. The Company had fully endowed its legal reserve at both year-ends.

- d) Voluntary reserves: This reserve is unrestricted other than the limitations imposed under prevailing company law.
- e) Revaluation reserve, Royal Decree-Law 7/1996: As a result of the asset restatements made in the past by Sociedad General Azucarera de España, S.A. and Puleva S.A. under the scope of Royal Decree-Law 7/1996 of June 7, 1996, the Company recognized the corresponding revaluation reserves in the amount of 21,767 thousand euros; in the wake of the amounts derecognized in 2001 following the split-off of the sugar business and in 2003 following the dissolution of A. E. Gestion de Patrimonio, S.L., the remaining balance stands at 3,169 thousand euros (included under other reserves).

It can be used, without accruing taxes, to offset tax losses accumulated in prior, current and future tax periods and for the purpose of increasing share capital. Since April 1, 2007, this balance can be earmarked to unrestricted reserves to the extent that the monetary gain has been realized. The monetary gain is deemed realized in respect of the corresponding depreciation charges recognized or when the restated asset items have been sold or derecognized for accounting purposes. If this balance were used in a manner other than that provided for in Royal Decree-Law 7/1996, it would be taxable.

- f) Own shares: In 2022, the Parent had the power to buy back and sell own shares under the scope of the authorization granted at the Annual General Meeting held on July 29, 2020 for a period of five years (and duly notified to the CNMV in keeping with prevailing legislation). In 2022, under the scope of the employee share plan, it bought back 42,500 shares, sold 852 and delivered 41,648 own shares to employees. The Company did not hold any own shares at December 31, 2022.

In 2021, the Parent was likewise empowered to buy back and sell own shares under the scope of the authorization granted at the Annual General Meeting held on July 29, 2020 for a period of five years (and duly notified to the CNMV in keeping with prevailing legislation). In 2021, under the scope of the employee share plan, it bought back 37,000 shares, sold 828 and delivered 36,172 own shares to employees. The Company did not hold any own shares at December 31, 2021.

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g) Dividends paid in 2022:

Ordinary dividend - Distribution of the dividends approved at the Annual General Meeting held on June 29, 2022 at which the Parent's shareholders ratified the motion to pay a cash dividend with a charge against 2021 profit and unrestricted reserves of 0.57 euros per share, payable in the course of 2022, for a total outlay of 87,703 thousand euros. The dividend was paid out in three equal instalments of 0.19 euros per share on April 1, June 30, and October 3, 2022.

13. BANK BORROWINGS

The breakdown of current and non-current bank borrowings (in thousands of euros) at both year-ends:

	2022	2022	2021	2021
	Non-current	Current	Non-current	Current
Bank loans arranged in euros	349,872	-	349,805	25,000
Credit facilities arranged in euros	-	14,303	-	-
Interest accrued but not due	-	150	-	151
TOTAL	349,872	14,453	349,805	25,151

At December 31, 2021, the Company recognized four non-current loans totalling 350 million euros and a current loan in the amount of 25 million euros. The four non-current loans are due in a single instalment in December 2024 and bear interest at an average rate of 0.45%. There were no movements in non-current borrowings in 2022.

The Company is obliged to comply with a series of covenants, specifically a series of ratios calculated on the basis of the Group's consolidated financial statements, throughout the term of these loans. Any breach of the covenants would increase the related borrowing costs and, in some cases, would trigger a prepayment requirement. The Company was compliant with all of its covenants at both year-ends.

In addition, at year-end 2022, the Company had arranged and guaranteed credit facilities with an aggregate limit of 35 million euros (year-end 2021: 35 million euros), which were drawn down by 14.3 million euros (year-end 2021: fully undrawn). The average annual rate of interest on these borrowings, excluding the long-term loans, is 3-month EURIBOR plus a market spread of 0.55% (2021: 0.55%) on average.

In addition, the Company has extended sureties and other guarantees to third parties via banks totalling 161,039 thousand euros at year-end 2022 (154,426 thousand euros at year-end 2021) (Note 16).

The maturity schedule for bank borrowings (at December 31, 2022):

Due 2023	14,453 thousand euros
Due 2024	349,872 thousand euros

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14. NON-CURRENT PROVISIONS

The reconciliation of the Company's provisions at the beginning and end of 2022 and 2021 is as follows:

NON-CURRENT PROVISIONS	Employee benefit obligations			Other provisions for contingencies			Total
	Long-service bonuses	Non-current remuneration	Total	Business sale reps & warranties	Tax assessments	Total	
Thousands of euros							
Closing balance: Dec. 31, 2020	198	2,454	2,652	11,240	4,730	15,970	18,622
- Additions (reversal of provisions)	2	2,083	2,085	0	-3,928	-3,928	-1,843
- Amounts used	0	-1,055	-1,055	0	0	0	-1,055
Closing balance: Dec. 31, 2021	200	3,482	3,682	11,240	802	12,042	15,724
- Additions (reversal of provisions)	38	1,559	1,597	0	0	0	1,597
- Amounts used	0	-1,279	-1,279	0	0	0	-1,279
Closing balance: Dec. 31, 2022	238	3,762	4,000	11,240	802	12,042	16,042

Provision for contingencies – Reps and warranties granted in connection with the sale of the dairy business

The provisions recognized to cover the outcome of lawsuits related to the sale of the dairy business (sold in 2010) correspond to the reps and warranties extended to the buyers of that business under which an unfavourable ruling in the lawsuits has the effect of reducing the sale-purchase price. Additions to this provision (or reversals thereof) imply an adjustment to the sale price and are accordingly recognized as a reduction (or increase) in profit in the year in which they are recognized.

These lawsuits had been substantially resolved by year-end 2013, so that the related provision stood at zero. However, in the course of 2014 a number of smaller-sized disputes came to light. Management determined it was necessary to recognise a provision in respect of certain of these cases as an outflow of resources in the future is deemed probable.

A new lawsuit was brought in August 2014 when Grupo Lactalis Iberia, S.A. passed the proposed ruling in respect of the disciplinary proceedings initiated by the investigative unit of Spain's anti-trust authority, the CNMC, against Spain's leading dairy transformation companies, including Puleva Food, S.L., in connection with alleged anti-competitive practices between 2003 and 2013, on to Ebro Foods, S.A. Ebro Foods, S.A. sold Puleva Food, S.L. to Grupo Lactalis Iberia, S.A. in 2010; the related share purchase agreement (the "SPA") included a liability regime covering future contingencies. Under that regime, Ebro Foods, S.A., as seller, could be held liable to the buyer for any fine imposed on Puleva Food, S.L. with respect to developments taking place prior to the sale.

The above-mentioned proposed ruling qualifies the conduct investigated as a very serious infraction of article 62.4.a) of Spain's Anti-Trust Act and recommends that the Board of the CNMC hand down the fine contemplated in article 63 of that same piece of legislation. Grupo Lactalis Iberia, S.A. and Puleva Food, S.L., in keeping with the procedure agreed upon in the SPA, duly presented statements outlining their pleas against the proposed ruling, categorically denying the conduct charged therein.

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The ruling issued by the CNMC's Board on February 26, 2015 was received on March 3, 2015. It hands down a fine against Puleva Food, S.L. of 10,270 thousand euros (the Disciplinary Ruling). Although the Ebro Group believed it had solid arguments for defending its position in these lawsuits, and so stated in the appeal lodged before the Spanish High Court (*Audiencia Nacional*) in September 2015, the risk of an outflow of resources was deemed probable and a provision was accordingly recognized in the 2014 financial statements.

In a ruling issued on October 25, 2018, the High Court annulled the Disciplinary Ruling on account of formal defects, ordering the rewinding of the procedure corresponding to disciplinary investigation S/0425/12, which originally gave rise to the Disciplinary Ruling, to the moment immediately preceding the procedural infraction that gave rise to the annulment. In keeping with the High Court's ruling, in November 2018, the CNMC agreed and notified Puleva Food, S.L. of the resumption of the disciplinary investigation, specifically the resumption of the pertinent proceedings rewound to immediately prior to April 24, 2014.

In the wake of the resumption by the CNMC on December 21, 2018, of the disciplinary proceedings, with retroactive effect, the CNMC issued a new disciplinary ruling on July 11, 2019. In that new ruling, the CNMC reiterated its original opinion of the underlying facts and levied a fine in the same amount against Puleva Food, S.L. Therefore, and notwithstanding the fact that the Group believes it has substantive arguments against this new ruling, the Company's directors believe that the provision recognized to cover this lawsuit should be maintained. There were no material developments in respect of this lawsuit in 2022.

Elsewhere and in addition, in 2016, the Group recognized a provision of 2,500 thousand euros to cover the litigation risk associated with the tax assessments signed under protest in 2016 in the wake of an inspection of the Puleva Group in respect of the years during which it still belonged to Ebro's consolidated tax group; the case was still pending ruling at December 31, 2022.

Provision for contingencies – Tax assessments

A tax inspection of the Spanish tax group in respect of 2008 to 2011, both inclusive, concluded in May 2014. All of the assessments were paid (using financial criteria), including those signed under protest (albeit not the related fines). The assessments signed under protest have been appealed.

As for these tax assessments with respect to 2008 to 2011, on September 11, 2020, the Company received word that the High Court had dismissed the Company's appeal, prompting the Company to lodge a new appeal before the Supreme Court.

Elsewhere, an inspection of the Spanish tax group for 2012 to 2015, both years included, finished in 2018; as a result, in 2018, the Company recognized 851 thousand euros of provisions in relation to preliminary assessments signed under protest. The definitive assessments for the years covered by that inspection were handed down in 2019 and the Company adjusted its provision, accordingly, reducing it by 49 thousand euros. All of the assessments had already been recognized in 2018 for accounting purposes either for payment (those not contested) or as provisions (those contested). The assessments signed under protest have been appealed.

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In addition, definitive assessments in the amount of 3,641 thousand euros were signed under protest in relation to a specific concept (transfer prices) with which the Ebro Group is in total disagreement. In this instance, the balance has not been provided for as the assessments have been appealed and the likelihood of winning the claim is deemed very high due to the fact that there are solid arguments and precedent following prior inspections, prompting the directors to classify the probability of an outflow of resources as remote. Rulings were handed down on four of the seven lawsuits comprising this part of the assessments in 2021 and 2022 (friendly agreements between Spain and other countries in order to avoid double taxation) that did not give rise to significant outflows of resources for Ebro Foods, S.A.

There were no new significant developments in the lawsuits related with the other tax assessments appealed in relation to the 2012-2015 inspection in 2021 or 2022.

Provision for long-service bonuses

Some of the Company's employees are entitled to receive long-service bonuses after 25 to 40 years' service from a fund managed internally by the Company. The provision recognized for long-service bonuses at year-end 2022 in the amount of 238 thousand euros (year-end 2021: 200 thousand euros) represents the present value, calculated using actuarial studies performed by independent experts, of the potential future payments to these employees.

The key assumptions used in the most recent actuarial study with effect as of each reporting date are as follows:

- a) A discount rate of 3.25% (2021: 0.52%)
- b) Wage increases: compound annual growth of 3% (2021: 3%)
- c) Mortality and survival tables: PERM/F 2000 ORD1 tables (new policies)

Provision for long-term remuneration to executives

See Note 18. The amounts used and recognized in 2022 and 2021 correspond to the 2019-2021 Plan (settled between 2021-2023); more specifically, the amounts utilized related to the first- and second-year payments under that scheme (2019 and 2020).

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Notes to the financial statements for the year ended December 31, 2022 (Thousands of euros)

15. TAXES

The breakdown of taxes payable and receivable at year-end is as follows:

Thousands of euros	31.12.22	31.12.21
<u>Current</u>		
Current tax assets	38	1,830
Other tax receivables	26,445	0
Current tax liabilities	0	-13,739
Other taxes payables	-245	-6,177
	26,238	-18,086
<u>Non-current</u>		
Deferred tax assets	6,528	4,951
Deferred tax liabilities	-30,530	-28,207
	-24,002	-23,256

Under prevailing legislation, tax returns may not be considered final until either they have been inspected by the tax authorities or until the inspection period has prescribed.

The Company has its books open to inspection since 2016 in respect of all applicable taxes. The Company's directors believe there is no need to provide for potential additional tax liabilities that could arise from differing interpretations of tax regulations in respect of the years open to inspection.

- 15.1. The tax group that files its return under the consolidated tax regime is made up of: Ebro Foods, S.A. (parent of the tax group), Ebro Financial Corporate Services, S.L., Fincas e Inversiones Ebro, S.A., Dosbio 2010, S.L., Arotz Foods, S.A., Herba Foods, S.L., Herba Ricemills, S.L and its subsidiaries, Herba Nutrición, S.L. and Fallera Nutrición, S.L.
- 15.2 The reconciliation of net income and expense for both reporting periods to taxable income/(tax loss) is set forth below:

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**Notes to the financial statements for the year ended December 31, 2022
(Thousands of euros)**

Income tax Thousands of euros	2022		2021	
	Accounting	Tax	Accounting	Tax
Profit before tax from continuing operations	210,000	210,000	312,168	312,168
Permanent differences	(225,993)	(225,993)	(315,538)	(315,538)
Tax group tax losses for offset	0	0	(24,199)	(24,199)
Permanent differences arising from fiscal consolidation adjustments	0	0	0	0
Accounting profit adjusted for permanent differences	(15,993)	(15,993)	(27,569)	(27,569)
Temporary differences		(9,903)		103,615
Temporary differences arising from fiscal consolidation adjustments		0		0
Tax group tax losses for offset		6,862		(6,648)
Taxable income (tax loss) of the Company	(15,993)	(19,034)	(27,569)	69,398
Tax calculated at statutory rate: 25%	(3,998)	(4,759)	(6,892)	17,350
Tax credits	0	0	(7,950)	(8,032)
Tax expense/(income) for the year	(3,998)	(4,759)	(14,842)	9,318
Restatement of prior-year's income tax	(566)	(10)	0	0
Tax assessments	2		94	
Change in deferred tax assets and liabilities	0		(3,928)	
Tax expense payable in France	0	0	3,699	3,699
TOTAL INCOME TAX: Expense (income)	(4,562)	(4,769)	(14,977)	13,017

The reconciliation of income tax payable/(refundable) by/to the Company and total income tax payable/(refundable) as a result of application of the consolidated tax regime is provided below:

	2022	2021
Tax payable (refundable) corresponding to Ebro Foods, S.A.	(4,769)	13,017
Payments made on account during the year	0	(2,303)
Tax withholdings	(14)	0
Tax refundable pending collection from prior years	0	(1,830)
Tax payable (refundable) corresponding to the other companies in the tax group	4,745	3,025
Tax group tax payable (receivable)	(38)	11,909

15.3 The reconciliation of tax expense (income) to the result of multiplying total recognized income and expense, as opposed to profit or loss as per the statement of profit or loss, by applicable tax rates, is as follows:

Thousands of euros	Statement of profit or loss	
	2022	2021
Profit before tax from continuing operations	210,000	312,168
Statutory tax rate	25%	25%
Theoretical tax expense	52,500	78,042
Effect of:		
Non-deductible expenses	160	413
Non-taxable income	(6,978)	(25,655)
Tax group tax losses for offset	0	(6,050)
Dividends within parent company group	(49,680)	(53,642)
Unused tax credits	0	(7,950)
Tax expense payable in France	0	3,699
	(3,998)	(11,143)
Breakdown of tax expense (income)		
Current	(4,759)	13,017
Deferred	761	(24,160)
Effective tax expense (income)	(3,998)	(11,143)

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Notes to the financial statements for the year ended December 31, 2022 (Thousands of euros)

- 15.4 The breakdown of the temporary differences arising at the Company in 2022 and 2021 is as follows:

TEMPORARY DIFFERENCES - Additions	2022	2021
Additions to provision for long-term remuneration obligations	1,667	2,163
Additions to provision for long-service bonuses	38	2
Amortization of trademarks for tax purposes	969	536
Reversal of temporary differences in respect of goodwill for tax purposes	0	122,711
Total additions	2,674	125,412
TEMPORARY DIFFERENCES - Decreases	2022	2021
Goodwill amortization charges	2,007	2,007
Provisions for long-term remuneration obligations used	1,278	1,057
Temporary difference on account of goodwill amortization	9,292	18,731
Utilization of asset recognized for 30% of depreciation charges not deductible	0	2
Total decreases	12,577	21,797
Total net additions (decreases)	(9,903)	103,615

- 15.5 The breakdown of the permanent differences arising at the Company in 2022 and 2021 is as follows:

PERMANENT DIFFERENCES - Additions	2022	2021
Additions:		
Donations	594	1,604
Other non-deductible expenses	46	43
Total additions	640	1,647
PERMANENT DIFFERENCES - Decreases		
Adjustments for 95% of dividends from other group companies	198,718	214,566
Amortization of goodwill for tax purposes	109	110
Reversal of impairment provisions on investments in group companies	28,517	4,500
95% of gain on sale of investments in group companies	(711)	98,009
Total decreases	226,633	317,185
Total net additions (decreases)	(225,993)	(315,538)

- 15.6 In 2022, the Company generated 400 thousand euros of tax credits, mainly corresponding to donations, for utilisation in future years, in addition to the 3.8 million euros generated and unused in prior years (mainly deductions generated by the reinvestment of extraordinary gains). In 2021, Ebro Foods, S.A. utilized 8,032 thousand euros of tax credits thanks to the taxable income generated by the tax group that year.

The amounts of proceeds reinvested by the Spanish tax group in prior years entitling it to tax credits were 33.1, 5.0, 115.3, 57.3, 1.5, 16.2, 11.2 and 76.3 million euros between 2012 and 2006, respectively. These reinvestments satisfied all of the requirements for qualifying for the related tax relief.

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Notes to the financial statements for the year ended December 31, 2022 (Thousands of euros)

15.7 A reconciliation of the Company's deferred tax assets and liabilities at the beginning and end of 2022 and 2021 is provided below:

Thousands of euros	31.12.20	Additions	Amounts derecognized	Restatements and other additions/ derecognitions	31.12.21	Additions	Amounts derecognized	Restatements and other additions/ derecognitions	31.12.22
Deferred tax assets									
- Goodwill	1,103		-501		602		-501		101
- Intangible assets: Trademarks	2,630	134			2,764	242			3,006
- Property, plant and equipment: Land	108				108				108
- Property, plant and equipment: Depreciation/amortization	11		-2		9				9
- Long-term remuneration obligations	830	541	-264		1,107	417	-320		1,204
- Provisions for contingencies	310				310				310
- Provisions for long-service bonuses	50	1			51	10			61
- Unused tax losses	1,667		-1,662	-5	0	1,715		14	1,729
	6,709	676	-2,429	-5	4,951	2,384	-821	14	6,528
Deferred tax liabilities									
- Amortization of goodwill for tax purposes	-53,871	-4,683	30,678		-27,876	-2,323			-30,199
- Deferral of gains by tax group	-331				-331				-331
	-54,202	-4,683	30,678	0	-28,207	-2,323	0	0	-30,530
Total deferred taxes, net	-47,493	-4,007	28,249	-5	-23,256	61	-821	14	-24,002

16. GUARANTEES EXTENDED

The Company had extended the following guarantees in the form of bank sureties at both reporting dates:

	2022	2021
<u>Guarantees extended via banks</u>		
Provided to courts and other bodies in relation to claims and tax deferrals	19,450	20,206
Provided to third parties to guarantee fulfilment of obligations arising in the ordinary course of business	360	360
<u>Guarantees awarded directly by Ebro Foods, S.A.</u>		
Guarantees given to banks to secure other companies' obligations	141,229	133,860

The guarantees extended to banks to secure other companies' obligations correspond mainly to the guarantees given by Ebro Foods, S.A. to its subsidiaries Ebro India, Ltda. (100%-indirectly owned), Herba Bangkok, Ltd (100%-indirectly owned), Pastificio Lucio Garofalo, S.r.l. (52%-indirectly owned) and Ebro Premium Food (100%-directly owned) to secure their short- and medium-term credit facilities.

17. BALANCES WITH GROUP COMPANIES AND ASSOCIATES

Note 8 lists the Ebro Foods, S.A.'s subsidiaries and associates. Transactions with associates did not result in material balances at either year-end.

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Notes to the financial statements for the year ended December 31, 2022 (Thousands of euros)

The main transactions performed by the Company with group companies and associates in 2022 and 2021 are shown below:

	2022		2021	
	Group companies	Associates	Group companies	Associates
External services	(604)	0	(1,716)	0
Employee benefits expense	0	0	0	0
Finance costs	(6,529)	0	(2,673)	0
Total purchases and expenses	(7,133)	0	(4,389)	0
Services rendered and other income	8,300	0	8,751	0
Finance income	403	0	1,439	0
Dividend income received	208,177	1,000	224,859	1,000
Total revenue and income	216,880	1,000	235,049	1,000

The resulting balances between Ebro Foods, S.A. and its group companies and associates at the respective year-ends are as follows:

December, 31 2022						
BALANCES WITH SUBSIDIARIES AND ASSOCIATES	Non-current loans	Due from companies	Current loans	Balances payable		Due to companies
				Non-current	Current	
Ebro Premium Food, SAS (formerly, LTL)		288				
Herba Foods, S.L.		205				
Arotz Foods, S.A.		220		(27,455)		
Ebro de Costa Rica, S.L.				(17,063)		
Ebro Riviana de Guatemala, S.L.				(11,051)		
Herba Ricemills, S.L.		4,942				
Riviana Foods (Group)		1,670		(40,910)		
Ebro Financial Corporate Services, S.L.		281		(61,830)		
Lassie Group (Netherlands)		298				
Fundación Ebro Foods					(290)	
Other companies (minor balances)	0	1,125	0	0	0	(1)
	0	9,029	0	(158,309)	(290)	(1)

December, 31 2021						
BALANCES WITH SUBSIDIARIES AND ASSOCIATES	Non-current loans	Due from companies	Current loans	Balances payable		Due to companies
				Non-current	Current	
Ebro Premium Food, SAS (formerly, LTL)	118,662	60				
Herba Foods, S.L.		55				
Arotz Foods, S.A.		106		(28,961)		(12)
Ebro de Costa Rica, S.L.				(14,672)		
Ebro Riviana de Guatemala, S.L.				(10,390)		
Herba Ricemills, S.L.		1,524		(20,000)	(3)	(13)
Riviana Foods (Group)		1,307		(186,506)		(180)
Ebro Financial Corporate Services, S.L.		236		(155,400)		
Lassie Group (Netherlands)		252				
Fundación Ebro Foods					(299)	
Other companies (minor balances)	0	1,103	0	0	0	0
	118,662	4,643	0	(415,929)	(302)	(205)

All of the balances are denominated in euros, other than the balances payable to Riviana Foods, Inc. (denominated in US dollars), Ebro de Costa Rica, S.L. (Colones) and Ebro Riviana de Guatemala, S.L. (Quetzales).

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Notes to the financial statements for the year ended December 31, 2022 (Thousands of euros)

The long-term loans payable do not carry any fixed maturity; accordingly, the Company has classified them as non-current as it does not expect to repay them in the short term.

The Company has a current business account arrangement with most of its subsidiaries under which it guarantees coverage of all of their financing needs and, as required, remuneration of their cash surpluses, all of which at market interest rates.

18. RELATED-PARTY TRANSACTIONS

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. The Company has not extended or received other guarantees in respect of accounts receivable from or payable to its related parties.

The Company did not write down any receivables due from related parties for impairment in either reporting period. That assessment is undertaken each financial year by examining the financial situation of the related party and the market in which it operates.

18.1 Transactions with significant shareholders (or parties related thereto) of Ebro Foods, S.A. (excluding directors)

Note 12 lists the companies that have a significant equity interest in Ebro Foods, S.A.

Other than dividend payments, there were no transactions between Ebro Foods, S.A. and its significant shareholders (excluding directors, for whom the related disclosures are provided in Note 18.2) in either reporting period.

18.2 Transactions with directors and executives (or parties related thereto) of Ebro Foods, S.A.

Ebro Foods, S.A. realized the following transactions with one of its directors in 2022 and 2021 outside the scope of the dividend and remuneration transactions disclosed in notes 18.3 and 18.7 (thousands of euros):

Director (and his related party)	Relationship between the director and his related party	Type of transaction	2022 Amount	2021 Amount
Antonio Hernández Callejas (Luis Hernández González)	Relative	Lease (expense)	45	42

18.3 Other transactions with significant shareholders and directors/executives: dividends received from Ebro Foods, S.A.

Framed by Ebro Foods, S.A.'s general dividend policy, the following amounts were paid in 2022 (2021) (thousands of euros):

EBRO FOODS, S.A.

Notes to the financial statements for the year ended December 31, 2022 (Thousands of euros)

- Dividends paid to significant shareholders (those that were directors as at December 31, 2022): 22,186 (24,837)
- Dividends paid to directors (and persons related thereto) and officers: 40,350 (97,915)

18.4 Transactions with other related parties

Ebro Foods, S.A. did not transact with “other related parties” in 2022.

18.5 Other disclosures

Ebro Foods, S.A. holds a 40% shareholding in Riso Scotti S.p.A. The investment in this associate is accounted for using the equity method. Riso Scotti S.p.A. is an Italian company whose corporate purpose is analogous to that of Ebro Foods, S.A.

Mr. Antonio Hernández Callejas, Chairman of Ebro Foods, S.A., is a director of Riso Scotti, S.p.A.

The transactions performed between Ebro Foods, S.A. and Riso Scotti S.p.A. (an associate that is not fully consolidated by the Ebro Group) in 2022 and 2021 (amounts in thousands of euros):

Type of transaction	2022 Amount	2021 Amount
Services rendered (income)	4	0
Dividends received	1,000	1,000

18.6 Fiduciary duties: conflicts of interest and non-compete duty

All of the directors, including in the case of the legal person directors their natural person representatives, have informed the Company that neither they nor any of their related parties found themselves party to any of the direct or indirect conflict of interests itemised in article 229 of Spain's Corporate Enterprises Act.

In addition, the directors, and where relevant the natural persons representing them on the Board of Directors of Ebro Foods, S.A., itemised below have informed the Company of the following relationships with entities that carry on an analogous business activity to that constituting Ebro Foods, S.A.'s core business:

- Grupo Tradifin, S.L. holds (i) a direct interest of 50% in Instituto Hispánico del Arroz, S.A., an entity of which it is a director; and (ii) a 100% interest in Cabher 96, S.L., an entity of which it is the sole director.

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- Ms. Blanca Hernández Rodríguez (the natural person who represents Grupo Tradifín, S.L. on the Board of Directors of Ebro Foods, S.A.) holds indirect interests of 16.625% in Instituto Hispánico del Arroz, S.A. and of 33.25% in Cabher 96, S.L. through her 33.25% direct shareholding in Grupo Tradifín, S.L., an entity of which she is the chief executive. She does not hold any positions or duties at Instituto Hispánico del Arroz, S.A. or Cabher 96, S.L.
- Heralianz Investing Group, S.L. holds a direct interest of 50% in Instituto Hispánico del Arroz, S.A., an entity of which it is a director.
- Mr. Félix Hernández Callejas (the natural person who represents Heralianz Investing Group, S.L. on the Board of Directors of Ebro Foods, S.A.) holds an indirect interest of 14.334% in Instituto Hispánico del Arroz, S.A. through his direct shareholding of 28.668% in Heralianz Investing Group, S.L. He is a director of Instituto Hispánico del Arroz, S.A.
- Mr. Antonio Hernández Callejas holds an indirect interest of 14.334% in Instituto Hispánico del Arroz, S.A. through the 28.668% interest he holds directly in Heralianz Investing Group, S.L. Antonio Hernández Callejas does not hold any position at Instituto Hispánico del Arroz, S.A.

The directors of Ebro Foods, S.A. (or their natural person representatives, as warranted) did not perform any transactions with the Company outside of the ordinary course of its business or other than on an arm's length basis in either reporting period.

The directors have not informed the Company of any direct or indirect potential conflicts of interest between them or their related parties and the Company other than those disclosed in this Note.

Director and officer remuneration

Director remuneration. - The remuneration earned by the members of the Board of Directors of Ebro Foods, S.A. totalled 7,244 thousand euros in 2022 (2021: 7,164 thousand euros), broken down as follows (pre-tax amounts in thousands of euros):

DIRECTOR REMUNERATION AND OTHER BENEFITS	2022	2021
TYPE OF REMUNERATION		
Attendance fees	328	318
Fixed remuneration received in their capacity as directors	2,850	2,850
Total director remuneration	3,178	3,168
Wages, salaries and professional fees	4,066	3,996
Termination and other benefits		0
Total executive director remuneration	4,066	3,996
TOTAL REMUNERATION	7,244	7,164
OTHER BENEFITS		
Life insurance and post-employment benefits	0	0

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Article 22 of the Bylaws stipulates that “The overall remuneration received by the members of the Board of Directors in their capacity as such (i.e., in exchange for their supervisory and other non-executive duties) shall consist of: (i) a fixed annual sum; and (ii) fees for attending the meetings of the Board and its committees. Both the fixed annual sum assigned to the Board of Directors as a whole and the amount of the attendance fees shall be determined by the Company’s shareholders in general meeting and remain in effect until such time as their modification is approved.

The Board of Directors, subject to a report by the Nomination and Remuneration Committee, shall set the individual remuneration of each director for their duties as such, taking into account the positions held by the directors on the Board, their membership of Board committees and any other objective circumstances that the Board may consider appropriate, within the confines of the Articles of Association and the Remuneration Policy. The board shall also decide on the timing of successive payments....”

With respect to the remuneration of the directors in their capacity as such, at a meeting held on February 27, 2023, the Board of Directors resolved, at the recommendation of its Nomination and Remuneration Committee:

- (i) to submit a motion for the payment of the pre-tax sum of 2,850 thousand euros of fixed remuneration in respect of 2022 at the upcoming 2023 Annual General Meeting; and
- (ii) to leave pre-tax attendance fees at 1,600 euros per meeting of the Board of Directors and 800 euros per meeting of its various committees.

The individual breakdown of pre-tax director remuneration for 2022 (in thousands of euros) is provided below:

Director	Fixed remuneration	Attendance fees	Fixed remuneration for performance of executive duties	Variable remuneration for performance of executive duties	Total
Hernández Callejas, Antonio	393	24	1,508	2,558	4,483
Carceller Arce, Demetrio	366	30	0	0	396
Alimentos y Aceites, S.A. (Director until 29 March 2022)	20	3	0	0	23
Barreiro Pérez-Pardo, Belén	154	23	0	0	177
Carceller Arce, María	122	18	0	0	140
Castelló Clemente, Fernando	192	29	0	0	221
Comenge Sánchez-Real, José Ignacio	149	20	0	0	169
Corporación Financiera Alba, S.A.	122	18	0	0	140
Costa García, Mercedes	191	29	0	0	220
Empresas Comerciales e Industriales Valencianas, S.L.	122	18	0	0	140
Fernández Alonso, Javier	303	30	0	0	333
Grupo Tradifin, S.L.	186	29	0	0	215
Hercalanz Investing Group, S.L. (*)	149	20	0	0	169

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Murtra Millar, Marc Thomas (Director since 31 January 2022)	276	25	0	0	301
Xuclà Costa, Jordi (Director since 30 March 2022)	101	14	0	0	115
TOTAL	2,846	330	1,508	2,558	7,242 (**)

(*) Heralianz Investing Group, S.L. did not perform either executive or management duties at Ebro Foods, S.A. or at any subsidiary and therefore did not receive any remuneration in this respect. It is categorised as an executive director based on the fact that the natural person representing this entity on the Board of Directors of Ebro Foods, S.A. is an executive and director of several Group subsidiaries.

(**) Total director remuneration in 2022 amounted to 7,244,201 euros, before tax, which, rounded to thousands of euros comes out at 7,244 thousand euros. That sum differs from the total provided in the table above as a result of the rounding, to the nearest thousandth, of each director's individual remuneration.

- Of the total variable remuneration earned by the Chairman of the Board of Directors for performance of his executive duties in 2022, 1,058 thousand euros, before tax, corresponded to the Deferred Annual Bonus Scheme tied to the Group's 2019-2021 Business Plan in respect of 2020, a figure representing up to 25% of the bonuses accrued under that three-year scheme. That sum was provided for in the 2020 financial statements and paid in 2022.
- Elsewhere, in relation to the total remuneration earned by the Chairman of the Board of Directors for the performance of his executive duties in 2022, the 2022 financial statements recognize a provision of 1,125 thousand euros in respect of the provisional estimate of the amount corresponding to 2022 under the Deferred Annual Bonus Scheme tied to the Group's 2022-2024 Plan, which represents up to 25% of the deferred bonus entitlement expected to be accrued during the three-year period. That figure will be paid in 2024.

These bonus schemes are not tied to Ebro Foods' share price performance and do not entitle their beneficiaries to the receipt of shares or any rights over such shares.

Elsewhere, none of the members of the Board of Directors benefits from complementary life insurance or pension cover. Moreover, the Company has neither extended any form of credit or advances to the members of its Board of Directors nor assumed any obligations on their behalf under guarantees.

Officer remuneration - A total of 10 people were considered officers of Ebro Foods, S.A. at year-end 2022 (year-end 2021: 10); in 2022, those executives accrued total remuneration (fixed wages and salaries, annual bonuses and, as applicable, deferred annual bonuses) of 2,582 thousand euros (2021: 2,400 thousand euros).

Note in relation to the officer remuneration disclosures, the term "officer" refers to the Chief Operating Officer of the Ebro Group, who is the most senior executive after the Executive Chairman, and the professionals in charge of the main departments of Ebro Foods, S.A., irrespective of whether they are considered "senior management".

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In 2022, the team of officers (excluding the Chairman of the Board of Directors) of Ebro Foods, S.A. covered by the Deferred Annual Bonus Scheme tied to the Group's 2019-2021 Business Plan were paid 187 thousand euros, before tax, corresponding to 2020, a figure representing up to 25% of the bonuses earned during the three-year scheme that had been provisioned in the 2020 financial statements.

Meanwhile, in relation to the team of officers (excluding the Chairman of the Board of Directors) of Ebro Foods, S.A. covered by the Deferred Annual Bonus Scheme tied to the Group's 2022-2024 Business Plan, the 2022 financial statements recognise a provision of 178 thousand euros in respect of the provisional estimate of the amount corresponding to 2022 under the scheme, which represents up to 25% of the deferred bonus entitlement expected to be accrued during the three-year period. That sum will be paid in 2024, in keeping with the plan rules.

Note lastly for the record that Ebro Foods, S.A. has taken out director and officer liability insurance cover; those policies cover all of its subsidiaries up to an annual claims cap of 45 million euros. The policies cost 193 thousand euros in 2022 (192 thousand euros in 2021), are effective until April 30, 2023 and are currently in the process of being renewed.

19. OTHER DISCLOSURES

a) Foreign-currency transactions

The Company usually transacts in euros, other than the dollar-denominated borrowing arrangements described in notes 13 and 17.

b) Workforce structure

<u>2022</u>	At year-end		Average
	Men	Women	Total
Officers	6	4	10
Middle managers	22	11	33
Clerical staff	5	7	13
	<u>33</u>	<u>22</u>	<u>56</u>

As required under article 260 of the Corporate Enterprises Act, the Company hereby discloses that the average number of people employed during the year with a disability of a severity of 33% or higher was one (man) - in the "Clerical staff" category - in both reporting periods.

EBRO FOODS, S.A.

Notes to the financial statements for the year ended December 31, 2022 (Thousands of euros)

<u>2021</u>	At year-end		Average
	Men	Women	Total
Officers	6	4	10
Middle managers	22	11	33
Clerical staff	6	7	13
	<u>34</u>	<u>22</u>	<u>56</u>

c) Audit fees

The fees paid for account auditing and other services to the Company's auditor, Ernst & Young, S.L., and entities related to the latter by means of control, joint ownership or joint management, in 2022 and 2021 were as follows (in thousands of euros):

- The fees corresponding to auditing services provided in 2022 amounted to 246 (2021: 246) thousand euros; those corresponding to other assurance services amounted to 82 (2021: 83) thousand euros.
- The fees for tax advisory and and/other services totalled 178 (2021: 125) thousand euros.

d) Environmental disclosures

The activities carried on by the various Ebro Foods Group companies require investments to manage and control their environmental risks.

Investments that increase the capacity of their facilities and machinery are capitalized and depreciated on a straight-line basis over their estimated useful life. Ebro Foods, S.A., in its capacity as the Group's holding company, does not directly undertake this effort; rather its Group companies make and incur the required environmental investments and expenditure.

The work performed on this front in recent years has been very broad but has focused above all on ensuring adequate control of wastewater discharges, combustion gas and dust emissions and inert solid and organic waste and rubbish generation.

The Company's directors believe there are no significant environmental protection or enhancement contingencies and therefore, have not deemed it necessary to record any related provisions.

e) Disclosures regarding the average supplier payment term

The Company paid its suppliers at 18 days on average in 2022 (2021: 29 days).

EBRO FOODS, S.A.

Notes to the financial statements for the year ended December 31, 2022 (Thousands of euros)

	2022	2021
	Days	Days
Average supplier payment term	18	29
Paid transactions ratio	18	29
Outstanding transactions ratio	26	29
	Amount (€ 000)	Amount (€ 000)
Total payments made	14,234	9,759
Total payments outstanding	285	331
No. of invoices received during the year	1,374	1,497
	%	%
Payments settled within deadline	86.5	59.8
Invoices settled within deadline	83.5	59.4

For the purposes of calculating the average payment period, the 2022 figures in the table above do not include the sum of 2,939 (2021: 2,846) thousand euros invoiced by an IT system provider as its invoices took 100 (96) days to formally approve and document such that the payment was delayed by those 100 (96) days.

- f) For the purposes of compliance with the obligation stipulated in article 42 *bis* of Regulation 1065/2007, of July 27, 2007, enacting the general regulations governing tax management and inspections and establishing common procedural rules in respect of tax matters, and in keeping with the terms of article 4.b of the said article, there follows a list of the accounts with foreign financial institutions held by non-resident subsidiaries:

COMPANY	ACCOUNT ID CODE	BIC CODE	ACCOUNT CODE	BANK	BRANCH	COUNTRY OF LOCATION OF BANK	DATE OPENED	BALANCE AT DEC. 31, 2022 (€)	AVERAGE BALANCE 4Q22 (€)	% INTEREST	CURR.
Semola, S.r.l.	IBAN	BCABIT21XXX	IT39D035000320500000037267	Ubi Banco di Brescia SpA	Rome	Italy	April-13	247,704.84	1,453,762.18	100%	EUR
Ebro Costa Rica S.L.	IBAN	BSNJCRSJXXX	CR11010200009024954723	BAC San Jose	San José	Costa Rica	August-06	16,092.81	21,640.19	100%	USD
Ebro Riviana Guatemala SL	Other	CITIGTGCXXX	0002058006	CITIBANK	Guatemala City	Guatemala	March-21	702,150.91	343,232.08	100%	GTQ
EF Alimentación, S de R.L de CV.	CLABE	BCMRMXMM	187408390	BBVA BANCOMER, S.A.	Mexico City	Mexico	August-11	13,923.86	15,151.66	100%	MXP
	CLABE	BCMRMXMM	187409842	BBVA BANCOMER, S.A.	Mexico City	Mexico	August-11	908.01	1,002.13	100%	USD
Mundiriz	Other	BMCEMAMCXXX	011735000012100060709.11	BMCE Bank	Larache	Morocco	2001	1,353,031.57	1,272,100.72	100%	MAD
	Other	BCMAMAMCXXX	007 640 0013709000000131 39	Attijariwafa Bank	TANGIER	Morocco	2002	211,032.83	109,742.52	100%	MAD
	Other	BMCEMAMCXXX	011 735 0000 01 66600 60709 27	BMCE Bank	Larache	Morocco	2009	27.70	27.70	100%	MAD
	Other	BMCEMAMCXXX	011 735 000 501 66500 12519 30	BMCE Bank	Larache	Morocco	2015	204,670.56	199,581.66	100%	EUR
	Other	CDMAMAMCXXX	021 735 0000 080 030 167465 07	Crédit du Maroc	Larache	Morocco	March-18	159,507.54	116,710.27	100%	MAD
	Other	CAIXAMAMCXXX	003 640 64000000011 70167 55	CaixaBank - Tanger	TANGIER	Morocco	September-21	6,407.58	6,412.51	100%	MAD
Agromeruan	Other	BMCEMAMCXXX	011735000012100006819.79	BANK OF AFRICA	Larache	Morocco	2007	23,187.87	26,692.47	100%	MAD
	Other	CDMAMAMCXXX	021 735 0000 080 030 183549 61	Crédit du Maroc	Larache	Morocco	October-21	8,929.67	8,929.67	100%	MAD
	Other	CAIXAMAMCXXX	003 640 64000000011 70268 43	CaixaBank - Tanger	TANGIER	Morocco	September-21	-1,344,774.05	-1,345,715.52	100%	MAD
Rivera del Arroz, S.A.	Other	BMCEMAMCXXX	011735000012100060728.51	BMCE Bank	Larache	Morocco	2002	1,761.57	172.50	100%	MAD
Katania	Other	BMCEMAMCXXX	011 735 0000 01 210 00 13562 26	BMCE Bank	Larache	Morocco	February-17	70,015.72	70,921.52	100%	MAD

EBRO FOODS, S.A.

Notes to the financial statements for the year ended December 31, 2022
(Thousands of euros)

20. EVENTS AFTER THE REPORTING PERIOD

There have been no significant events or developments between the end of the reporting period and the date of authorising the accompanying financial statements for issue.