Consolidated Financial Statements and Consolidated Management Report for the year ended December 31, 2021

DATA TO BE TAGGED FOR XBRL FORMATTING PURPOSES

- ✓ Name of reporting entity or other means of identification: Ebro Foods, S.A.
- ✓ Explanation of change in name of reporting entity or other means of identification from end of preceding reporting period: There has been no change in the name of the entity or other means of identification.
- ✓ Domicile of entity Paseo de la Castellana, 20, 28046 Madrid
- ✓ Legal form of entity: Public limited company (*sociedad anónima*).
- ✓ Country of incorporation: Spain
- ✓ Address of entity's registered office: Paseo de la Castellana, 20, 28046 Madrid
- ✓ Principal place of business: Paseo de la Castellana, 20, 28046 Madrid
- ✓ Description of nature of entity's operations and principal activities: Refer to note 1 of the consolidated financial statements.
- ✓ Name of parent entity: Ebro Foods, S.A.
- ✓ Name of ultimate parent of group: Not applicable.
- ✓ Length of life of limited life entity: The reporting entity does not have a limited life.

EBRO FOODS GROUP
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT YEAR-END 2021 AND 2020
THOUSANDS OF EUROS

	Note	31/12/2021	31/12/2020
NON-CURRENT ASSETS		**2,205,307**	**2,577,452**
Intangible assets	8	434,348	449,356
Property, plant and equipment	9	788,681	857,799
Right-of-use assets	10	59,375	76,242
Investment properties	11	19,398	19,454
Financial assets	12	4,874	7,616
Investments in associates	14	43,002	43,387
Deferred tax assets	21	46,270	61,996
Goodwill	15	809,359	1,061,602
CURRENT ASSETS		**1,733,315**	**1,316,236**
Inventories	16	702,699	578,280
Trade and other receivables	12	415,938	442,931
Current tax assets	21	23,097	17,055
Taxes receivable	21	35,465	48,526
Other financial assets	12	4,265	3,356
Derivatives	12	527	1,611
Other current assets		12,085	13,991
Cash and cash equivalents	13	539,239	210,486
Non-current assets held for sale	5 & 25	0	141,974
TOTAL ASSETS		**3,938,622**	**4,035,662**

	Note	31/12/2021	31/12/2020
EQUITY		**2,133,190**	**1,957,798**
Equity attributable to equity holders of the parent	17	**2,101,627**	**1,927,351**
Share capital		92,319	92,319
Share premium		4	4
Restricted parent company reserves		21,633	21,633
Retained earnings		1,882,678	1,814,239
Translation differences		104,993	-844
Non-controlling interests		**31,563**	**30,447**
NON-CURRENT LIABILITIES		**881,681**	**895,175**
Deferred income	18	10,326	11,437
Provisions for pensions and similar obligations	19	35,088	56,466
Other provisions	20	15,538	14,089
Financial liabilities	12	598,509	570,267
Deferred tax liabilities	21	222,220	242,916
CURRENT LIABILITIES		**923,751**	**1,165,216**
Other financial liabilities	12	445,916	591,759
Derivatives	12	1,270	2,732
Trade and other payables	12	415,565	485,642
Current tax assets	21	37,454	49,875
Taxes payable	21	19,766	32,785
Other current liabilities		3,780	2,423
Liabilities of non-current assets held for sale	5 & 25	0	17,473
TOTAL EQUITY AND LIABILITIES		**3,938,622**	**4,035,662**

The accompanying notes 1 to 28 are an integral part of the consolidated statement of financial position at December 31, 2021.

EBRO FOODS GROUP
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
THOUSANDS OF EUROS

	Note	2021	2020
			Restated
Revenue from contracts with customers	6	2,427,068	2,430,310
Change in inventories of finished goods and work in progress		19,398	5,443
Own work capitalized		243	435
Other operating income	7	25,687	11,374
Raw materials and consumables used and other external expenses	6	-1,356,990	-1,359,154
Employee benefits expense	7	-333,188	-325,729
Depreciation and amortization	8, 9, 10 & 11	-94,565	-93,421
Other operating expenses	7	-484,595	-463,725
OPERATING PROFIT		**203,058**	**205,533**
Finance income	7	32,130	41,463
Finance costs	7	-39,601	-57,471
Impairment of goodwill	15	0	-35,104
Share of profit of associates	14	3,144	5,448
PROFIT BEFORE TAX		**198,731**	**159,869**
Income tax	21	-53,512	-42,642
PROFIT FROM CONTINUING OPERATIONS		**145,219**	**117,227**
Profit after tax from discontinued operations	25	105,027	89,424
GROUP PROFIT/(LOSS) FOR THE YEAR		**250,246**	**206,651**
Attributable to:			
Equity holders of the parent		**238,629**	**192,415**
Non-controlling interests		11,617	14,236
		250,246	**206,651**

	Note	2021	2020
Earnings per share (euros)	17		
- From continuing operations			
Basic		0.868	0.669
Diluted		0.868	0.669
- From profit for the period			
Basic		1.551	1.251
Diluted		1.551	1.251

The accompanying notes 1 to 28 are an integral part of the consolidated statement of profit or loss for the year ended December 31, 2021.

EBRO FOODS GROUP
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
THOUSANDS OF EUROS

		2021			2020		
	Note	Gross amount	Tax effect	Net amount	Gross amount	Tax effect	Net amount
1. Profit for the year				**250,246**			**206,651**
2. Other comprehensive income recognized directly in equity:		**116,049**	**-2,330**	**113,719**	**-112,804**	**1,667**	**-111,137**
2.1 Other comprehensive income to be reclassified to profit or loss in subsequent periods		**105,972**	**0**	**105,972**	**-105,089**	**0**	**-105,089**
Translation differences	17	105,070	0	105,070	-105,089	0	-105,089
Translation differences reclassified to profit or loss during the reporting period		902	0	902	0	0	0
2.2 Other comprehensive income not to be reclassified to profit or loss in subsequent periods		**10,077**	**-2,330**	**7,747**	**-7,715**	**1,667**	**-6,048**
Actuarial gains and losses	19	10,077	-2,330	7,747	-7,715	1,667	-6,048
1+2 Total income and expense recognized during the period:	17			**363,965**			**95,514**
Attributable to:							
Equity holders of the parent	17			352,213			81,404
Non-controlling interests	17			11,752			14,110
				363,965			**95,514**

The accompanying notes 1 to 28 are an integral part of the consolidated statement of recognized income and expense for the year ended December 31, 2021.

EBRO FOODS GROUP
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
THOUSANDS OF EUROS

			Equity attributable to equity holders of the parent									
	Total Equity	**NCI**	**Total**	Share capital	Share premium	Reval. reserve	Legal reserve	Retained earnings	Profit/ (loss)	Interim dividend	Translation differences	Own shares
Balance at December 31, 2019	**2,291,670**	**29,467**	**2,262,203**	92,319	4	3,169	18,464	1,902,376	141,752	0	104,119	0
- Distribution of prior-period profit	**0**	0	**0**	0	0	0	0	141,752	-141,752	0	0	0
- Dividend payment	**-387,804**	-1,602	**-386,202**	0	0	0	0	-386,202	0	0	0	0
- Gain/(loss) on own share sales	**0**	0	**0**	0	0	0	0	0	0	0	0	0
- Transactions with non-controlling interests	**-11,528**	-11,528	**0**	0	0	0	0	0	0	0	0	0
- Other movements in equity	**-30,054**	0	**-30,054**	0	0	0	0	-30,054	0	0	0	0
Total distribution of profit and transactions with shareholders	**-429,386**	**-13,130**	**-416,256**	0	0	0	0	-274,504	-141,752	0	0	0
- Profit for the year (as per statement of profit or loss)	**206,651**	14,236	**192,415**	0	0	0	0	0	192,415	0	0	0
- Change in translation differences	**-105,089**	-126	**-104,963**	0	0	0	0	0	0	0	-104,963	0
- Translation differences reclassified to profit or loss	**0**	0	**0**	0	0	0	0	0	0	0	0	0
- Fair value of financial instruments:												
1. Unrealized gains/(losses)	**0**	0	**0**	0	0	0	0	0	0	0	0	0
2. Realized gains/(losses)	**0**	0	**0**	0	0	0	0	0	0	0	0	0
- Change due to actuarial gains/(losses)	**-7,715**	0	**-7,715**	0	0	0	0	-7,715	0	0	0	0
- Tax effect of gains/(losses) recognized in equity	**1,667**	0	**1,667**	0	0	0	0	1,667	0	0	0	0
Total income and expense recognized	**95,514**	**14,110**	**81,404**	**0**	**0**	**0**	**0**	**-6,048**	**192,415**	**0**	**-104,963**	**0**
Balance at December 31, 2020	**1,957,798**	**30,447**	**1,927,351**	92,319	4	3,169	18,464	1,621,824	192,415	0	-844	0
- Distribution of prior-period profit	**0**	0	**0**	0	0	0	0	192,415	-192,415	0	0	0
- Dividends paid (note 17)	**-184,089**	-8,682	**-175,407**	0	0	0	0	-175,407	0	0	0	0
- Gain/(loss) on own share sales	**-4**	0	**-4**	0	0	0	0	-4	0	0	0	0
- Transactions with non-controlling interests	**-1,882**	-1,954	**72**	0	0	0	0	72	0	0	0	0
- Other movements (notes 5 & 22)	**-2,598**	0	**-2,598**	0	0	0	0	-2,598	0	0	0	0
Total distribution of profit and transactions with shareholders	**-188,573**	**-10,636**	**-177,937**	0	0	0	0	14,478	-192,415	0	0	0
- Profit for the year (as per statement of profit or loss)	**250,246**	11,617	**238,629**	0	0	0	0	0	238,629	0	0	0
- Change in translation differences	**105,070**	135	**104,935**	0	0	0	0	0	0	0	104,935	0
- Translation differences reclassified to profit or loss	**902**	0	**902**	0	0	0	0	0	0	0	902	0
- Fair value of financial instruments:												
1. Unrealized gains/(losses)	**0**	0	**0**	0	0	0	0	0	0	0	0	0
2. Realized gains/(losses)	**0**	0	**0**	0	0	0	0	0	0	0	0	0
- Change due to actuarial gains/(losses)	**10,077**	0	**10,077**	0	0	0	0	10,077	0	0	0	0
- Tax effect of gains/(losses) recognized in equity	**-2,330**	0	**-2,330**	0	0	0	0	-2,330	0	0	0	0
Total income and expense recognized	**363,965**	**11,752**	**352,213**	**0**	**0**	**0**	**0**	**7,747**	**238,629**	**0**	**105,837**	**0**
Balance at December 31, 2021	**2,133,190**	**31,563**	**2,101,627**	92,319	4	3,169	18,464	1,644,049	238,629	0	104,993	0

The accompanying notes 1 to 28 are an integral part of the consolidated statement of changes in equity for the year ended December 31, 2021.

EBRO FOODS, S.A. GROUP
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

THOUSANDS OF EUROS	Note (*)	**2021**	**2020**
Receipts from customers		3,002,908	3,354,263
Payments to suppliers and employees		-2,845,104	-2,916,960
Interest paid		-8,757	-12,484
Interest received		373	974
Dividends received		4,350	3,634
Other operating activity receipts / payments		223	11,899
Income tax paid	21	-136,510	-71,463
Net cash flows from operating activities	a)	**17,483**	**369,863**
INVESTING ACTIVITIES			
Purchase of fixed assets	b)	-120,035	-117,600
Proceeds from sale of fixed assets	c)	3,724	20,966
Purchase of financial assets (net of cash acquired)		-24,063	-10,106
Proceeds from sale of financial assets and/or businesses	d)	750,202	210,906
Other investment activity proceeds / purchases		-116	832
Net cash flows from investing activities		**609,712**	**104,998**
Acquisition of own shares		-632	-644
Proceeds from sale of own shares		14	0
Dividends paid to shareholders (including NCI holders)	e)	-185,719	-397,375
Proceeds from borrowings		1,481,723	1,122,367
Repayment of borrowings		-1,608,919	-1,231,663
Other financing activity proceeds / payments and grants		-1,833	41
Net cash flows used in financing activities		**-315,366**	**-507,274**
Translation differences arising on cash flows from foreign companies		8,429	3,742
NET INCREASE/(DECREASE) in cash and cash equivalents		**320,258**	**-28,671**
Cash and cash equivalents, opening balance		210,486	252,072
Effect of year-end exchange rate on opening balance		8,495	-12,915
Cash and cash equivalents, closing balance	13	**539,239**	**210,486**

The 2021 and 2020 consolidated statements of cash flows include the cash flows pertaining to the discontinued activities consisting of the US and Canadian Dry Pasta businesses. The related cash flows so included are disclosed by category below:

Net cash flows from operating activities	2,457	123,810
Net cash flows from investing activities	-10,693	-17,614
Net cash flows used in financing activities	-3,095	-3,286

The accompanying notes 1 to 28 are an integral part of the consolidated statement of cash flows for the year ended December 31, 2021.

(*) The cross-references to the corresponding notes accompanying the consolidated financial statements are provided for qualitative purposes only; it is not always possible to provide cross-references to the precise amounts reported.

a) Cash flow from operations decreased year-on-year due to the decline in Group profitability (EBITDA-A) after an exceptional year on account of the pandemic; a considerable increase in the net working capital requirement; and a sharp increase in tax payments as a result of corporate transactions. Note that the amounts in question are not comparable on account of the operations classified as discontinued.

b) This balance, less the 4,355 thousand euros of differences between the cash outflows and accrual for accounting purposes of the additions to property, plant and equipment and intangible assets, explain the movements in new investments disclosed in notes 9 and 10.

c) Corresponds basically to the amounts received from the sale of fixed assets arranged with deferred payments (note 12).

d) Of these amounts, in 2021, 208,597 thousand euros stems from the sale of the dry pasta business in Canada and the rest of the US dry pasta business not already sold in 2020, and 536,450 thousand euros stems from the sale of the dry pasta business in France, net of transaction expenses and the cash drawn from that business (note 5). In 2020, 209,406 thousand euros corresponded to the sale of the dry pasta business in the United States (note 5).

e) This balance is made up of:
   - Dividends paid to shareholders of the Parent in the amount of 175,407 thousand euros.
   - Dividends paid to non-controlling shareholders and holders of stock options (put & call options) in the amount of 10,312 thousand euros.

1. GROUP INFORMATION

Ebro Foods, S.A., a Spanish public limited company (*sociedad anónima*), hereinafter the Parent or the Company, was created by the merger by absorption of Puleva S.A. into Azucarera Ebro Agrícolas S.A. on January 1, 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 June 1, 2010, its registered name was changed again to its current name: Ebro Foods, S.A. The Company is the Parent of the international Ebro Foods Group (hereinafter, the Group or the Ebro Group).

The Company's current registered office is in Madrid (28046), at Paseo de la Castellana, 20.

The corporate object of its consolidated group (hereinafter, the Ebro Foods Group, the Ebro Group or the Group) 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 and 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.

Those activities may be carried on through the subscription or acquisition of shares or other equity interests in companies with an identical or similar corporate purpose.

The Group currently operates in Spain and internationally. The revenue breakdown by geographic market is provided with the segment reporting disclosures (note 6).

The 2020 consolidated financial statements were approved at the Annual General Meeting held by Ebro Foods, S.A. on June 30, 2021 and duly filed with Madrid’s Companies Register.

The distribution of the profit of the Parent proposed by the directors of Ebro Foods, S.A. at a meeting of the Board of Directors on December 15, 2021 for submission for ratification at the upcoming Annual General Meeting is as follows:

Amounts relating only to the Parent's separate financial statements	Amount (€ 000)
Basis of appropriation	
Unrestricted reserves	796,856
Profit for the year (as per statement of profit or loss)	327,145
	1,124,001

The profit generated by the Ebro Foods Group in 2021 makes it possible, as in prior years, to propose the payment of a cash dividend, with a charge against unrestricted reserves and profit for the year, of 0.57 euros per share, payable in the course of 2022, in a total amount of 87,703 thousand euros.

The dividend will be paid out in three equal instalments of 0.19 euros per share on April 1, June 30, and October 3, 2022.

Limitations on the distribution of dividends

Ebro Foods, S.A. is obliged to transfer 10% of profit for the year to a legal reserve until this reserve reaches an amount equal to at least 20% of share capital. That reserve cannot be distributed to shareholders unless it exceeds and only in the amount by which it exceeds the 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.

2. BASIS OF PREPARATION AND COMPARABILITY OF THE INFORMATION INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements are presented in thousands of euros (unless expressly stated otherwise). Transactions performed in other currencies are translated into euros using the accounting policies outlined in note 3.

a) Basis of preparation

1. General accounting policies

The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRSs) adopted by the European Union, in conformity with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council.

The consolidated financial statements for the year ended December 31, 2021, which were authorised for issue by the Parent's directors on March 30, 2022, are pending approval by its shareholders at the Annual General Meeting; however, they are expected to be approved without modification. (Similarly, at the reporting date, the separate 2021 financial statements of Ebro Foods, S.A. and of its subsidiaries and associates had still to be ratified by their respective shareholders at the corresponding Annual General Meetings).

2. Use of estimates and assumptions

The Parent’s directors are responsible for the information included in these consolidated financial statements.

In preparing the accompanying consolidated financial statements, they have relied on occasion on estimates made by the management of the various Group companies in order to measure certain of the assets, liabilities, income, expenses and commitments recognized therein. Essentially, those estimates refer to:

- Measurement of the recoverable amounts of intangible assets and goodwill for impairment testing purposes (notes 8 and 15).
- The assumptions used in the actuarial calculation of pension and similar liabilities and obligations (note 19).
- The useful lives of fixed and intangible assets (notes 8 and 9)
- The assumptions used to calculate the fair value of financial instruments and put options (notes 12 and 22).
- The probability of occurrence and amount of liabilities of uncertain amounts and/or contingent liabilities (note 20).
- The recoverability of deferred tax assets (note 21).

Although these estimates were made on the basis of the best information available at the date of authorising these consolidated financial statements for issue regarding the facts analysed, future events, specifically including events related with the situation induced by COVID-19 (see below), could make it necessary to revise the estimates (upwards or downwards) in coming years. Changes in accounting estimates would be applied prospectively, recognising the effects of the changes in estimates in the related consolidated financial statements.

COVID-19: Implications of the pandemic on the consolidated financial statements

The global economy continues to be severely affected by the COVID-19 pandemic, which triggered an unprecedented contraction in global GDP during the first half of 2020. In response, governments all around the world rolled out decisive fiscal and monetary policy measures which, together with the waning impact of the virus itself, enabled a considerable recovery in the economy in the second half of 2020. Even so, global GDP contracted by approximately 3.3% in 2020, notwithstanding the impact of other factors outlined in note 28.

Although it is probable that the pandemic will continue to have an adverse effect on economic activity in the short term, the recovery is expected to continue, facilitated by the advanced progress of the vaccination effort, the gradual easing of restrictions on mobility and the economic stimulus measures. The significant fiscal stimulus packages announced in the US at the end of 2020 and during 2021 and the extension of lax monetary policy by the main central banks have reinforced the outlook for a global economic recovery. Nevertheless, epidemiological, financial, economic and geopolitical factors cast uncertainty over the ongoing recovery. Even though the advent of a new variant of Covid towards the end of 2021 implied a fresh setback for the recovery, the hope is that the impact of this new ‘wave’ of contagion will be surmounted in the early months of 2022 with things returning definitively to almost pre-pandemic ways (especially in Europe and North America) throughout 2022.

In Spain events were marked by the declaration of a succession of states of alarm (which ended on May 9, 2021) and the approval of a raft of urgent and extraordinary measures to address the economic and social fallout from COVID-19. Other countries took similar actions, introducing their own measures.

On the basis of the most updated information available, in order to duly reflect the prevailing and prospective impact of the situation induced by COVID-19 on the financial situation, performance and cash flows of the Ebro Group, the following specific disclosures are made:

1. To date there have been no adverse ramifications on the Ebro Group's financial position, earnings performance or cash flows.

2. In 2021, the trend in sales was far more ‘normal’ and akin to that observed in other years prior to the onset of the pandemic, such as 2019 and 2018. Sales of our products were distorted during the first half of 2020, particularly in March and April and, to a lesser degree, in May, while June 2020 was already a more normal month for sales.

3. The pandemic situation had a small impact on the Ebro Group in 2021. The Group's performance in 2021 was similar to that of 2019 and the second half of 2020 and was not marked by the extraordinary impacts observed during the first half of 2020.

4. The Ebro Group 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.

5. Asset and liability measurement conventions at December 31, 2021 and additional information. As disclosed 3 below, the Group has used the same accounting policies to prepare the 2021 consolidated financial statements as it used to prepared the 2020 set. Below is a list of the asset and liability accounts that may have been affected by the extraordinary situation brought about by the COVID virus in light of the consequences it has had for the Ebro Group:

- COVID-19 constitutes a significant extraordinary event and, therefore, in keeping with prevailing accounting standards, requires the fine-tuning and possibly the expansion of the level of disclosures provided in the consolidated financial statement notes. The Ebro Group has therefore expanded the information provided in these consolidated financial statements where necessary.

- The COVID-19 pandemic has not had significant adverse effects on the Ebro Group's direct activities; nor has it given rise to the need to recognize any impairment losses of significance.

- In terms of its financial liabilities, the Group did not encounter any problems whatsoever in relation to the refinancing of any debt, the arrangement of new financing agreements or its ability to service its financial obligations. Financial liability management unfolded exactly as anticipated, in keeping with the natural and normal maturity schedules.

- Note, in keeping with IFRS 9, in relation to the estimation of expected credit losses on accounts receivable, that there have been no significant changes in the assumptions and judgements used to analyse the Group's accounts receivable with respect to those used at year-end 2020 (i.e., the analysis performed did not indicate the need to recognize any additional extraordinary losses on account of the pandemic).

- As for the Group's lease contracts (IFRS 16), there have been no changes in the agreements as a result of the pandemic.

Lastly, the Group has verified that the prevailing extraordinary circumstances have not had any impact on the recognition of deferred tax assets or the utilisation of tax credits in keeping with IAS 12, the measurement of fair value in keeping with IFRS 13 or the measurement of provisions or onerous contracts in accordance with IAS 37.3.

Materiality assessment

These consolidated financial statements omit information and disclosures that do not require detailed breakdown on account of their qualitative importance and were not deemed material or relevant in accordance with the materiality or significance concept defined in the IFRS Conceptual Framework, considering the consolidated financial statements of the Ebro Group as a whole.

b) Comparability

For comparative purposes, the Group presents, in addition to the figures for the year ended December 31, 2021, for each item in the consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of cash flows, consolidated statement of changes in equity, consolidated statement of comprehensive income and the notes to the consolidated financial statements, the figures for the year ended December 31, 2020.

The following significant changes were made to the prior-year figures in order to make them comparable year-on-year:

As a result of the decision to discontinue and sell the dry pasta business in France (notes 5 and 25), the consolidated statement of profit or loss for the year ended December 31, 2021 has been restated to reclassify all of that business's income and expenses within "Profit after tax from discontinued operations”. The information pertaining to 2020 has also been reclassified in the consolidated statement of profit or loss to present the discontinued business’s cash flows separately, as required under IFRS 5.

c) Changes in the scope of consolidation

Notes 4 and 5 detail the main changes affecting the consolidation scope in 2021 and 2020, outlining the corresponding consequences in terms of accounting methods used.

3. MEASUREMENT STANDARDS

The most significant accounting policies applied in the preparation of these consolidated financial statements are set out below:

a) Principles of consolidation

<u>Subsidiaries</u>

All of the companies over which the Group has control are fully consolidated in these financial statements. Control is the power to affect an investee's returns through the ability to direct its relevant activities.

When the Group acquires a business, that business's assets, liabilities and contingent liabilities are measured at their acquisition-date fair values. The difference between the cost of the business combination and the fair value of the net assets acquired is recognized as goodwill if positive and as a gain on a bargain purchase in profit and loss if negative.

The results of companies acquired during the year are consolidated from the effective date of acquisition. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All material intra-group balances relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests

Non-controlling interests are determined at the acquisition date at their percentage interest in the fair value of the acquired business, i.e., including their share of goodwill.

Put options written over non-controlling interests (NCI)

As detailed in notes 12.2 and 22, the Group has closed a number of business combinations in recent years in which it has acquired the majority of the target companies' voting rights and, by extension, control. When structuring those transactions it wrote certain put options over the NCI holders' shares.

Whenever the Group acquires a business without acquiring all of the voting shares, it analyzes the acquisition terms from a technical standpoint. The purpose of that analysis is to determine whether: (1) the terms of the transaction substantiate the conclusion that the Group has entered into a forward-purchase contract for the NCI shares, in which case IAS 32 applies; or (2) the terms of the transaction evidence that the Group has not acquired 100% of the NCI shares, in which case IFRS 10 applies.

a) Forward-purchase contract (applying IAS 32) – the Group is obliged to acquire the percentage of shares still in the hands of the NCI holders at a fixed price. That fixed price is grossed up by the corresponding percentage interest in any profits that have not been distributed on the date of the purchase of the NCI holder shares. In this instance, it is understood that the Group has deferred payment for 100% of the shares, such that the NCI shares are recognized as if they had already been acquired at the time of the business combination and any changes in the liability payable to the NCI holders are recognized in profit or loss.

b) Not a forward contract (applying IFRS 10):

    - Acquisition-date measurement: on the acquisition date, the Group recognizes the non-controlling interests, in keeping with paragraph 10 of IFRS 3, at their proportionate share in the fair value of the business acquired (considering, therefore, the business acquired).

- Subsequent measurement and classification: IFRS does not provide specific guidance for accounting for put options written over NCI which irrevocably oblige the Group to purchase their shares. As a result, the Group, in keeping with customary practice and the interpretations of the main audit firms and experts in the field, does the following at each year-end:

    1. It determines the value at which the non-controlling interests would have been recognized, including an updated allocation of profit or loss, any changes in the consolidated statement of comprehensive income that are recognized in equity and any dividends declared during the reporting period, in accordance with IFRS 10;
    2. It then derecognizes the non-controlling interests as if they had been acquired on that date (year-end).
    3. It recognizes a financial liability at the present value of the amount payable as consideration for the NCI holders' put options in accordance with IFRS 9.
    4. The difference between the figures arrived at under items 2) and 3) above is recognized against equity.

Associates

The Group's investments in associates (companies over which it has significant influence but not control) are accounted for using the equity method. Under the equity method, an investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group’s share of the net assets of the associate since the acquisition date, adjusted for impairment charges as necessary.

The Group’s share of the results of operations of its associates is recognized, net of the related tax effect, in the consolidated statement of profit or loss or the consolidated statement of other comprehensive income, as warranted.

b) Foreign currency translation: results and financial position of foreign operations

The Group companies' separate financial statements are expressed in each company's functional currency.

On consolidation, their assets and liabilities are translated into euros using the year-end exchange rate; items of profit and loss are translated at the average exchange rate for the period; while share capital, share premium and reserve accounts are translated using the historical exchange rate. The exchange differences arising on translation for consolidation purposes of investments in foreign subsidiaries and associates are recognized in equity under "Translation differences".

If there are non-controlling interests in these subsidiaries, the related translation differences are recognized under “Non-controlling interests” within equity.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the reporting date.

On disposal of an investment in a foreign subsidiary or associate, the translation differences relating to that particular foreign operation, deferred in equity until the transaction date, are recognized in profit or loss.

c) Foreign currency transactions and balances

Each Group company translates its transactions in foreign currencies to its respective functional currency using the rate prevailing on the transaction date. Differences arising on settlement of these transactions or translation of monetary assets and liabilities denominated in currencies other than each Group company's functional currency are recognized in profit or loss.

d) Cash and cash equivalents

Cash and cash equivalents are mainly certificates of deposit, short-term deposits, short-term marketable securities, short-term government bonds and other money market assets with a maturity of three months or less, and bank deposits with a maturity of more than three months from the date of acquisition but immediately drawable without incurring any kind of penalty. Those assets are valued at cost, which is deemed a fair approximation of their realizable amount.

e) Property, plant and equipment and investment properties

Items of property, plant and equipment and investment properties are stated at the lower of:

- Acquisition (or production) cost, net of accumulated depreciation and accumulated impairment losses, if any.
- Their recoverable amount, i.e. the amount that will be recovered via the cash-generating units to which they belong or via their sale, capital appreciation or a combination of the two.

For items of property, plant and equipment and investment properties acquired in business combinations, acquisition cost equates to their fair value on the date that the Group obtained control, determined using appraisals carried out by independent experts, as detailed in section a) above.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is its carrying amount on the date of the change in use.

If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the reporting period in which they are derecognized.

In the event that management detects indications that these assets may be impaired, the corresponding impairment losses are recognized.

Borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost of the asset until such assets are commissioned. Extension, upgrade or improvement costs that represent an increase in productivity, capacity or efficiency or an extension in the useful life of assets are capitalized as an increase in the cost of the corresponding assets. Upkeep and maintenance costs are expensed in the year they are incurred.

Items of property, plant and equipment are depreciated on a straight-line basis over their respective useful lives, taking into consideration actual depreciation sustained through operation, usage and wear and tear, as follows: The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end.

Depreciation rates	
Buildings and other structures	1.0% to 3.0%
Plant and machinery	2.0% to 20%
Other fixtures, tools and furniture	8.0% to 25%
Other items of PP&E	5.5% to 25%

Assets acquired under finance lease agreements, i.e., when the Group assumes substantially all the risks and rewards incidental to ownership, are capitalized, recognizing the present value of the total lease liability in tandem. Lease payments are apportioned between finance charges and principal (reduction of the lease liability) so as to achieve a constant rate of interest on the remaining balance of the liability. Leased assets are depreciated on a straight-line basis over the useful life of the assets, using the rates shown above.

Operating lease payments are recognized as an operating expense in profit and loss on a straight-line basis over the lease term.

f) Right-of-use assets and lease liabilities

Right-of-use assets: The Group recognizes right-of-use assets at the lease commencement date (i.e., the date on which the underlying asset is made available for use).

Right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses and are adjusted for any remeasurement of the lease liability. The cost of right-of-use assets includes the amount of the lease liability at initial recognition, initial direct costs incurred and lease payments made at or before the commencement of the lease, less any lease incentives received. Unless the Group is reasonably certain it will obtain ownership of the leased asset at the end of the lease term, right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities: At the lease commencement date, the Group recognizes lease liabilities at the present value of the lease payments to be made during the lease term. Lease payments include fixed payments (including in-substance fixed lease payments) less any incentives receivable, variable lease payments that depend on an index or a rate, and the amounts expected to be payable under residual value guarantees. Lease payments also include the exercise price of a purchase option if the Group is reasonably certain to exercise that option and the payment of penalties for terminating the lease. Variable lease payments that do not depend on an index or a rate are expensed in the period in which the event or condition that triggers those payments occurs.

To calculate the present value of its lease payments, the Group uses a discount rate equivalent to its incremental borrowing rate at the date of commencement of the lease if the interest rate implicit in the lease is not readily determinable.

After initial recognition, the measurement of a lease liability is increased by the interest accrued and reduced by lease payments made. In addition, the carrying amount of lease liabilities is remeasured if the lease is modified, if there is a change in the assessment of the lease term, a change in in-substance fixed lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term and low-value leases: The Group applies the recognition exemption allowed for short-term leases (i.e., leases that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option). It also applies the permitted recognition exemption to leases of equipment of low value (i.e., less than 5 thousand euros). Lease payments for short-term leases and leases for which the underlying asset is of low value are recognized as an expense on a straight-line basis over the lease term.

Significant judgements and estimates made to determine the term of leases with extension options: The Group determines the lease term as the non-cancellable period of the lease, together with both the periods covered by an option to extend the lease if it is reasonably certain to exercise that option and the periods covered by an option to terminate the lease if it is reasonably certain not to exercise that option.

In some of its leases, the Group has the option of extending the lease for an additional three to five years. The Group applies judgement in assessing whether it is reasonably certain to exercise those options. To do so, it considers all the relevant facts and circumstances that create an economic incentive for it to exercise the option to extend the lease.

After first-time recognition, the Group reassesses the lease term upon the occurrence of a significant event or significant change in circumstances that is within its control and affects whether it is reasonably certain to exercise (or not exercise) the option to extend the lease (e.g., a change in sales strategy).

g) Intangible assets (excluding goodwill and greenhouse gas emission allowances)

Intangible assets are recognized at their acquisition or production cost, which is reviewed continually, and written down for impairment, as warranted, as described in note 3.h) below. Intangible assets with finite lives are amortized; their residual values, amortization periods and amortization methods are reviewed annually. The assets included under this heading are the following:

- Development costs: The costs incurred on specific projects for the development of new projects for sale or internal use that are reasonably certain to be recovered are capitalized and amortized on a straight-line basis over the period of expected future benefit from the date of completion.

  Recovery is regarded reasonably assured when it is considered technically feasible and the Group has the ability and intention to complete the asset and use it or sell it and it is expected to generate future economic benefits.

- Trademarks, patents and licenses: Capitalized development expenditure is recognized under this heading when the corresponding patent or similar protection is obtained. This heading also includes new trademarks or brand names acquired from third parties (recognized at their acquisition cost) and those acquired in business combinations (recognized at their fair value on the date control is obtained). Based on an analysis of all the relevant factors, the Group has determined that there is no foreseeable limit to the period of time for which its most significant trademarks will generate net cash inflows for the Group, which is why it has classified them as intangible assets with indefinite useful lives. Nevertheless, it reviews that indefinite useful life assessment every year.

  Those that are amortized are amortized over their estimated useful lives, which vary between 10 and 20 years.

- Computer software: Computer software includes the amounts paid for title to or the right to use computer programmes and the costs incurred to develop software in-house, to the extent that the software is expected to be used for several years. Software is amortized on a straight-line basis over its useful life, which is usually around three years.

Software maintenance expenses are expensed in the year incurred.

h) Goodwill

Goodwill is the excess of the consideration transferred in exchange for control of a business and the acquisition-date fair value of the share of the net assets acquired, including the portion attributable to non-controlling interests, as detailed earlier in this note. Goodwill in respect of investments in associates is recognized in the consolidated statement of financial position within 'Investments in associates', while any corresponding impairment losses are recognized under 'Share of profit of associates' in the consolidated statement of profit or loss.

When the price of a business combination includes contingent consideration, the acquisition price includes the present value of such contingent consideration.

Goodwill is not amortized but is tested for impairment annually. Any impairment of goodwill indicated by such tests is recognized immediately in profit or loss and cannot be reversed in subsequent years.

Similarly, gains from a bargain purchase are recognized in the consolidated statement of profit or loss once the Group has confirmed the fair value of the net assets acquired.

Whenever the Group disposes of a subsidiary or associate to which goodwill has been allocated, the amount of such goodwill is included in the carrying amount in order to determine the gain or loss on disposal.

Where goodwill forms part of a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill derecognized under these circumstances is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

i) Impairment of non-financial assets

The Group tests its assets for impairment every year.

If its impairment tests indicate that an asset's recoverable amount is less than its carrying amount, the asset is written down to its recoverable amount by recognizing an impairment loss in the consolidated statement of profit or loss. An asset’s recoverable amount is the higher of its realizable value and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using an appropriate discount rate.

If an asset being tested for impairment does not generate cash inflows that are largely independent of those from other assets or groups of assets, the impairment test is performed in respect of the group of assets to which it belongs (cash-generating unit or CGU).

The recoverable value of intangible assets with indefinite useful lives is reassessed annually (annual impairment test) or whenever there are indications that such assets may be impaired. The reversal of an asset impairment loss is recognized in the consolidated statement of profit or loss.

j) Non-current assets held for sale and discontinued operations

Non-current assets classified as held for sale and discontinued operations are measured at the lower of their acquisition cost and fair value less costs of disposal.

Assets are classified into this category when their carrying amount is expected to be realized through a sale transaction rather than through continuing use, the asset is available for immediate sale in its present condition and the sale is expected to qualify for recognition as a completed sale within one year.

k) Financial assets and financial liabilities

Financial assets

Financial assets are classified in accordance with how they are measured on the basis of the corresponding business model and the characteristics of the contractual cash flows. A financial asset is only reclassified from one category to another when there is a change in the business model used to manage the financial assets.

Financial asset acquisitions and disposals are recognized at the trade date, i.e., on the date the Group undertakes to acquire or sell the asset. Upon acquisition they are classified into one of the following categories:

a) Financial assets at amortized cost.

These are non-derivative financial assets that are held in order to collect their contractual cash flows and those contractual cash flows represent solely payments of principal and interest. They are included in current assets, except for amounts maturing more than 12 months from the end of the reporting period. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Interest income from these financial assets is recognized in finance income and any gain or loss arising on their derecognition and any impairment losses are recognized directly in profit and loss as they arise.

b) Financial assets at fair value through profit or loss

These are assets that are acquired for sale in the short term. Derivatives are included in this category unless they are designated as hedging instruments. These financial assets are initially recognized and subsequently measured at fair value and any changes in fair value are recognized in profit and loss as they arise.

Equity instruments classified into this category are recognized at fair value and any gain or loss arising from changes in their fair value or as a result of their sale are similarly recognized in profit and loss as they arise.

The fair values of quoted investments are based on quoted prices (fair value hierarchy level 1). The fair value of investments in unlisted entities is established using valuation techniques, which include the use of recent arm's length transactions between knowledgeable, willing parties, reference to other instruments that are substantially the same and discounted cash flow analysis (levels 2 and 3). In the event that recent information available is insufficient to measure fair value or there is a wide range of possible fair value measurements and cost represents the best estimate within that range, such investments are recognized at cost less any impairment losses.

c) Equity instruments at fair value through other comprehensive income (FVOCI).

These are investments in equity instruments which the Group has opted to irrevocably designate as at fair value through other comprehensive income upon initial recognition. They are recognized at fair value and any gains or losses arising from changes in their fair value are recognized in other comprehensive income, except for the dividends received from those investments, which are recognized in profit or loss when the right to receive payment is established. Accordingly, no impairment losses are recognized on these investments. Changes in their fair value are not recycled to profit and loss when they are sold.

The fair value measurements made in the accompanying consolidated financial statements are classified using a fair value hierarchy articulated around the relevance of the inputs used to make the corresponding measurements. The hierarchy categorizes the inputs used in valuation techniques into three levels:

- Level 1 inputs: Fair value measurements based on quoted prices in active markets for identical instruments. These measurements are based on quoted prices at the reporting date.

- Level 2 inputs: Fair value measurements based on inputs that are observable for the asset or liability. The fair value of financial assets included in this category is determined by using valuation techniques. Those valuation techniques maximize the use of available observable market-based inputs and rely as little as possible on entity-specific estimates. If all the significant inputs required to measure fair value are observable, the instrument is included in Level 2. If one or more of the significant inputs required to measure fair value are not observable market inputs, the instrument is included in Level 3.

- Level 3 inputs: Measurements based on inputs that are not based on observable market data.

Financial assets are derecognized when the contractual rights to the related cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership of the assets. If substantially all the risks and rewards have been retained, the financial asset is not derecognized; instead the Group recognizes a financial liability in the amount of any consideration received in exchange for the transfer.

Agreements for the transfer of account receivables are considered non-recourse factoring agreements if the risks and rewards of ownership of the receivables have been transferred substantially.

The financial asset impairment model is based on expected credit losses. The Group accounts for expected credit losses, and any changes therein, at every reporting date, to reflect changes in credit risk since the date of initial recognition, without waiting for an impairment event to occur.

The Group applies the general expected loss approach for all its financial assets except for trade and other accounts receivable that do not contain a significant financing component; it applies the simplified approach for those qualifying assets.

Under the general approach, the Group recognizes the expected loss from a financial asset default on either a 12-month or lifetime basis, depending on whether there has been a significant increase in credit risk since initial recognition. Under the simplified approach, the Group recognizes a loss allowance from the outset based on lifetime expected credit losses using available information about past events (such as historical customer default rates), current conditions and forward-looking estimates (macroeconomic factors such as the outlook for GDP, unemployment, inflation, interest rates, etc.) that could affect the creditworthiness of its debtors.

Financial liabilities

a) Financial liabilities at amortized cost

Borrowings are initially recognized at fair value, less any transaction costs incurred. Any difference between the amount received and the redemption value is recognized in profit and loss over the borrowing repayment term using the effective interest method. These financial liabilities are subsequently measured at amortized cost.

In the event that a modification in the contractual terms of a liability at amortized cost does not result in its derecognition (a non-substantial modification), the contractual cash flows from the refinanced debt is calculated using the original effective interest rate and any resulting modification gain or loss is recognized in profit or loss on the date of the modification.

Borrowings are classified as current liabilities unless they mature more than 12 months from the reporting date or the Group is entitled to automatically roll them over.

Trade and other current accounts payable are financial liabilities and are initially recognized at fair value; they do not explicitly accrue interest and are recognized at their face value. Non-current borrowings are those due more than 12 months from the reporting date.

b) Financial liabilities at fair value through profit or loss

These are liabilities that are incurred with the intention of repurchasing them in the short term. Derivatives are included in this category unless they are designated as hedging instruments. These financial liabilities are initially recognized and subsequently measured at fair value and any changes in fair value are recognized in profit and loss as they arise.

l) Derivatives and other financial instruments

The Group uses certain financial derivatives to manage its exposure to movements in exchange and interest rates. All of these derivatives are measured at fair value, regardless of whether or not they are designated as hedges, their fair value being their market value in the case of listed instruments, and valuations based on option valuation models or discounted cash flow analysis in the case of unlisted instruments. The following criteria are used for recognition purposes:

- Cash flow hedges: the gains and losses derived from the restatement to fair value at the reporting date of derivatives designated as hedges, to the extent effective, are recognized directly in equity (net of tax) until the committed or forecast transaction is realized, at which point they are reclassified to profit or loss.

Gains and losses on ineffective hedges are recognized directly in profit or loss.

- Hedges of a net investment in a foreign operation: the gains and losses derived from the measurement at fair value of these investments in respect of the portion of the hedge deemed effective are recognized, net of tax, directly in equity under 'Translation differences' and are reclassified to profit or loss when the hedged investment is disposed of. Gains and losses on ineffective hedges are recognized directly in profit or loss.

- Accounting treatment for financial derivatives not designated as hedges or not qualifying for hedge accounting: the gains and losses arising from the restatement to fair value of these financial instruments are recognized directly in the consolidated statement of profit or loss.

m) Inventories

Inventories are measured at their weighted average acquisition or production cost.

The acquisition price includes the amount stated on the invoice plus all additional costs incurred until the goods are stored in the warehouse.
Production cost is determined by adding to the cost of acquiring raw materials and other consumables, manufacturing costs directly attributable to the product and the corresponding portion of indirect costs attributable to the product in question, to the extent such costs are incurred during the manufacturing period. If the selling price less estimated costs of completion and the estimated costs necessary to make the sale are less than the costs indicated above, the inventories are written down for impairment.

n) Deferred income - Grants

The grants received by the Group are accounted for as follows:

a. Non-repayable grants related to assets: these grants are measured at the amount awarded and reclassified to profit and loss on a straight-line basis over a period of 10 years, which is roughly equivalent to the average period during which the assets financed by such grants are depreciated. They are presented on the liability side of the consolidated statement of financial position.

b. Grants related to income: when a grant relates to an item of expense, it is recognized as income in the period that the costs it is intended to compensate are expensed.

o) Pension commitments and similar obligations

The Group manages several defined benefit and defined contribution pension plans. The cost of providing benefits under defined benefit plans is determined using the projected unit credit method.

The defined benefit commitment is calculated by independent actuarial experts annually for the most significant plans and regularly for the rest. The actuarial assumptions used to calculate the Group's obligations depend on each country's economic situation. The various funds may be funded through an external fund or through internal provisions.

For defined benefit plans funded externally, any deficit in the fair value of the plan assets with respect to the present value of the obligation as a result of actuarial gains or losses is recognized directly in equity net of the related tax effect, and any changes in past service costs are recognized in profit or loss. A gain is only capitalized in respect of a surplus to the extent that it represents a future economic benefit, in the form of refunds from the plan or a reduction in future contributions.

Actuarial gains and losses arise mainly as a result of changes in actuarial assumptions or differences between estimated and actual variables.

In the case of defined benefit plans, the actuarial cost charged to the consolidated statement of profit or loss is the sum of the current service cost, interest cost, the expected return on any plan assets and the past service cost, while any material actuarial gains and losses are recognized directly in retained earnings within equity.

Contributions to defined contribution plans are charged to the consolidated statement of profit or loss when they are made.

Pursuant to the prevailing collective bargaining agreement and other non-binding agreements, Ebro Foods, S.A. is obliged to pay bonuses for long service to certain of its permanent employees upon retirement at the legally-stipulated age or early retirement.

In accordance with the applicable collective bargaining agreements and other non-binding agreements, the Riviana Group (USA) and certain European Group companies are obliged to make annual supplementary payments of various kinds and other bonuses for long service and retirement, where applicable, to certain of their permanent employees upon retirement at the legally-stipulated age or early retirement.

The provision recognized represents the present value, calculated by means of actuarial studies, most of which performed by independent experts, of the future payment obligations of the companies concerned to their former and current employees in connection with the aforementioned retirement bonus obligations, net of the present value of the financial assets in which the related funds are invested. These plans are managed independently by a management committee made up of employees, executives and third parties.

In addition, certain Group companies grant their employees certain voluntary retirement bonuses of undetermined amount. Those bonuses, which are scantly material, are recognized as an expense when they are paid. The other Group companies do not have similar obligations or have obligations that are scantly material.

p) Other provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is considered probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

They are measured at the year-end estimate of the amounts (at their present value) that will be required to discharge probable or certain liabilities arising as a result of lawsuits or other outstanding obligations.

If an outflow of resources is considered possible but not probable, the Group does not recognize a provision but discloses the nature of the contingent liability in the notes to the annual consolidated financial statements.

Restructuring provisions are recognized only when the Group has a constructive obligation, which is deemed to exist when a detailed formal plan identifies the business concerned, the locations affected, the function and number of employees who will be compensated for terminating their services, a detailed estimate of the associated costs, and when it will be implemented, and a valid expectation has been raised among those affected that the restructuring will be carried out because the plan has started to be implemented or because the main features of the plan have been announced to those affected by it. Those provisions are estimated on the basis of their economic substance and not just their legal form.

q) Income tax

Current tax expense is recognized in the consolidated statement of profit or loss, except for current income tax relating to items recognized directly in equity, the tax effect of which is recognized in equity.

Deferred tax is provided using the liability method. Under this method, deferred tax assets and liabilities are recognized on the basis of the temporary differences between the carrying amounts of the assets or liabilities and their tax bases and are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities that arise from items recognized in equity are directly credited to or charged against equity. Deferred tax assets and unused tax credits are recognized to the extent that it is probable that sufficient taxable profit will be available to allow the benefit to be utilized and they are written down if this expectation changes. Deferred tax liabilities associated with investments in subsidiaries and associates are not recognized unless the Parent has the power to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

r) Revenue from contracts with customers

The Group's core business is the sale of food products to end consumers and the supply of food-related raw materials to third parties. That business involves the sale of finished food products and food-based raw materials to customers and that is generally the only performance obligation to be satisfied. Revenue is recognized when control of the asset is transferred to the customer, which is customarily when the goods are delivered.

With respect to variable consideration (discounts), despite the fact that (i) the types of arrangements vary widely; (ii) the volume of information required to make the corresponding estimates is considerable; and (iii) the estimation process is intrinsically subjective in nature, the Group believes it does not make judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers (as per paragraph 123 of IFRS 15), as the variable consideration (discounts) included in its contracts is realized within a relatively short period of time, the Group has ample historical experience with respect to its customers' behaviour and the subjectivity involved in the estimation required is very low.

In addition, the discount estimation process is framed by adequate preventive and supervisory controls and an appropriate level of segregation of duties and involves skilled professionals with the experience required to make the estimates in keeping with the applicable accounting rules.

The Group has two main types of customers: retailers and industrial customers. Discounts are more diverse and varied in the retail segment. Below is a description of the types of discounts given and how they are treated for accounting purposes under IFRS 15:

– Volume discounts: these are accrued by Group customers as a function of certain sales volume thresholds and are unknown at the time of executing the contracts or placing an order. Therefore, these discounts are estimated at each year-end as a function of the sales thresholds reached and those the Group deems it is probable will be reached by its customers at the time of estimation.

Therefore, given that volume discounts generally depend on future events (sales volumes to be reached), they are treated as variable consideration and are recognized as a reduction of revenue in the consolidated statement of profit or loss.

– Discounts for prompt payment: in this instance, the consideration receivable by the Group in exchange for fulfilling its main performance obligation of delivering goods and services depends on whether its customers make use of this discount by paying promptly. As with the volume discounts, the Group estimates the volume it expects to be paid for at the discount, recognizing that estimate as a reduction of revenue at year-end.

– There are other discounts related with contracts with customers that may be fixed or variable and are tied to concepts such as preferential aisle positioning (slotting fees), new product promotions, anniversary discounts, etc. Such discounts are commercial and promotional in nature and commonplace in the retail sector. In general, all those discounts are treated as a reduction of revenue: in the contracts they can be identified as a service included in or intrinsic to the product delivery performance obligation, constituting a reduction in the transaction price and not, therefore, a distinct service or a cost for the customer in exchange for such services.

These terms and conditions are negotiated with customers annually or more frequently depending on their nature and following negotiations at the behest of the latter. However, promotions entailing a related service with a cost for the customer, e.g., in-store tastings, are accounted for as a cost. They are recognized as a 'service provided by the customer'.

s) Environmental disclosures

Expenditure incurred under initiatives taken or that have to be undertaken to manage the environmental effects of the Group’s business operations and that deriving from environmental commitments are considered environmental expenses.

Capitalized assets acquired or produced by the Group for the purpose of long-lasting use in its business operations and whose main purpose is to minimize environmental damage and/or enhance environmental protection, including assets intended to make the Group's operations less contaminating, are considered environmental capital expenditure. Those assets are accounted for using the same criteria as other items of property, plant and equipment of the same nature.

t) Greenhouse gas emission allowances

The Group recognizes its greenhouse gas emission allowances as intangible assets with an infinite useful life. Allowances received for free under the various national allocation plans are measured at their fair value at the time of receipt and a deferred income balance is recognized in the same amount.

Since 2013 the Group is no longer obliged to meet allowance requirements and will therefore not be allocated additional free allowances.

u) Own shares

Own equity instruments that are reacquired (own shares or treasury shares) are deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group’s own equity instruments.

v) New and amended standards and interpretations

The measurement standards (accounting policies) applied in preparing the accompanying consolidated financial statements are consistent with those used to prepare the 2020 consolidated financial statements with the exception of the following new and amended standards and interpretations (none of which has been early adopted by the Ebro Group):

1) Standards and amendments published by the International Accounting Standards Board (IASB) and adopted by the European Union for application in Europe in annual periods beginning on or after January 1, 2021:

(THOUSANDS OF EUROS)

Certain standards of standard amendments became applicable for the first time from January 1, 2021 (amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - phase 2 of interest rate benchmark reform) but did not have any impact on these consolidated financial statements.

2) At the date of authorising the accompanying consolidated financial statements for issue, the following new and amended standards and interpretations have been published but are either effective for reporting periods beginning after December 31, 2021 or are still pending adoption by the European Union. None of the upcoming standards has been adopted early by the Group.

Although the Group is still in the process of analyzing their impact, based on the analysis performed to date, it estimates that their first-time application will not in general have a significant impact on its consolidated financial statements.

4. SUBSIDIARIES AND ASSOCIATES

Ebro Foods, S.A. has the following direct and indirect investments in subsidiaries and associates:

SUBSIDIARIES AND ASSOCIATES	Ownership interest, %		Parent company			
	31-12-21	31-12-20	31-12-21	31-12-20	Registered office	Business activity
Dosbio 2010, S.L.	100.0%	100.0%	EF	EF	Madrid (Spain)	Flour production
Fincas e Inversiones Ebro, S.A.	100.0%	100.0%	EF	EF	Madrid (Spain)	Agricultural holding
Arotz Foods, S.A.	100.0%	100.0%	EF	EF	Madrid (Spain)	Production of canned vegetables
Riviana Foods Inc. (Group) (Riviana)	100.0%	100.0%	EF	EF	Houston, Texas (US)	Production and sale of rice and pasta
Panzani, SAS (Group) (Panzani)	-	100.0%	-	EF	Lyon (France)	Sold
Ebro Germany, Gmbh. (Group) (EFG)	100.0%	100.0%	EF/Boost	EF/Boost	Hamburg (Germany)	Holdco
Ebro Alimentación México, S.A.	100.0%	100.0%	EF	EF	Mexico	Sale and marketing of rice
Fundación Ebro Foods	100.0%	100.0%	EF	EF	Madrid (Spain)	Foundation
Ebro Financial Corporate Services, S.L.	100.0%	100.0%	EF	EF	Madrid (Spain)	Insurance and finance
Herba Foods S.L. (HF)	100.0%	100.0%	EF	EF	Madrid (Spain)	Investment management
Herba Ricemills S.L (HR)	100.0%	100.0%	EF	EF	Madrid (Spain)	Production and sale of rice
Herba Nutrición S.L (HN)	100.0%	100.0%	EF	EF	Madrid (Spain)	Production and sale of rice
Semola, S.r.l. (SEM)	100.0%	100.0%	EF	EF	Naples (Italy)	Investment management
Riso Scotti, S.p.a. (Group) **(A)**	40.0%	40.0%	EF	EF	Milan (Italy)	Production and sale of rice
Geovita, S.r.l. **(B)**	52.0%	52.0%	EF	EF	Vercelli (Italy)	Production and sale of pulses
Santa Rita Harinas, S.L. **(B)**	52.0%	52.0%	EF	EF	Guadalajara (Spain)	Production and sale of flour
Ebro Frost ENA, Inc.	100.0%	100.0%	EF	EF	Houston (US)	Production and sale of rice and pasta
Fallera Nutrición, S. L.	100.0%	100.0%	HN	HN	Valencia (Spain)	Production and sale of rice
Tilda Limited (Tilda)	100.0%	100.0%	EF	EF	London (UK)	Production and sale of rice
Tilda International DMCC	100.0%	100.0%	Tilda	Tilda	Dubai (UAE)	Sale and marketing of rice
Tilda Rice Limited	100.0%	100.0%	Tilda	Tilda	London (UK)	Dormant
Ebro Tilda Private Limited	100.0%	100.0%	EF	EF	New Delhi (India)	Sale and marketing of rice
Brand Associated Limited	-	100.0%	-	Tilda	Isle of Man	Liquidated
Herba Germany, GmbH	100.0%	100.0%	EFG	EFG	Hamburg (Germany)	Trademark holdco
Euryza, Gmbh.	100.0%	100.0%	EFG	EFG	Hamburg (Germany)	Sale and marketing of rice
Transimpex, Gmbh **(B)**	55.0%	55.0%	EFG	EFG	Hamburg (Germany)	Sale and marketing of rice
T.A.G. Nahrungsmittel Gmbh.	100.0%	100.0%	EFG	EFG	Stuttgart (Germany)	Dormant
Bertolini Import Export Gmbh.	100.0%	100.0%	EFG	EFG	Mannheim (Germany)	Dormant
Ebro Frost Holding, Gmbh (Efrost)	55.0%	55.0%	HF	HF	Munich (Germany)	Investment management
Ebro Frost Denmark, AS.	100.0%	100.0%	Efrost	Efrost	Orbaek (Denmark)	Production and sale of rice and pasta
Ebro Frost Germany, Gmbh.	100.0%	100.0%	Efrost	Efrost	Munich (Germany)	Production and sale of rice and pasta
Ebro Frost UK, Ltd.	100.0%	100.0%	Efrost	Efrost	London (UK)	Production and sale of rice and pasta
S&B Herba Foods, Ltda. (Group)	100.0%	100.0%	HF/R. Int.	HF/R. Int.	London (UK)	Production and sale of rice
Riceland Magyarorszag, KFT.	100.0%	100.0%	HF/EF	HF/EF	Budapest (Hungary)	Sale and marketing of rice
Boost Nutrition C.V. (Boost)	100.0%	100.0%	HF / NC	HF / NC	Merksem (Belgium)	Production and sale of rice

(THOUSANDS OF EUROS)

SUBSIDIARIES AND ASSOCIATES	Ownership interest, % 31-12-21	31-12-20	Parent company 31-12-21	31-12-20	Registered office	Business activity
Mundi Riso S.R.L.	100.0%	100.0%	HF	HF	Vercelli (Italy)	Production and sale of rice
Mundi Riz, S.A. (MR)	100.0%	100.0%	HF	HF	Larache (Morocco)	Production and sale of rice
Agromeruan, S.A.	100.0%	100.0%	MR	MR	Larache (Morocco)	Farmland concessionaire
Rivera del Arroz, S.A.	100.0%	100.0%	MR	MR	Larache (Morocco)	Rice farming
Katania Magrheb, S.A.R.L	100.0%	100.0%	MR	MR	Larache (Morocco)	Sale and marketing of rice
Arrozeíras Mundiarroz, S.A.	100.0%	100.0%	HF	HF	Lisbon (Portugal)	Production and sale of rice
Josep Heap Properties, Ltda.	100.0%	100.0%	HF	HF	Liverpool (UK)	Investment management
Risella OY	100.0%	100.0%	HF	HF	Helsinki (Finland)	Sale and marketing of rice
Herba Bangkok, S.L. (Group) (HB)	100.0%	100.0%	HF	HF	Bangkok (Thailand)	Production and sale of rice
Herba Cambodia CO, Ltd	100.0%	100.0%	HB	HB	Cambodia	Sale and marketing of rice
Herba Egipto Rice Mills, S.A.E.	-	100.0%	-	HF	Cairo (Egypt)	Sold
Herba Ricemills Rom, SRL	-	100.0%	-	HF	Romania	Sold
Ebro India, Ltda.	100.0%	100.0%	HF	HF	New Delhi (India)	Production and sale of rice
Ebrosur, S.R.L.	100.0%	100.0%	HF	HF	Argentina	Sale and marketing of rice
Ebro Rice Handling, S.A.	100.0%	100.0%	HF	HF	Merksem (Belgium)	Logistics
La Loma Alimentos, S.A.	100.0%	100.0%	HF	HF	Argentina	Production and sale of rice
Neofarms Bio, S.A.	60.0%	60.0%	HF	HF	Argentina	Sale and marketing of rice
Indo European Foods Limited	100.0%	-	HF	-	London (UK)	Production and sale of rice
Ebro Foods Netherland, B.V. (EFN)	100.0%	100.0%	HF	HF	Amsterdam (Netherlands)	Investment management
Lassie Netherland, B.V.	100.0%	100.0%	EFN	EFN	Amsterdam (Netherlands)	Production and sale of rice
Lassie, B.V.	100.0%	100.0%	EFN	EFN	Amsterdam (Netherlands)	Industrial operations
Lassie Property, B.V.	100.0%	100.0%	EFN	EFN	Amsterdam (Netherlands)	Industrial operations
Rice & Cereals Consultancy BV (RCC)	100.0%	100.0%	EFN	EFN	Amsterdam (Netherlands)	Holdco
Herba Ingredients, B.V. (Grupo) (HI) **(B)**	100.0%	100.0%	EFN/HF/RCC	EFN/HF/RCC	Amsterdam (Netherlands)	Holdco and sale of rice
Mediterranean Foods Label, B.V.	100.0%	100.0%	EFN	EFN	Amsterdam (Netherlands)	Production and sale of rice
Gourmet Foods and Beverages Limited	100.0%	-	EFN	-	London (UK)	Sale and marketing of rice
Nuratri, S.L.	100.0%	100.0%	HR	HR	Madrid (Spain)	Sale and marketing of rice
Nutramas, S.L.	100.0%	100.0%	HR	HR	Madrid (Spain)	Sale and marketing of rice
Nutrial, S.L.	100.0%	100.0%	HR	HR	Madrid (Spain)	Sale and marketing of rice
Pronatur, S.L.	100.0%	100.0%	HR	HR	Madrid (Spain)	Sale and marketing of rice
Vitasan, S.L.	100.0%	100.0%	HR	HR	Madrid (Spain)	Sale and marketing of rice
Yofres, S.A.	100.0%	100.0%	HR	HR	Seville (Spain)	Sale and marketing of rice
Herba Trading, S.A.	100.0%	100.0%	HR	HR	Seville (Spain)	Sale and marketing of rice
Formalac, S.L.	100.0%	100.0%	HR	HR	Seville (Spain)	Sale and marketing of rice
Eurodairy, S.L.	100.0%	100.0%	HR	HR	Seville (Spain)	Sale and marketing of rice
Española de I+D, S.A.	100.0%	100.0%	HR	HR	Valencia (Spain)	New product development and commercialisation
Riviana International Inc. (R. Int.)	100.0%	100.0%	Riviana	Riviana	Houston (US)	Investment management
Ebro Riviana de Guatemala, S.L.	100.0%	100.0%	R. Int.	R. Int.	Guatemala	Investment management
Ebro de Costa Rica, S.L.	100.0%	100.0%	R. Int.	R. Int.	San José (Costa Rica)	Investment management
R&R Partnership **(A)**	50.0%	50.0%	Riviana	Riviana	Houston (US)	Production and sale of rice
N&C Boost N.V. (N.C. Boost)	100.0%	100.0%	R. Int.	R. Int.	Antwerp (Belgium)	Investment management
Ebro Premiun Foods, (formerly, LTL) (EPF)	99.8%	99.8%	EF	Panzani	Lyon (France)	Investment management
Lustucru Riz	99.9%	99.9%	EPF	EPF	Lyon (France)	In liquidation
Lustucru Frais	100.0%	100.0%	EPF	EPF	Lyon (France)	Production and sale of food
Roland Monterrat, SAS	100.0%	100.0%	EPF	EPF	Lyon (France)	Production and sale of flour and semolina
Panzani Development, S.A.	100.0%	100.0%	EPF	Panzani	Lyon (France)	Investment management
S.F.C. Silo de la Madrague, SAS	-	100.0%	-	Panzani	Lyon (France)	Sold
S.F.C. d'Investissements, SAS	100.0%	100.0%	EPF	Panzani	Marseilles (France)	Industrial operations
Bertagni, Spa. (Bertagni) **(B)**	70.0%	70.0%	EPF	EPF	Verona (Italy)	Production and sale of pasta
Bertagni USA, Inc.	70.0%	70.0%	Bertagni	Bertagni	New York (US)	Sale and marketing of pasta
Bertagni UK, Ltd.	56.0%	56.0%	Bertagni	Bertagni	London (UK)	Sale and marketing of pasta
TBA Suntra Beheer, B.V. (Group)	100.0%	100.0%	HI	HI	Netherlands and Belgium	Production and sale of rice
Herba Ingredients, BVBA	100.0%	100.0%	HI	HI	Belgium	Industrial operations
Herba Ingredients Belgium B, BVBA	100.0%	100.0%	HI	HI	Belgium	Industrial operations
Herba Ingredients Belgium C, BVBA	100.0%	100.0%	HI	HI	Belgium	Industrial operations
Herba Ingredients Netherlands, BV	100.0%	100.0%	HI	HI	Netherlands	Industrial operations
Euro Rice Flour, BV	100.0%	100.0%	HI	HI	Netherlands	Dormant
Pastificio Lucio Garofalo, Spa. (GAROF) **(B)**	52.0%	52.0%	SEM	SEM	Naples (Italy)	Production and sale of pasta
Garofalo Nordic, AB.	100.0%	100.0%	GAROF	GAROF	Sweden	Sale and marketing of pasta
Garofalo USA, Inc.	100.0%	100.0%	GAROF	GAROF	New York (US)	Sale and marketing of pasta
Garleb, SAL.	70.0%	70.0%	GAROF	GAROF	Lebanon	Sale and marketing of pasta
Riviana Canadá, Ltda	100.0%	100.0%	Riviana	Riviana	Montreal (Canada)	Production and sale of rice
Garofalo France, S.A.	100.0%	100.0%	Garof/EPF	Garof/Pzni	Lyon (France)	Sale and marketing of pasta and sauces

(A) Associates consolidated using the equity method.

(THOUSANDS OF EUROS)

(B) Companies fully consolidated due to the existence of a commitment to acquire the rest of these investees' equity (for a description of those commitments, refer to note 22).

None of the subsidiaries or associates is publicly traded. The financial statements of all of the companies consolidated by the Group correspond to the same financial year-end, namely December 31, 2021 and 2020.

5. SIGNIFICANT TRANSACTIONS (BUSINESS COMBINATIONS, DISPOSALS, ETC.) CLOSED IN 2021 AND 2020 AND IMPACT ON COMPARABILITY

5.1 Business combinations of entities under common control in 2021

There were no internal company restructuring transactions in 2021, other than the restructuring of the Group’s subsidiaries in France prior to the sale of the French dry pasta business (note 5.3).

5.2 Business combinations of entities under common control in 2020

There were no internal company restructuring transactions in 2020.

5.3 Third-party business combinations undertaken in 2021 and 2020 and impact on comparability. Changes in consolidation scope:

New transactions in 2021

Companies added to the consolidation scope and increases in shareholdings in 2021:			
Company affected	**Subgroup**	**%**	**Comments**
Indo European Foods Limited (UK)	Rice	100%	Outright acquisition of this business
Gourmet Food & Beverages Ltd (UK)	Rice	100%	Outright acquisition of this business

Companies removed from the consolidation scope and decreases in shareholdings in 2021:			
Company affected	**Subgroup**	**%**	**Comments**
French dry pasta business Panzani SAS (France) and S.F.C. Silo de la Madrague, SAS (France)	Pasta	100%	Sale of these companies
Brand Associated Limited (UK)	Rice	100%	Liquidation of this company
Herba Ricemills Rom, SRL (Romania)	Rice	100%	Sale of this company
Herba Egipto Rice Mills, S.A.E.	Rice	100%	Liquidation and sale of this company

The most important transactions undertaken in 2021 were the following:

Acquisition of the Kohinoor brand for use in Europe

In April 2021, the Group acquired, through its rice business, 100% of two English companies, “Indo European Foods Limited” and “Gourmet Foods and Beverages Limited”, and ownership of the Kohinoor trademark for use in the main European markets. The Group's investment totaled 20.8 million euros. The acquisition was financed from own funds.

The Group took effective control of this business on April 15, 2021, which is the date of its first-time consolidation. The preliminary estimate of the fair value of the net assets acquired as at April 15, 2021 is as follows:

	KOHINOOR
	Date of first-time consolidation
	15/04/2021
Thousands of euros	Fair value
Intangible assets	17,108
Property, plant and equipment	714
Right-of-use assets	7,760
Inventories	3,881
Cash	133
Other current assets	7,638
Total assets	**37,234**
Non-current financial liabilities	7,612
Deferred tax liabilities	927
Current financial liabilities	6,714
Trade payables	624
Other current liabilities	540
Total liabilities	**16,417**
Total identifiable net assets at fair value	**20,817**
Goodwill arising on acquisition	0
Purchase consideration transferred	**20,817**
Non-controlling interests	0
Financed with financial liabilities and cash	20,817
Purchase consideration transferred	**20,817**
Net cash (debt) acquired with the subsidiary	-14,194
Revenue since the acquisition date	16,901
Net profit contribution since the acquisition date	411
Revenue since January 1 (a)	25,028
Net profit contribution since January 1 (a)	1,697

(a) Estimate as if the businesses had been acquired on January 1,

The Group expects to conclude the process of valuing and analysing the various assets in order to determine the definitive fair value of the net assets acquired as of the date of first-time consolidation by the Ebro Group in the coming months.

French dry pasta business

During the first half of 2021, the Group took stock of the interest expressed by several players in the dry pasta business conducted by the Ebro Group in France (following the recent disposals of its dry pasta businesses in the US and Canada) and decided to initiate contact with the potentially interested parties in order to assess the potential sale of the business in the event of an attractive offer. On 26 July 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 (the "French Dry Pasta" business).

The sale of this business to Pimente Investissement, a vehicle majority owned by funds managed or advised by CVC Capital Partners VIII Limited or its affiliates, closed on December 31, 2021. The sale agreement closed after the various stipulated closing conditions and formalities had been satisfied and the transaction had been approved at an Extraordinary General Meeting held by Ebro Foods, S.A. on December 15, 2021. The sale price, of 550 million euros (albeit subject to debt and working capital adjustments, which are not expected to be significant) was collected on December 31, 2021, which is when the business was delivered to the buyer and the sale was recognized for accounting purposes. The transaction generated an after-tax gain of 48.5 million euros for the Ebro Group.

Accordingly, under the applicable accounting standard, the assets and liabilities of this business have been derecognized at December 31, 2021, and the business's income and expenses for the years ended December 31, 2021 and 2020 have been reclassified to 'Profit after tax from discontinued operations' (note 25). That business's income and expenses had previously been included in the Group's Pasta segment.

Prior to the sale of the French Dry Pasta business, the Group de-merged the businesses that were to be carved out of the sale of the French subsidiary disposed of, Panzani, SAS. Panzani constituted a subgroup in France made up of several businesses. Specifically, the sale encompassed the Panzani dry pasta, semolina, couscous and sauce businesses, leaving the Ebro Group with the fresh pasta and rice businesses. Today the parent of the French subgroup is LTL (formerly a 100%-owned subsidiary of Panzani SAS). LTL is the holding company which now encompasses all the French fresh pasta and rice businesses retained by Ebro.

2020 transactions that closed in 2021

Sale and discontinuation of the Canadian Dry Pasta business

At year-end 2020, the assets and liabilities comprising this business were classified as non-current assets held for sale (refer to the 2020 consolidated financial statements). At the end of October 2020, the Ebro Group, through its indirectly-owned Canadian subsidiary, Catelli Foods Corporation, agreed the sale of the 'Catelli' dry pasta business in Canada to Barilla G.eR. Fratelli S.p.A. The business sold encompasses the Catelli, Lancia and Spledor trademarks and the factory in Montreal (Québec).

Execution of the transaction was subject to performance of the opportune requirements for Canadian anti-trust purposes and other standard closing conditions. Once those closing conditions had been met, the transaction closed on January 29, 2021; the proceeds were collected, the business was delivered to the buyer and the transaction was accounted for. The transaction generated an after-tax gain of 13.5 million euros for the Ebro Group.

<u>Sale and discontinuation of the US Ronzoni Pasta business</u>

At year-end 2020, the assets and liabilities comprising this business were classified as non-current assets held for sale (refer to the 2020 consolidated financial statements). The Ebro Group, through its US subsidiary, Riviana, agreed the sale of the Ronzoni dry pasta business and the Winchester dry pasta factory to 8th Avenue Foods & Provisions Inc on March 26, 2021. The business was valued for transaction purposes at 95 million dollars (the value of 100% of the business, before potential working capital adjustments).

Execution of the transaction was subject to performance of the various steps required before the US anti-trust authorities as well as other standard closing conditions. Once those closing conditions had been met, the transaction closed on May 31, 2021; the proceeds were collected, the business was delivered to the buyer and the transaction was accounted for. The transaction generated an after-tax gain of 21.7 million euros for the Ebro Group.

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Accordingly, under IFRS 5, the assets and liabilities of those businesses (the Canadian Dry Pasta and the US Ronzoni Pasta businesses) were reclassified to 'Non-current assets held for sale' and 'Liabilities associated with non-current assets held for sale', respectively, in the consolidated statement of financial position at December 31, 2020. Likewise, those businesses' income and expenses for the years ended December 31, 2021 and 2020 were reclassified to 'Profit after tax from discontinued operations' (note 25). Those businesses' income and expenses had previously been included in the Group's Pasta segment.

<u>Transaction in 2020:</u>

Business combinations: the Group did not make any acquisitions in 2020 but it did sell businesses.

<u>Sale and discontinuation of the US Dry Pasta business</u>

In early November 2020, the Ebro Group, through its US subsidiary, Riviana, agreed the sale of certain assets from its US dry pasta and noodles business to American Italian Pasta Company (a TreeHouse Foods, Inc. company). The business sold encompassed a number of the Ebro Group's American dry pasta and noodle brands and the factory in St. Louis.

The assets sold were valued for the purpose of the transaction at 242.5 million dollars (the value of 100% of the business, before potential debt and working capital adjustments). Execution of the transaction was subject to performance of the various steps required before the US anti-trust authorities as well as other standard closing conditions. Once those closing conditions had been met, the transaction closed on December 11, 2020: the proceeds (209,406 thousand euros) were collected, the business was delivered to the buyer and the transaction was accounted for. The transaction generated an after-tax gain of 28.5 million euros for the Ebro Group. That business's income and expenses had previously been included in the Group's Pasta segment.

There were no other significant changes in the Group's scope of consolidation in 2020.

6. SEGMENT REPORTING AND REVENUE FROM CONTRACTS WITH CUSTOMERS

The operating segments are organised and managed separately by products and services; each segment represents a strategic business unit that sells different products and services different markets. Accordingly, the Group's segment reporting disclosures are articulated around its business segments, as the Group's risks and returns are shaped primarily by differences in the products and services provided.

Against this backdrop, the Ebro Foods Group is divided into the following business segments and/or activities:

- Rice business
- Fresh pasta and premium dry pasta business (with the US, Canadian and French dry pasta businesses reclassified as discontinued activities - refer to notes 5 and 25).
- Other businesses and/or activities

The Group structures its segment reporting disclosures around these businesses and/or activities. The financial information relating to these business segments is presented in the table provided at the end of this note 6.

Rice business

Herba subgroup: Specialized in businesses related with rice, pulses and other grains. The Herba Group has established itself as Europe's leading rice group and one of the world's most important players. It boasts an extensive and modern manufacturing base and an extensive sales network, doing business in more than 70 markets.

It is the leading European player in rice retailing, the food service segment and in the supply of rice, rice derivatives and ingredients for industrial purposes. It follows a multi-brand strategy underpinned by a deep portfolio of successful brands that boast strong recognition in their operating markets. These high-profile brands include: SOS, La Fallera, La Cigala, Saludades, Lassie, Reis fit, Rix fis, Oryza, Bosto, Riceland, Risella, Peacock and Phoenix. The table below summarizes the Group's market shares in its main retail markets:

(THOUSANDS OF EUROS)

Country	By volume	By value	Ranking
Spain	26.9%	35.80%	#1
Portugal	17.80%	20.00%	#1
Belgium	22.70%	30.10%	#2
Netherlands	21.30%	28.10%	#1

In parallel it supplies rice to Europe's leading food sector players:

- ✓ Beverage industries
- ✓ Industrial rice companies
- ✓ Baby food: cereals, baby food, etc.
- ✓ Pre-cooked dishes: non-refrigerated, dehydrated, frozen, etc.
- ✓ Animal and pet food

Riviana Rice subgroup: This is the unit specialized in the rice business in the US, specifically through Riviana Inc., the largest rice company in the US, with rice processing and production facilities in Tennessee, Texas and Arkansas.

Riviana is the leading rice retailer in the US and boasts a variety of brands including Mahatma and Minute, leaders in the traditional and instant & microwaveable rice segments, respectively.

The Group's overall market share in the US retail segment is 22% by volume; its footprint extends to growth segments such as aromatic and microwaveable rice and grains.

This subgroup also has an international presence in markets with long-standing trade ties with the US, several Caribbean nations and the Middle East, the latter through the Abu Bint brand, which is the leading player in the par-boiled rice segment in Saudi Arabia.

Tilda group: Its main asset is the Tilda brand, a rice company deeply specialized in basmati with global brand recognition. It boasts a presence in several markets on all five continents and is particularly well known and well positioned in the UK, which is where it manufactures: approximately 60% of its sales stem from its home market. In the UK market it is the number-two brand by both volume (13.3%) and value (20.4%); it also commands a market share of 10% (by value) in Ireland.

Premium dry pasta and fresh pasta business

Fresh pasta France:

This is the Group unit specialized in the fresh pasta business.

It is the clear market leader with a share of 48.0% by volume and 41.3% by value. Thanks to its value-added customer proposition, it is the undisputed leader in the French market.

Its products are sold under the Lustucru brand and include fresh pasta, pan-fry gnocchis, snacks, ready-made dishes and sandwiches. It represents a growth segment and a launch pad for the Group's R&D effort. The Roland Monterrat business was added in 2015 and specialises in sandwiches, pâté en croûte and croque-monsieurs.

It also sells rice under two brands: Lustucru, devoted to conventional and quick-cook rice, and Taureau Ailé, specialized in select, premium quality rice. Between the two brands, this unit is the number-one player in the French market, with a market share of 19.4% by sales volumes. This business also sells semolina products under the Regia and Ferrero brands, which lead the market by sales volumes.

Until December 31, 2021, this unit included the dry pasta and wheat semolina manufacturing and marketing business conducted by Panzani, as detailed in note 5.

Bertagni subgroup: Added to the Group in March 2018 following the acquisition of 70% of the shares of Bertagni (including an option over the remaining 30%), this business has factories in Vicenza and Alvio (Italy). Bertagni is known as the oldest filled pasta brand in Italy. An expert in the production and sale of fresh pasta in the premium fresh pasta segment, it combines the finest artisan pasta traditions with extraordinary product development and innovation capabilities.

Garofalo subgroup: This is the Group unit that specializes in the high-end dry pasta segment; its products enjoy protective geographic indications. Pastificio Lucio Garofalo is steeped in over two hundred years of history and marries tradition and innovation in the premium pasta business. It is based in Gragnano (at the back of the Bay of Naples), the region considered the cradle of pasta on account of its special microclimate. It owns the Garofalo and Santa Lucia trademarks, among others.

This company has etched out a growth story in recent years, transforming from a small-sized local player into a leader in the Italian premium dry pasta segment (share of 6.1% by volume and 7.7% by value). Its brands are sold in most European markets and the US and its Santa Lucía brand is a best-selling pasta brand in eastern Africa.

Riviana fresh pasta subgroup: This subgroup includes the North American fresh pasta business, led by the Olivieri brand, which is the undisputed leader in the fresh pasta segment in Canada with a market share of 58.1% by volume and 58.2% by value. Olivieri makes and sells simple and filled fresh pasta products as well as a wide range of traditional and pan-fry gnocchi products.

Other businesses and/or activities

The most notable activity in this category:

Asset management:

This unit manages the Group's property that is not used in the core businesses (investment properties). Its purpose is to centrally control all of the Group's properties with a view to remaining abreast of their status, reducing costs and selling off those not used for industrial purposes after taking action to maximize their valuation prior to monetization.

Criteria used to allocate amounts to reportable segments

The restructuring effort and initiatives undertaken by the Group in recent years have enabled it to scale each of its main business segments separately, thereby facilitating their management, decision-making and financial control. Accordingly, the allocation of consolidated expenses, income, assets and liabilities among the segments derives from the amounts that belong directly to each.

It hasn't been necessary to establish criteria for allocating shared expenses and income or shared assets and liabilities among the segments other than in the US and Canadian businesses for which certain expenses were allocated on a *pro rata* basis (as is common practice in these kinds of situations) between the rice and fresh pasta units. Against this backdrop, although the non-financial fixed assets and liabilities and working capital structures dovetail with the needs of each business or activity, the financial structure shown by segment is determined by internal financial management criteria in keeping with appropriate and necessary centralisation and coordination at the Group level.

Inter-segment transactions

Although not material in relation to the total consolidated figures, inter-segment transactions have been eliminated for the purpose of determining the reportable segments' revenue, expenses and profits. Transfer prices between operating segments are on an arm’s length basis in a manner similar to transactions with third parties. Inter-segment transactions are eliminated on consolidation.

6.1 Geographic information

The geographic information is provided on the basis of the Group's assets. Revenue from external customers is based on the geographic location of the customers. The detailed descriptions of each of the Group's business segment provided above indicate the geographic areas in which each operates. A summary of the businesses and/or activities carried out by the Group by geographic areas is provided below:

- Spain: Herba's rice business and the Harinas de Santa Rita business.
- Rest of Europe: essentially the businesses of Herba, Ebro France (including Monterrat and Bertagni), Garofalo, Tilda, Kohinoor and Geovita.
- US & Canada: the Riviana business in the US and the Olivieri business in Canada; to a lesser extent, Bertagni, Tilda and Garofalo.
- Rest of world: essentially the rice business of Herba and some of the exports of Bertagni, Riviana and Garofalo.

The breakdown of assets and revenue provided by geographic market below for continuing operations, without considering the place where the goods are produced, is provided in the next table (thousands of euros):

2020 - Geographic market	Spain	Europe	Americas	Other	TOTAL
Segment revenue	202,143	1,320,654	906,449	231,116	2,660,362
Inter-segment revenue	-10,021	-87,670	-111,951	-20,410	-230,052
Total revenue	**192,122**	**1,232,984**	**794,498**	**210,706**	**2,430,310**
Intangible assets	32,477	290,603	125,945	331	449,356
Property, plant and equipment and right-of-use assets	86,280	546,752	240,676	60,333	934,041
Other assets	288,224	1,486,851	719,372	157,818	2,652,265
Total assets	**406,981**	**2,324,206**	**1,085,993**	**218,482**	**4,035,662**
Capital expenditure	**16,212**	**67,464**	**29,292**	**2,975**	**115,943**

2021 - Geographic market	Spain	Europe	Americas	Other	TOTAL
Segment revenue	216,082	1,037,062	844,831	531,243	2,629,218
Inter-segment revenue	-13,138	-54,251	-97,031	-37,730	-202,150
Total revenue	**202,944**	**982,811**	**747,800**	**493,513**	**2,427,068**
Intangible assets	43,395	255,418	135,330	205	434,348
Property, plant and equipment and right-of-use assets	112,022	420,066	254,032	61,936	848,056
Other assets	476,735	1,267,565	752,880	159,038	2,656,218
Total assets	**632,152**	**1,943,049**	**1,142,242**	**221,179**	**3,938,622**
Capital expenditure	**33,560**	**60,018**	**27,577**	**3,235**	**124,390**

In two of the countries within the Group's markets, specifically the US and France, the revenue from contracts with customers and the unit's assets are material in comparison with those of the remaining countries (i.e., the countries other than Spain that account for over 10% of consolidated revenue and assets) and are thus broken down below (thousands of euros):

UNITED STATES	2021	2020
Segment revenue	634,936	780,812
Inter-segment revenue	-86,845	-98,898
Total revenue	**548,091**	**681,914**
Intangible assets	129,355	120,429
Property, plant and equipment	234,884	222,069
Other assets	703,566	569,578
Total assets	**1,067,805**	**912,076**
Capital expenditure	**24,192**	**26,232**

FRANCE	2021	2020
Segment revenue	380,381	390,612
Inter-segment revenue	-39,937	-44,789
Total revenue	**340,444**	**345,823**
Intangible assets	40,106	88,878
Property, plant and equipment	127,558	264,315
Other assets	312,096	671,366
Total assets	**479,760**	**1,024,559**
Capital expenditure	**41,261**	**35,723**

6.2 Segment information by business

The following tables provide information on the revenue and earnings of continuing operations as well as certain asset and liability disclosures for the Group's reportable segments for the years ended December 31, 2021 and 2020.

REPORTABLE SEGMENT DISCLOSURES - CONTINUING OPERATIONS

EBRO FOODS GROUP (Thousands of euros)	**TOTAL CONSOL. FIGURES**		**Rice Business (excl. N. America)**		**North America Rice & Fresh Pasta**		**Fresh Pasta Bus. (excl. North America)**		**EF Holdco**		**Other Businesses & Consol. Adjustments**	
STATEMENT OF FIN'L POSITION	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20
Intangible assets	434,348	449,356	194,561	181,386	135,330	125,945	81,490	129,996	21,659	10,726	1,308	1,303
Property, plant and equipment	848,056	934,041	346,744	311,090	254,026	240,671	237,404	371,799	1,683	2,408	8,199	8,073
Investment properties	19,398	19,454	22,109	22,133	0	0	0	1	8,478	8,509	-11,189	-11,189
Financial assets	9,139	10,972	6,397	4,647	20	629	2,524	4,208	146	146	52	1,342
Investments in associates	43,002	43,387	1	0	46,622	43,064	5	5	1,619,592	1,717,879	-1,623,218	-1,717,561
Deferred tax assets	46,270	61,996	16,625	14,905	10,481	20,687	7,427	10,320	4,953	6,713	6,784	9,371
Goodwill	809,359	1,061,602	195,392	189,673	281,795	259,979	324,415	604,193	0	0	7,757	7,757
Other non-current assets	0	0	0	0	0	0	0	0	0	0	0	0
Accounts receivable from group companies	0	0	70,258	41,002	231,532	160,637	16,538	15,543	123,148	211,057	-441,476	-428,239
Other current assets	1,729,050	1,312,880	767,071	622,326	460,294	293,821	315,434	381,334	193,457	34,358	-7,206	-18,959
	3,938,622	**3,893,688**	**1,619,158**	**1,387,162**	**1,420,100**	**1,145,433**	**985,237**	**1,517,399**	**1,973,116**	**1,991,796**	**-2,058,989**	**-2,148,102**
Assets held for sale	0	141,974			0	141,974	0				0	0
Total assets	**3,938,622**	**4,035,662**			**1,420,100**	**1,287,407**	**985,237**				**-2,058,989**	**-2,148,102**
Total equity	2,133,190	1,957,798	984,188	893,694	1,177,731	1,001,864	294,656	645,694	1,254,277	1,101,276	-1,577,662	-1,684,730
Deferred income	10,326	11,437	4,411	6,321	0	0	5,915	5,116	0	0	0	0
Provisions for pensions and similar obligations	35,088	56,466	15,007	18,118	8,161	13,021	6,347	20,566	3,682	2,652	1,891	2,109
Other provisions	15,538	14,089	2,551	528	102	183	1,566	1,584	11,240	11,240	79	554
Non-current & current financial liabilities	1,044,425	1,162,026	251,558	161,918	33,473	34,227	359,024	326,223	375,978	616,735	24,392	22,923
Other non-financial liabilities	0	0	0	0	0	0	0	0	0	0	0	0
Deferred tax liabilities	222,220	242,916	62,523	52,160	89,749	77,535	38,877	52,532	30,661	60,315	410	374
Borrowings from group companies	0	0	96,185	75,073	24,778	30,596	123,671	210,757	261,036	167,430	-505,670	-483,856
Other current liabilities	477,835	573,457	202,735	179,350	86,106	112,508	155,181	254,927	36,242	32,148	-2,429	-5,476
	3,938,622	**4,018,189**	**1,619,158**	**1,387,162**	**1,420,100**	**1,269,934**	**985,237**	**1,517,399**	**1,973,116**	**1,991,796**	**-2,058,989**	**-2,148,102**
Liabilities of non-current assets held for sale	0	17,473			0	17,473	0				0	0
Total liabilities	**3,938,622**	**4,035,662**			**1,420,100**	**1,287,407**	**985,237**				**-2,058,989**	**-2,148,102**
Capital expenditure for the year	124,390	115,943	52,431	47,777	25,510	26,610	45,874	40,797	263	618		
Capital employed	2,060,319	2,183,209	1,004,366	895,243	496,359	724,341	548,711	562,570	12,176	14,781		
ROCE	10.1	9.7										
Leverage	41.2%	47.6%										
Average headcount for the year	6,440	7,664										
Stock market data:												
Number of shares outstanding ('000)	153,865	153,865										
Market cap. at year-end	2,597	2,914	Milions of euros									
EPS	1.55	1.25										
Dividend per share (DPS)	1.14	2.51										
Underlying carrying amount per share	13.66	12.53										

Within "North America: Rice and Fresh Pasta", the breakdown of intangible assets and property, plant and equipment between the Rice and Fresh Pasta segments is as follows (thousands of euros):

	31/12/2021			**31/12/2020**		
	Rice	Pasta	TOTAL	Rice	Pasta	TOTAL
Intangible assets	129,354	5,976	135,330	120,428	5,517	125,945
Property, plant and equipment	234,878	19,149	254,027	222,064	18,607	240,671
	364,232	25,125	389,357	342,492	24,124	366,616

REPORTABLE SEGMENT DISCLOSURES - CONTINUING OPERATIONS

EBRO FOODS GROUP (Thousands of euros) STATEMENT OF PROFIT OR LOSS	TOTAL CONSOL. FIGURES 31-12-21	TOTAL CONSOL. FIGURES 31-12-20	Rice Business 31-12-21	Rice Business 31-12-20	Fresh/Premium Pasta Bus. 31-12-21	Fresh/Premium Pasta Bus. 31-12-20	EF Holdco 31-12-21	EF Holdco 31-12-20	Other Businesses & Consol. Adjustments 31-12-21	Other Businesses & Consol. Adjustments 31-12-20
External revenue	2,427,068	2,430,310	1,772,103	1,782,934	646,511	644,235	1	2	8,453	3,139
Inter-segment revenue			38,467	63,865	25,368	21,837	4,468	4,275	-68,303	-89,977
Total revenue	**2,427,068**	**2,430,310**	**1,810,570**	**1,846,799**	**671,879**	**666,072**	**4,469**	**4,277**	**-59,850**	**-86,838**
Change in inventories	19,398	5,443	17,365	2,199	1,930	3,381	0	0	103	-137
Own work capitalised	243	435	85	272	158	163	0	0	0	0
Other operating income	25,687	11,374	21,832	7,448	10,509	8,636	12,878	14,414	-19,532	-19,124
Raw materials and consumables used and other expenses	-1,356,990	-1,359,154	-1,080,625	-1,095,325	-327,086	-343,835	0	0	50,721	80,006
Employee benefits expense	-333,188	-325,729	-206,608	-208,364	-112,079	-105,134	-14,418	-13,746	-83	1,515
Depreciation and amortisation	-94,565	-93,421	-58,593	-57,404	-34,379	-34,499	-1,425	-1,364	-168	-154
Other operating expenses	-484,595	-463,725	-332,923	-319,033	-164,572	-151,869	-12,493	-12,239	25,393	19,416
Operating profit	**203,058**	**205,533**	**171,103**	**176,592**	**46,360**	**42,915**	**-10,989**	**-8,658**	**-3,416**	**-5,316**
Finance income	32,130	41,463	30,113	41,784	3,738	3,554	227,855	52,692	-229,576	-56,567
Finance costs	-39,601	-57,471	-30,272	-56,188	-4,609	-4,953	-4,223	-12,149	-497	15,819
Impairment of goodwill	0	-35,104	0	-183	0	-34,921	0	0	0	0
Share of profit of associates	3,144	5,448	4,854	6,041	0	-4	0	0	-1,710	-589
Consolidated profit (loss) before tax	**198,731**	**159,869**	**175,798**	**168,046**	**45,489**	**6,591**	**212,643**	**31,885**	**-235,199**	**-46,653**

6.3 Revenue from customer contracts

Disaggregated revenue disclosures. The Group's disaggregated revenue from contracts with customers:

Type of goods or services	**31/12/2021**				
Thousands of euros	**Rice**	**Pasta**	**Other**	**Inter-company**	**Total**
Sale of goods	1,803,479	667,843	9,114	-61,750	2,418,686
Rendering of services	6,415	618	3,889	-6,102	4,820
Revenue from royalties *et al.*	307	3,418	599	-1,133	3,191
Lease income	369	0	2	0	371
	1,810,570	**671,879**	**13,604**	**-68,985**	**2,427,068**

Type of goods or services	**31/12/2020**				
Thousands of euros	**Rice**	**Pasta**	**Other**	**Inter-company**	**Total**
Sale of goods	1,841,221	663,903	7,222	-85,904	2,426,442
Rendering of services	4,941	663	3,735	-7,081	2,258
Revenue from royalties *et al.*	273	1,506	560	-1,092	1,247
Lease income	364	0	2	-3	363
	1,846,799	**666,072**	**11,519**	**-94,080**	**2,430,310**

The Group's core business is the sale of food products to end consumers and the supply of food-related raw materials to third parties. The Group's contracts with customers are contracts for the sale of finished food products and food-related raw materials and the delivery of those products and raw materials is generally the only performance obligation.

Revenue is recognized when control of the asset is transferred to the customer, which is customarily when the goods are delivered.

7. OTHER INCOME AND EXPENSE

7.1 Other operating income (thousands of euros)

		2021		2020
Government grants (related to income and grants)		1,001		1,245
Other operating income		15,232		5,383
Gains on disposal of fixed assets		1,150		323
Gains on disposal of investment properties		264		213
Gains on disposal of investees		948		0
Reversal of non-current asset impairment provisions		566		314
Other income		6,526		3,896
Insurance claims	0		977	
Income from lawsuits	4,372		0	
Reversal of provisions for other lawsuits	582		2,463	
Other less significant items	369		456	
Other income from discontinued activities	1,203			
		25,687		**11,374**

Other income included the following less-recurring items in 2021:

- A gain of 1,150 thousand euros recognized on the sale of items of property, plant and equipment; a gain of 264 thousand euros on the sale of investment properties; and a gain of 566 thousand euros derived from the reversal of impairment allowances against items of property, plant and equipment.
- Income from the reversal of provisions of 582 thousand euros and income from earnouts from businesses sold in prior years in the amount of 720 thousand euros.
- Income from a settlement reached in a lawsuit related with the sale of the business in Puerto Rico several years ago, in the amount of 4,372 thousand euros.
- The rest of other operating income related to grants and minor other operating items.

Other income included the following less-recurring items in 2020:

- A gain of 563 thousand euros recognized on the sale of items of property, plant and equipment and investment properties.
- Income from the reversal of provisions for liabilities of 754 thousand euros, from the reversal of provisions for pension commitments of 189 thousand euros, from the reversal of impairment losses on property, plant and equipment of 314 thousand euros and the reimbursement of customs duties in the amount of 977 thousand euros.
- Income from a payment received pursuant to the out-of-court settlement of a lawsuit in the amount of 1,663 thousand euros.
- The rest of other operating income related to grants and minor other operating items.

7.2 Other operating expenses (thousands of euros)

		2021		2020
External services		(385,168)		(373,035)
Advertising expenditure		(75,474)		(67,408)
Research and development costs		(1,434)		(2,462)
Taxes/levies other than corporate income tax		(8,828)		(9,896)
Loss on sale, derecognition or impairment of property, plant and equipment		(3,650)		(3,618)
Losses on disposal of investees		(754)		0
Other provisions and charges recognized		(9,287)		(7,306)
Provisions for lawsuits and disputes	(2,183)		(1,466)	
Industrial and logistics restructuring charges	(3,473)		(2,754)	
New business and investment acquisition costs	(1,905)		(2,653)	
Tax assessment expenses	(335)		(76)	
Claims expenses	(670)		0	
Other less significant items	(721)		(357)	
		(484,595)		**(463,725)**

The most significant less-recurring items included under other operating expenses in 2021 are:

- A loss of 3,650 thousand euros recognized on the derecognition, sale or restructuring of several pieces of industrial equipment and plant.
- Investment expenditure that did not quality for capitalisation in the amount of 1,905 thousand euros (M&A transaction fees, costs of starting up new production lines and logistics centres, etc.).
- Charges for provisions and expenses for lawsuits with third parties in the amount of 2,183 thousand euros.
- Industrial restructuring charges and costs at certain centres totalling 3,473 thousand euros.
- A loss of 754 thousand euros on the liquidation and sale of a subsidiary in Egypt.
- Expenditure related with industrial equipment damage and business fines totalling 670 thousand euros.

Other operating expenses included the following less-recurring items in 2020:

- Losses totalling 1,646 thousand euros on the derecognition, sale or restructuring of several pieces of industrial equipment and plant; losses of 1,225 thousand euros on the derecognition of software; and impairment losses recognized on items of property, plant and equipment in the amount of 2,245 thousand euros.
- Investment expenditure that did not quality for capitalisation in the amount of 3,314 thousand euros (M&A transaction fees, costs of starting up new production lines and logistics centres, etc.).
- Charges for provisions and expenses for lawsuits with third parties in the amount of 1,670 thousand euros.
- Industrial restructuring charges and costs at certain centres totalling 3,755 thousand euros.

- Extraordinary expenses derived from the health pandemic: protective items; extraordinary facility and office cleaning costs and incentives paid to employees in a total amount of 12,259 thousand euros; and the donation of food, money and protective gear in the amount of 3,200 thousand euros.

7.3 Finance costs and finance income (thousands of euros)

	2021	2020
Finance costs		
Third-party borrowings	(4,661)	(9,810)
Unwinding of discount on financial liabilities	(1,728)	(1,816)
Unwinding of discount on provisions for pensions and similar obligations	(615)	(783)
Losses on derecognition of financial assets and liabilities	(1)	(5)
Impairment provisions on other financial assets	(1,572)	(1,293)
Expenses/losses related to derivatives and financial instruments	(6,708)	(6,289)
Exchange losses	(24,316)	(37,475)
	(39,601)	(57,471)
Finance income		
Third-party loans	1,524	2,813
Gains on derecognition of financial assets and liabilities	964	885
Reversal of financial asset impairment provisions	792	2,363
Gains on derivatives and financial instruments	3,283	2,810
Exchange gains	25,567	32,592
	32,130	**41,463**
Net finance income/(cost)	**(7,471)**	**(16,008)**

7.4 Employee benefits expense

The breakdown of employee benefits expense and the average Group headcount in 2021 and 2020 and at each year-end (thousands of euros):

	2021	2020
Wages and salaries	(257,642)	(249,788)
Other benefit expense	(24,911)	(27,936)
Social security and similar costs	(38,961)	(37,982)
Cost of post-employment and similar benefits	(11,674)	(10,023)
	(333,188)	**(325,729)**

(THOUSANDS OF EUROS)

AVERAGE HEADCOUNT

AVERAGE	MEN		WOMEN		
2021	FIXED	TEMPORARY	FIXED	TEMPORARY	TOTAL
Executives	209		74	1	284
Skilled staff and middle management	609	11	284	14	918
Clerical and support staff	367	152	434	39	992
Production staff	2,268	799	699	405	4,171
Other staff	26	19	22	8	75
TOTAL	**3,479**	**981**	**1,513**	**467**	**6,440**

AVERAGE	MEN		WOMEN		
2020	FIXED	TEMPORARY	FIXED	TEMPORARY	TOTAL
Executives	292	3	131	1	427
Skilled staff and middle management	789	18	447	30	1,284
Clerical and support staff	393	171	418	67	1,049
Production staff	2,713	935	727	447	4,822
Other staff	29	19	26	8	82
TOTAL	**4,216**	**1,146**	**1,749**	**553**	**7,664**

YEAR-END HEADCOUNT

YEAR-END	MEN		WOMEN		
2021	FIXED	TEMPORARY	FIXED	TEMPORARY	TOTAL
Executives	198	1	75	1	275
Skilled staff and middle management	621	14	288	16	939
Clerical and support staff	382	141	446	40	1,009
Production staff	2,307	755	711	450	4,223
Other staff	26	17	23	3	69
TOTAL	**3,534**	**928**	**1,543**	**510**	**6,515**

YEAR-END	MEN		WOMEN		
2020	FIXED	TEMPORARY	FIXED	TEMPORARY	TOTAL
Executives	286	1	131	1	419
Skilled staff and middle management	781	13	441	42	1,277
Clerical and support staff	390	174	422	66	1,052
Production staff	2,734	805	754	388	4,681
Other staff	28	20	28	10	86
TOTAL	**4,219**	**1,013**	**1,776**	**507**	**7,515**

As required under article 260 of the Corporate Enterprises Act, it is hereby disclosed that the number of people employed by the Group in 2021 (2020) with a disability of a severity of 33% or higher averaged 55 (76) men and 27 (26) women, most of whom in the production staff categories.

8. INTANGIBLE ASSETS

The reconciliation of the carrying amount of intangible assets at the beginning and end of 2021 and 2020, detailing the amortization and impairment provisions recognized each year, is provided below (in thousands of euros):

Carrying amounts	Development costs	Patents & trademarks	Computer software	Intangibles in progress	Total
Balance at December 31, 2019	0	570,309	6,968	1,977	**579,254**
Balance at December 31, 2020	0	442,203	6,051	1,102	**449,356**
Balance at December 31, 2021	60	429,822	4,222	244	**434,348**

Gross carrying amounts	Development costs	Trademarks & patents	Computer software	Intangibles in progress	Total
Balance at December 31, 2019	**0**	**609,041**	**52,435**	**1,977**	**663,453**
Business combinations					0
Business sales (exits)		(55,332)	(11)		(55,343)
Additions		30	3,493	(875)	2,648
Decreases			(2,038)		(2,038)
Translation differences		(26,152)	(1,560)		(27,712)
Assets held for sale		(51,444)	(2)		(51,446)
Transfers		1	254		255
Balance at December 31, 2020	**0**	**476,144**	**52,571**	**1,102**	**529,817**
Business combinations	17	17,091			17,108
Business sales (exits)		(46,709)	(19,047)		(65,756)
Additions	76	77	3,619	(858)	2,914
Decreases	(17)		(3,150)		(3,167)
Translation differences		21,780	1,533		23,313
Assets held for sale					0
Transfers		17	(17)		0
Balance at December 31, 2021	**76**	**468,400**	**35,509**	**244**	**504,229**

Amortization and impairment	Development costs	Trademarks & patents	Computer software	Intangibles in progress	Total
Balance at December 31, 2019	**0**	**(38,732)**	**(45,467)**	**0**	**(84,199)**
Business combinations					0
Business sales (exits)		4,925	3		4,928
Additions		(3,685)	(3,372)		(7,057)
Decreases			812		812
Translation differences		1,686	1,592		3,278
Assets held for sale		1,860			1,860
Transfers		5	(88)		(83)
Balance at December 31, 2020	**0**	**(33,941)**	**(46,520)**	**0**	**(80,461)**
Business combinations					0
Business sales (exits)		2	17,089		17,091
Additions	(21)	(2,832)	(2,941)		(5,794)
Decreases	5		2,581		2,586
Translation differences		(1,799)	(1,489)		(3,288)
Assets held for sale					0
Transfers		(8)	(7)		(15)
Balance at December 31, 2021	**(16)**	**(38,578)**	**(31,287)**	**0**	**(69,881)**

Movements in 2021

The most significant movements under this heading during the year ended December 31, 2021:

- Additions totalling 2,914 thousand euros (mainly software). Also, additions of 17,108 thousand euros due to business combinations (note 5).
- An increase of 20,025 thousand euros due to translation differences.
- Decreases of 5,794 thousand euros due to amortization charges (including 1,095 thousand euros which are recognized within the charges corresponding to discontinued activities (French Dry Pasta | Panzani business); refer to note 25).
- A decrease of 48,665 thousand euros due to company sales during the year (note 5).
- In 2021, the Group derecognized intangible assets with a carrying amount of 581 thousand euros and derecognized transferred assets with a carrying amount of 15 thousand euros.

The most significant movements under this heading during the year ended December 31, 2020:

- Additions totalling 2,648 thousand euros (mainly software).
- A decrease of 24,434 thousand euros due to translation differences.
- Decreases of 7,057 thousand euros due to amortization charges (including 281 thousand euros which were recognized within the charges corresponding to discontinued activities (North American Pasta); refer to note 25).
- Decrease of 49,586 thousand euros due to the reclassification of intangible assets to assets held for sale and of 50,415 thousand euros due to companies sold during the year.
- In 2020, the Group derecognized intangible assets with a carrying amount of 1,226 thousand euros and recognized transferred assets with a carrying amount of 172 thousand euros.

Trademarks

At year-end 2021, there are four trademarks (year-end 2020: four) with an original aggregate cost of 42,128 thousand euros (year-end 2020: 40,745 thousand euros) that have been written down for impairment by 21,796 thousand euros in total (20,893 thousand euros).

The trademarks and patents included within intangible assets were either acquired directly or via business combinations. Virtually all of these assets have been assessed as having an indefinite useful life and have been valued using the cost model. Their carrying amounts have been allocated to the cash-generating units (CGUs) shown in the table below (thousands of euros):

The Group tested its trademarks for impairment in 2021 and 2020; most of the tests were mostly performed by an independent expert, namely Duff & Phelps. Those impairment tests did not indicate the need to recognize any additional impairment losses in either 2021 or 2020.

(THOUSANDS OF EUROS)

Segment	Cash-generating unit: Trademarks	Number of trademarks	Balance at 31/12/2021		
			Gross	Impairment & amortiz.	Net
Rice	Herba Germany	2	21,065	(8,653)	12,412
Rice	Risella (Finland)	1	4,000	0	4,000
Rice	SOS business	3	33,315	(2,000)	31,315
Rice	Geovita (Italy)	3	1,970	0	1,970
Rice	Ebro India	1	78	0	78
Rice	Tilda Group	2	123,774	0	123,774
Rice	Riviana (US)	4	106,093	0	106,093
Rice	Riviana (US) SOS	4	16,508	0	16,508
Rice	Riviana (US) Rice select	4	4,008	0	4,008
Rice	Indo European Foods (UK)	1	17,439	0	17,439
Pasta	Riviana (Canada)	1	17,063	(11,143)	5,920
Pasta	Panzani (France)	3	36,400	0	36,400
Pasta	Panzani (France) - Monterrat	1	2,677	0	2,677
Pasta	Garofalo (Italy)	3	34,576	0	34,576
Pasta	Bertagni (Italy)	1	6,169	0	6,169
Other	Harinas (Spain)	1	1,300	0	1,300
			426,435	(21,796)	404,639
Rice	Riviana (US) Rice select		6,143	(4,044)	2,099
Rice	Riviana (US) Rice select - Customer portfolio		1,661	(1,562)	99
Pasta	Canada - customer portfolio		3,505	(3,505)	0
Rice	Tilda Group - customer portfolio		22,613	(3,517)	19,096
Rice	Geovita - customer portfolio		4,872	(1,300)	3,572
Other indefinite-lived trademarks and patents			3,171	(2,854)	317
			468,400	**(38,578)**	**429,822**

The recoverable amount of the trademarks was determined using cash flow projections that are typically derived from budgets that cover a five-year horizon and are then projected for another five years (using the royalty relief method).

The growth rates used to extrapolate the cash flow projections beyond the projection horizon and the discount rates applied to the cash flow projections for the most important CGUs in 2021 (2020) were:

Product	Trademark/Country or Business	Pre-tax discount rate		Post-tax discount rate		Growth rate, g	
		2021	2020	2021	2020	2021	2020
Rice	Herba Germany	5.7%	6.3%	5.3%	5.8%	2.0%	2%
Rice	SOS business (Spain, Netherlands and Portugal)	5.6% - 6.7%	6.2% - 7.5%	5.3% - 6.3%	5.8% - 7.0%	1.9% - 2.0%	1.8% - 1.9%
Rice	Geovita (Italy and France)	6.5%	7.2%	6.0%	6.5%	1.9%	1.7%
Rice	Riviana (US)	6.7%	6.7%	6.3%	6.3%	2.2%	2.2%
Rice	Riviana Abu Bint (Saudi Arabia)	8.6%	8.9%	7.8%	8.0%	1.3%	1.5%
Rice	Riviana (US) SOS	6.7%	6.7%	6.3%	6.3%	2.2%	2.2%
Rice	Tilda (UK)	6.4%	6.6%	6.0%	6.3%	2.0%	2.1%
Pasta	Riviana Canada	6.5%	6.5%	6.0%	6%	2.0%	2%
Rice and Fresh	Ebro France	6.2%	6.8%	5.8%	6.3%	2.0%	1.8%
Pasta	Ebro France - Monterrat	6.2%	6.8%	5.8%	6.3%	2.0%	1.8%
Pasta	Garofalo (Italy and international)	7.4%	8.4%	6.8%	7.5%	1.9%	1.7%
Pasta	Garofalo (Africa and international)	8.4%	9.7%	7.5%	8.5%	1.9%	1.7%
Pasta	Bertagni (Italy)	7.14%	8.1%	6.5%	7.3%	1.9%	1.7%

The Group also performed sensitivity analysis, varying the two inputs deemed key to the valuation results: the discount rate and the growth rate (g). With respect to the assumptions used to calculate the trademarks' value in use, management believes that no reasonably-possible change in the key assumptions used would cause their carrying amounts to exceed their recoverable amounts, with the exception of those already deemed impaired.

More specifically, neither a 10% increase in the discount rates nor a 10% variation in the growth rates (g) used would trigger significant impairment charges.

9. PROPERTY, PLANT AND EQUIPMENT

The reconciliation of the carrying amount of the Group's property, plant and equipment at the beginning and end of 2021 and 2020, detailing the depreciation and impairment provisions recognized in each year, is provided below (in thousands of euros):

Carrying amounts	Land	Buildings	Plant and equipment	Other fixtures, tools & furniture	Other PP&E	PP&E in progress	**Total**
Balance at December 31, 2019	130,766	256,263	456,886	24,236	8,138	64,971	**941,260**
Balance at December 31, 2020	123,324	226,451	407,988	25,583	9,592	64,861	**857,799**
Balance at December 31, 2021	109,175	213,645	356,329	20,820	9,661	79,051	**788,681**

Gross carrying amounts	Land	Buildings	Plant and equipment	Other fixtures, tools & furniture	Other PP&E	PP&E in progress	Total
Balance at December 31, 2019	**140,109**	**441,630**	**1,181,239**	**75,184**	**22,818**	**64,971**	**1,925,951**
Business combinations							0
Business sales (exits)	(2,692)	(8,535)	(51,021)	(504)			(62,752)
Additions	1,196	15,434	89,850	7,259	2,715	2,462	118,916
Decreases	(814)	(860)	(8,186)	(384)	(1,089)		(11,333)
Translation differences	(5,388)	(14,739)	(37,974)	(1,220)	(845)	(1,702)	(61,868)
Assets held for sale	(6,490)	(15,352)	(68,783)	(1,085)	(18)	(869)	(92,597)
Transfers	4,900	(2,035)	317	678	1,797	(1)	5,656
Balance at December 31, 2020	**130,821**	**415,543**	**1,105,442**	**79,928**	**25,378**	**64,861**	**1,821,973**
Business combinations			651	63			714
Business sales (exits)	(17,945)	(79,397)	(266,320)	(6,515)		(9,098)	(379,275)
Additions	2,328	15,137	76,149	6,687	1,760	22,621	124,682
Decreases	(1,135)	(6,282)	(56,368)	(1,158)	(2,534)		(67,477)
Translation differences	3,459	9,206	24,943	991	148	667	39,414
Assets held for sale							0
Transfers	(331)	331		1	(1)		0
Balance at December 31, 2021	**117,197**	**354,538**	**884,497**	**79,997**	**24,751**	**79,051**	**1,540,031**

Depreciation and impairment	Land	Buildings	Plant and equipment	Other fixtures, tools & furniture	Other PP&E	PP&E in progress	Total
Balance at December 31, 2019	**(9,343)**	**(185,367)**	**(724,353)**	**(50,948)**	**(14,680)**	**0**	**(984,691)**
Business sales (exits)	665	3,373	33,527	502			38,067
Additions	(897)	(19,776)	(78,042)	(5,585)	(2,090)		(106,390)
Decreases	229	764	7,474	554	489		9,510
Translation differences	830	4,390	18,490	1,044	423		25,177
Assets held for sale	1,020	7,537	46,838	860	18		56,273
Transfers	(1)	(13)	(1,388)	(772)	54		(2,120)
Balance at December 31, 2020	**(7,497)**	**(189,092)**	**(697,454)**	**(54,345)**	**(15,786)**	**0**	**(964,174)**
Business combinations							0
Business sales (exits)	383	65,021	198,672	5,844			269,920
Additions	(834)	(17,333)	(63,584)	(10,571)	(1,987)		(94,309)
Decreases	479	3,788	48,201	749	2,773		55,990
Translation differences	(510)	(3,311)	(13,948)	(852)	(156)		(18,777)
Assets held for sale							0
Transfers	(43)	34	(55)	(2)	66		0
Balance at December 31, 2021	**(8,022)**	**(140,893)**	**(528,168)**	**(59,177)**	**(15,090)**	**0**	**(751,350)**

The Group takes out all the insurance policies deemed necessary to cover risks that could affect these assets.

Additions under 'PP&E under construction' include the amounts corresponding to projects related to the creation of new production lines and, in general, the upgrade of the quality of the Group's industrial processes, products and its assets' environmental performance.

Note that the Group obtained grants in relation to certain investments made by the various Group companies in 2021 and prior years, the amounts of which are disclosed in note 18.

No material items of property, plant or equipment are used other than for business purposes.

Movements in 2021

The most significant movements under this heading during the year ended December 31, 2021:

- An increase of 20,637 thousand euros due to exchange gains.
- Decreases of 93,655 thousand euros due to depreciation charges (including 14,917 thousand euros which are recognized within the charges corresponding to discontinued activities (French Dry Pasta | Panzani business); refer to note 25) and an increase due to the reversal of 566 thousand euros of impairment allowances.
- An increase of 714 thousand euros due to business combinations (note 5).
- Additions of 121,476 thousand related to capital expenditure, essentially investments in technical upgrades, expansion work and new facilities at the Group's various factories. The consolidated management report includes information about the most significant investments recognized under this heading in 2021.
- An increase of 2,552 thousand euros due to the monetary correction of the assets of La Loma de Argentina.
- A decrease of 109,355 thousand euros due to companies sold during the year (note 5).
- In 2021, the Group derecognized assets with a carrying amount of 12,054 thousand euros.

Movements in 2020

The most significant movements under this heading during the year ended December 31, 2020:

- A decrease of 36,691 thousand euros due to exchange losses.
- Decreases of 103,168 thousand euros due to depreciation charges (of wich 11,773 thousand euros corresponded to discontinued activities (North American Pasta business); refer to note 25); 2,245 thousand euros of asset impairment provisions; offset by an increase of 314 thousand euros due to impairment losses reversed.
- Additions of 113,295 thousand related to capital expenditure, essentially investments in technical upgrades, expansion work and new facilities at the Group's various factories.
- An increase of 4,644 thousand euros due to the monetary correction of the assets of La Loma de Argentina.

- Decrease of 36,324 thousand euros due to the reclassification of items of property, plant and equipment to non-current assets held for sale (notes 5 and 25) and of 24,685 thousand euros in relation to companies sold during the year (note 5).
- In 2020, the Group also derecognized assets with a carrying amount of 2,137 thousand euros and recognized transferred assets with a carrying amount of 3,536 thousand euros.

The depreciation and impairment charges recognized on property, plant and equipment in the 2021 and 2020 consolidated financial statements break down as follows:

- In 2021: 93,655 thousand euros of depreciation charges (including 14,917 thousand euros which are recognized within the charges corresponding to discontinued activities (French Dry Pasta | Panzani business; refer to note 25) and the reversal of 566 thousand euros of impairment allowances.

- In 2020: 103,168 thousand euros of depreciation charges (including 11,773 thousand euros which were recognized as depreciation charges corresponding to discontinued activities (North American Pasta); refer to note 25) and 2,245 thousand euros of impairment allowances.

The derecognition of items of property, plant and equipment in 2021 generated losses, on the one hand, of 3,650 thousand euros (2020: 1,646 thousand euros) and gains of 1,150 thousand euros (2020: 323 thousand euros), on the other (note 7).

10. RIGHT-OF-USE ASSETS

Below is the breakdown of the carrying amount of the Group's right-of-use assets and lease liabilities and a reconciliation of the opening and closing balances:

Thousands of euros	Land	Buildings	Plant and equipment	Other fixtures, tools & furniture	Other PP&E	Accum. depreciation & impairment	Total	Financial liability Note 12
Balance at December 31, 2019	**15,497**	**69,292**	**11,469**	**2,322**	**4,300**	**(14,433)**	**88,447**	**(89,705)**
Additions	249	2	1,873	802	857		6,064	(5,972)
Decreases	(105)	(1,294)	(1,164)	(329)	(386)	2,165	(1,113)	1,126
Translation differences	(439)	(2,981)	(47)	(53)	(182)	570	(3,132)	3,372
Transfers			44	4	(19)	31	60	(44)
Transfers to held for sale			(260)	(27)		176	(111)	113
Depreciation charges						(13,973)	(13,973)	
Finance costs								(2,144)
Lease payments								13,303
Balance at December 31, 2020	**15,202**	**67,300**	**11,915**	**2,719**	**4,570**	**(25,464)**	**76,242**	**(79,951)**
Business combinations (note 5)		7,697			63	0	7,760	(7,786)
Business sales (exits) (note 5)	(6,682)	(15,441)	(2,534)	(1,045)		7,319	(18,383)	18,854
Additions	161	2,367	1,668	726	1,318		6,240	(6,240)
Decreases		(3,078)	(704)	(534)	(622)	(3,714)	(1,224)	1,340
Translation differences	460	2,898	35	63	130	(801)	2,785	(3,049)
Transfers					(4)	(3)	(7)	46
Depreciation charges						(14,038)	(14,038)	
Finance costs								(2,029)
Lease payments								14,667
Balance at December 31, 2021	**9,141**	**61,743**	**10,380**	**1,929**	**5,455**	**(29,273)**	**59,375**	**(64,148)**

The reconciliation of the opening and closing balances of accumulated depreciation and impairment provisions (thousands of euros):

Accumulated impairment and depreciation Thousands of euros	Land	Buildings	Plant and equipment	Other fixtures, tools & furniture	Other PP&E	Total
Balance at December 31, 2019	**(888)**	**(6,889)**	**(4,760)**	**(726)**	**(1,170)**	**(14,433)**
Business sales (exits)	26			20		46
Additions	(1,248)	(7,881)	(2,669)	(770)	(1,405)	(13,973)
Decreases		526	1,086	309	198	2,119
Translation differences	82	377	20	23	68	570
Assets held for sale			156	20		176
Transfers					31	31
Balance at December 31, 2020	**(2,028)**	**(13,867)**	**(6,167)**	**(1,124)**	**(2,278)**	**(25,464)**
Business sales (exits)	1,172	4,800	837	510		7,319
Additions	(876)	(8,474)	(2,298)	(898)	(1,492)	(14,038)
Decreases		2,024	704	496	490	3,714
Translation differences	(105)	(574)	(23)	(35)	(64)	(801)
Assets held for sale						0
Transfers		(26)			23	(3)
Balance at December 31, 2021	**(1,837)**	**(16,117)**	**(6,947)**	**(1,051)**	**(3,321)**	**(29,273)**

In 2021, the Group recognized depreciation charges of 14,038 thousand euros (2020: 13,973 thousand euros). Of that sum, 2,927 thousand euros (2020: 2,855 thousand euros) are recognized as depreciation charges related to discontinued activities - the French Dry Pasta | Panzani business (note 25).

The breakdown of the Group's lease liabilities by year of maturity and currency of denomination is as follows (thousands of euros):

CURRENCY	**2022**	**2023**	**2024**	**2025**	**2026**	**Other**	**TOTAL**
EUR	3,986	2,560	1,475	989	1,025	7,594	17,629
USD	3,633	3,780	3,820	3,854	4,014	14,421	33,522
GBP	1,000	703	609	908	526	5,154	8,900
INR	80	8	0	0	0	0	88
DKK	8	8	0	0	0	0	16
HUF	20	21	21	0	0	0	62
SEK	31	22	11	0	0	0	64
MAD	3	173	173	173	173	2,906	3,601
THB	166	29	27	26	18	0	266
Total	**8,927**	**7,304**	**6,136**	**5,950**	**5,756**	**30,075**	**64,148**

In 2021 and 2020, the Group recognized the following expenses in connection with short-term leases and leases over low-value assets.

	2021			**2020**		
Lease Expense in 2021 (Thousands of euros)	**Short-term contracts**	**Low-value contracts**	**Total expense**	**Short-term contracts**	**Low-value contracts**	**Total expense**
Leases not capitalized:						
Buildings and offices	595		**595**	633		**633**
Plant and machinery	69		**69**	132		**132**
Warehouses	1,044		**1,044**	986		**986**
Industrial equipment	1,307	754	**2,061**	1,626	900	**2,526**
Other non-industrial equipment	5	220	**225**	0	455	**455**
Vehicles	179		**179**	284		**284**
Total	**3,199**	**974**	**4,173**	**3,661**	**1,355**	**5,016**
Lease expense in future years						
- In 2022	2,040	528	**2,568**			
- Between 1 and 5 years		321	**321**			
- Over 5 years		105	**105**			
	2,040	**954**	**2,994**			

It did not incur variable lease payments of significant amount.

Note that the extraordinary situation brought about by the coronavirus has not had a material impact on the Group's lease agreements.

11. INVESTMENT PROPERTIES

The reconciliation of the carrying amount of the Group's investment properties at the beginning and end of 2021 and 2020, detailing the depreciation and impairment provisions recognized in each year, is provided below (in thousands of euros):

Carrying amounts	Land	Buildings	Total
Balance at December 31, 2019	21,592	1,730	**23,322**
Balance at December 31, 2020	17,761	1,693	**19,454**
Balance at December 31, 2021	17,758	1,640	**19,398**

	Gross carrying amounts			Depreciation and impairment		
	Land	Buildings	Total	Land	Buildings	Total
Balance at December 31, 2019	**23,409**	**4,254**	**27,663**	**(1,817)**	**(2,524)**	**(4,341)**
Business combinations			0			0
Business sales (exits)			0			0
Additions			0		(17)	(17)
Decreases	(122)	(32)	(154)		12	12
Translation differences			0			0
Transfers	(4,899)	3,396	(1,503)	1,190	(3,396)	(2,206)
Balance at December 31, 2020	**18,388**	**7,618**	**26,006**	**(627)**	**(5,925)**	**(6,552)**
Business combinations			0			0
Business sales (exits)			0			0
Additions			0		(17)	(17)
Decreases	(3)	(2,345)	(2,348)		2,309	2,309
Translation differences			0			0
Transfers	0		0	0		0
Balance at December 31, 2021	**18,385**	**5,273**	**23,658**	**(627)**	**(3,633)**	**(4,260)**

The depreciation charge recognized in 2021 amounted to 17 thousand euros (2020: 17 thousand euros), while impairment charges amounted to zero (2020: zero).

The only movement of significance in 2021 was the sale of a property, which generated a gain of 264 thousand euros.

The only material movement in 2020 was the transfer of the site on which the new factory in La Rinconada (Seville) is being built to property, plant and equipment. In 2020, the Group also sold one property, recognising a gain of 213 thousand euros.

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

Investment properties are initially recognized at their acquisition cost. The investment properties with the most significant fair values correspond to the sites on which dismantled factories were located and some unoccupied buildings, located mainly in Spain.

These properties' fair values represent the values at which the assets can be exchanged on the date of measurement between knowledgeable, willing parties in an arm’s length transaction, in keeping with the International Valuation Standards.

In determining their fair value, the properties are valued individually and separately and not as part of a portfolio of properties. In some instances, the Group used the benchmark valuations provided by independent appraisers (updated internally as warranted), while in others it used comparable valuation methodology to reflect the market paradigm and the prices at which assets with similar characteristics are being transacted, adjusting as needed for changes in economic circumstances arising since the comparable transaction dates.

That effort is coordinated by the Asset Management Unit which, as indicated in note 6 above, is the business unit tasked with management and control of all of the properties that are not used in the Group's core business activities (investment properties), its remit being to remain abreast of their status, reduce costs and sell off those not used for industrial purposes after taking action to maximize their valuation prior to monetization. As a result, the inputs used to determine these properties' fair value should be deemed level 3 for IFRS fair value hierarchy purposes.

Note that the fair value of the Group's investment properties at year-end 2021 was an estimated 52 million euros (year-end 2020: 53 million euros).

12. FINANCIAL INSTRUMENTS: FINANCIAL ASSETS AND FINANCIAL LIABILITIES

12.1 Financial assets

The breakdown of the Group's financial assets (other than its cash equivalents, detailed in note 13), in thousands of euros, is provided below:

	31/12/2021			31/12/2020		
	Total	**Non-current**	**Current**	**Total**	**Non-current**	**Current**
Classification for statement of financial position purposes						
- Financial assets	**9,139**	4,874	4,265	**10,972**	7,616	3,356
- Trade and other receivables	**415,938**	0	415,938	**442,931**	0	442,931
- Derivatives	**527**	0	527	**1,611**	0	1,611
TOTAL FINANCIAL ASSETS	**425,604**	**4,874**	**420,730**	**455,514**	**7,616**	**447,898**
Classification for measurement purposes						
Financial assets at amortized cost:						
- Trade and other receivables	**415,938**	0	415,938	**442,931**	0	442,931
- Loans to associates	**1,122**	1,122	0	**1,122**	1,122	0
- Loans to third parties	**3,543**	1,403	2,140	**3,855**	2,551	1,304
- Deposits and guarantees	**3,323**	1,198	2,125	**4,921**	2,869	2,052
Financial assets at fair value through profit or loss						
- Shares in non-group companies	**1,151**	1,151	0	**1,074**	1,074	0
- Derivatives	**527**	0	527	**1,611**	0	1,611
TOTAL FINANCIAL ASSETS	**425,604**	**4,874**	**420,730**	**455,514**	**7,616**	**447,898**

Loans to third parties

Loans to third parties

The year-on-year decrease in the balance of loans to third parties in 2021 is the result of repayments collected in accordance with the corresponding loan schedules. The outstanding balance relates primarily to:

- The deferred portion of the purchase price for the assets of the German pasta business under the terms of the agreement reached in December 2013, as amended in July 2014, was still outstanding at December 31, 2020. That payment was due on June 30, 2021 and was settled in July.

- The deferred portion the purchase price for the SOS brand in Mexico and other neighbouring countries under the payment terms agreed in January 2018 in the amount of MXP 100 million, of which the first MXP 50 million was collected in 2020. That loan earns interest at an implicit rate of 8%. The second and final instalment - in the amount of 2,134 thousand euros - is due on February 21, 2022 and is recognized in current loans.

- The liquidation and sale in 2021 of the Egyptian subsidiary generated an account receivable of 996 thousand euros, which is included under non-current loans. The Group expects to collect that balance at the end of 2022 or in early 2023.

Of the total recognized under this heading: (i) 276 thousand euros (year-end 2020: 1,311 thousand euros) is denominated in euros; (ii) 463 thousand euros (575 thousand euros) is denominated in US dollars; (iii) 670 (zero) thousand euros is denominated in Moroccan dirhams; and (iii) 2,134 thousand euros (1,969 thousand euros) is denominated in Mexican pesos.

The maturity schedule for these non-current loans is: (i) 2,140 thousand euros in 2022; (ii) 996 thousand euros in 2023; and (iii) the remaining 407 thousand euros in 2026 and beyond.

Trade and other receivables

The breakdown of this heading at year-end 2021 and 2020 (in thousands of euros):

ITEM	31-12-21	31-12-20
Due form customers	396,339	439,589
Due from associates	827	497
Sundry receivables	27,808	14,981
Impairment allowance	(9,036)	(12,136)
TOTAL	**415,938**	**442,931**

Some of the decrease in trade and other receivables is attributable to the sale of the French Dry Pasta business (note 5).

For terms and conditions relating to related-party receivables, refer to note 23. Trade receivables are non-interest bearing and are generally on terms of 30 to 85 days. At December 31, 2021, the ageing analysis of trade receivables is as follows (thousands of euros):

Ageing analysis	Gross	Impairment allowance	Net
Past due by less than 3 months	386,094	(3,084)	383,010
Past due by between 3 and 6 months	7,305	(1,932)	5,373
Past due by between 6 and 12 months	571	(571)	0
Past due by between 12 and 18 months	162	(162)	0
Past due by between 18 and 24 months	0	0	0
Past due by > 24 months	2,207	(2,207)	0
	396,339	**(7,956)**	**388,383**

No material amounts of trade and other receivables were past due but not impaired at either year-end.

The movements recognized by the Group under the provision for the impairment of trade and other accounts receivable in 2021 (2020): (i) net new provisions of 713 thousand euros (1,483 thousand euros); (ii) the utilisation of 2,146 thousand euros (1,286 thousand euros); (iii) the net derecognition of 1,790 thousand euros (198 thousand euros) due to business combinations; and (iv) translation losses of 123 thousand euros (losses of 172 thousand euros).

There have been no other significant movements in any other financial assets since December 31, 2020.

12.2 Financial liabilities

The breakdown of the Group's financial liabilities is provided below (in thousands of euros):

	31/12/2021			31/12/2020		
	Total	Non-current	Current	Total	Non-current	Current
Classification for statement of financial position purposes:						
- Financial liabilities	**1,044,425**	598,509	445,916	**1,162,026**	570,267	591,759
- Trade and other payables	**415,565**	0	415,565	**485,642**	0	485,642
- Derivatives	**1,270**	0	1,270	**2,732**	0	2,732
TOTAL FINANCIAL LIABILITIES	**1,461,260**	**598,509**	**862,751**	**1,650,400**	**570,267**	**1,080,133**
Classification for measurement purposes:						
Financial liabilities at amortised cost:						
- Trade and other payables	**415,565**	0	415,565	**485,642**	0	485,642
- Bank borrowings	**780,410**	523,463	256,947	**884,563**	308,384	576,179
- Borrowings from other entities	**2,981**	426	2,555	**5,806**	2,369	3,437
- Lease liabilities (note 10)	**64,148**	55,221	8,927	**79,951**	68,531	11,420
- Deposits and guarantees	**84**	57	27	**782**	59	723
Financial assets at fair value through profit or loss						
- Financial liabilities under vendor put options	**196,802**	19,342	177,460	**190,924**	190,924	0
- Derivatives	**1,270**	0	1,270	**2,732**	0	2,732
TOTAL FINANCIAL LIABILITIES	**1,461,260**	**598,509**	**862,751**	**1,650,400**	**570,267**	**1,080,133**

Note that the Group did not encounter any problems whatsoever in relation to the refinancing of any debt, the arrangement of new financing agreements or its ability to service its financial obligations in 2021. Financial liability management unfolded exactly as anticipated, in keeping with the natural and normal maturity schedules.

Trade and other payables

Set out below are the movements in this heading (thousands of euros):

	31/12/2021	31/12/2020
Trade accounts payable	345,642	386,022
Other liabilities	27,973	46,283
Employee benefits payable	41,746	53,243
Payable to associates	204	94
TOTAL	**415,565**	**485,642**

Some of the decrease in trade and other payables is due to the sale of the French Dry Pasta business (note 5).

Trade payables are non-interest bearing and are normally settled on 60-80 day terms. Other payables are also non-interest bearing and have an average term of three months; they mainly correspond to payables related to the purchase of items of property, plant and equipment, the grant of trade discounts and rebates, and advertising and marketing initiatives.

Bank borrowings

There were certain movements in the Group's non-current bank borrowings in 2021 with respect to year-end 2020.

In 2021, Ebro Madrid (Ebro Foods, S.A. and Ebro Financial Corporate Services, S.L.) repaid loans at maturity and prepaid other loans in an aggregate amount of 540 million euros. In parallel, it arranged four new loans totalling 350 million euros. At December 31, 2021, the Group recognized four non-current loans totalling 200 million euros and current loans in the amount of 415 million euros. At year-end 2021, thanks to the proceeds collected from the sale of the French Dry Pasta business (note 5), non-current borrowings included four new loans of 350 million euros and one 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%.

To finance its new factory in La Rinconada, Herba Ricemills, S.L. arranged up to 45 million euros of new long-term financing with three banks in 2019, specifically six-year credit agreements with one year for drawdown, a one-year grace period and repayment over the next five years. At December 31, 2021, the Group had drawn down 36 million euros of those loans on which it has to repay 6 million euros per annum on June 30 of each year. The average rate of interest on those loans is 0.65%.

At the subsidiary in Italy, in 2021, Garofalo applied for two 2-year bank loans totalling 13 million euros to finance its new warehouse and other investments; the loans are due in a single bullet payment and bear interest at 0.10%.

The French subsidiary LTL (Ebro Premium Foods, the new holding company for the Group’s businesses in France) has 105.5 million of non-current bank loans, of which 64.5 million euros, carrying an average interest rate of EURIBOR plus 0.35%, falls due between 2024 and December 2028, and 41 million euros, carrying an average interest rate of EURIBOR plus 0.50%, falls due between 2023 and 2026.

As for current borrowings, the most significant developments in 2021, in addition to those already itemized in relation to Ebro Foods, S.A., were the following:

- The renewal of certain short-term credit facilities of amounts that are not material on aggregate with respect to total borrowings.
- In general, the terms of credit were very similar compared to those in force at year-end 2020, and the same can be said of the collateral and covenant requirements. The spreads applied to benchmark rates were virtually the same as in 2020.

The breakdown of the Group's bank borrowings by business segment or company and the corresponding maturities (in thousands of euros):

Breakdown of bank borrowings by segment or company	31-12-20	31-12-21	2023	2024	2025	2026	Beyond
- Of Ebro Foods, S.A	199,851	349,805	0	349,805	0	0	0
- Of Herba Group	38,449	30,787	9,885	9,915	9,783	636	568
- Of Panzani Group (France)	41,256	87,500	18,000	14,900	14,900	13,900	25,800
- Of Garofalo Group (Italy)	28,828	55,371	27,892	9,079	6,827	5,700	5,873
- Of Arotz Foods, S.A.	0	0					
Non-current bank borrowings	**308,384**	**523,463**	**55,777**	**383,699**	**31,510**	**20,236**	**32,241**
- Of Ebro Foods, S.A	415,171	25,139					
- Of Ebro Group France	22,238	20,973					
- Of Herba Group	91,876	184,196					
- Of Garofalo Group (Italy)	45,242	26,637					
- Of Tilda Group (UK)	1,652	2					
Current bank borrowings	**576,179**	**256,947**					
Total bank borrowings	**884,563**	**780,410**					

The breakdown of the above borrowings by currency of denomination is as follows (thousands of euros):

CURRENCY	31-12-20	31-12-21
EUR	813,342	696,683
USD	23,155	37,708
GBP (UK)	31,062	32,333
INR (India)	7,249	13,059
THB (Thailand)	9,368	1
DKK (Denmark)	387	626
Total	**884,563**	**780,410**

As for the rest of the Group's bank borrowings, at year-end 2021 the various companies had arranged unsecured credit facilities with an aggregate limit of 460 million euros (year-end 2020: 525 million euros), of which 257 million euros (152 million euros) had been drawn down.

Some of the Garofalo group's credit facilities are secured by a mortgage over its factory and site in Italy for up to 40 million euros.

The Group also had the following reverse factoring, receivable discounting, and trade finance lines and had issued the following sureties and other bank guarantees at year-end (thousands of euros):

At December 31, 2021 CREDIT FACILITIES ARRANGED	Amount drawn	Amount undrawn	Total limit
Reverse factoring, receivable discounting and trade finance	9,083	82,246	91,329
Bank guarantee lines (note 22)	66,740	67,285	134,025
Consolidated Group total	**75,823**	**149,531**	**225,354**

At December 31, 2020 CREDIT FACILITIES ARRANGED	Amount drawn	Amount undrawn	Total limit
Reverse factoring, receivable discounting and trade finance	3,240	33,167	36,407
Bank guarantee lines	86,457	63,126	149,583
Consolidated Group total	**89,697**	**96,293**	**185,990**

The bank loans require compliance with a series of covenants, specifically a series of ratios calculated on the basis of the consolidated financial statements of the Ebro Group, throughout the term of the loans. Any breach of the covenants would increase the related borrowing costs and in some cases would trigger an early repayment requirement. The Group was compliant with those covenants at both year-ends.

Lease liabilities

This heading recognizes the Group's financial liabilities on account of its lease liabilities under IFRS 16, which took effect on January 1, 2019 (liability in respect of lease payment obligations). Refer to note 10.

Financial liabilities structured as options over non-controlling interests

At December 31, 2021, the Group recognized 196,802 thousand euros of financial liabilities structured as options over non-controlling interests (year-end 2020: 190,924 thousand euros) broken down as follows (refer to 22 for a breakdown of those commitments).

As for the rest of the financial liabilities structured as options over non-controlling interests, the most significant movement in 2021 and 2020 related to the increase in the corresponding liabilities due to their annual restatement to fair value (unwind of discount). Refer to note 22.

When acquiring certain companies, in addition to the investments made in exchange for the shareholdings acquired in each, the Group has granted the other shareholder(s) put or similar options over the percentage not originally acquired (exercisable from a specific date either for a specific period of time or with no maturity). 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.

There were no other significant movements in any other financial liabilities in 2021.

Financial flows

Below is the information needed to enable financial statement users to evaluate the changes in liabilities arising from financing activities, distinguishing between changes that involve cash flows and those that do not (such as foreign exchange gains or losses) (thousands of euros).

Financial liabilities Reconciliation of flows 2021	**31/12/2020**	Cash flows	Reclassif. sales/derec.	Movements in for. currency	Changes in fair value	New leases	Business combinations	Interest accrued	Reclassific. curr./non-curr.	**31/12/2021**
Current borrowings	576,179	-405,462		4,371			4,251	7,042	70,566	256,947
Non-current borrowings	308,384	285,645							-70,566	523,463
Lease liabilities	79,951	-14,667	-20,194	3,005		14,024		2,029		64,148
Dividend payable	0									0
Derivatives	2,732	-618			-844					1,270
Other financial liabilities	196,730	-851	-1,974		5,878					199,783
Guarantees and deposits received	782	-698								84
Total liabilities arising from financing activities	**1,164,758**	**-136,651**	**-22,168**	**7,376**	**5,034**	**14,024**	**4,251**	**9,071**	**0**	**1,045,695**

Financial liabilities Reconciliation of flows 2020	**31/12/2019**	Cash flows	Reclassif. sales/derec.	Movements in for. currency	Changes in fair value	New leases	Business combinations	Interest accrued	Reclassific. curr./non-curr.	**31/12/2020**
Current borrowings	411,028	-258,375		-5,818				11,846	417,498	576,179
Non-current borrowings	579,214	151,069		-4,401					-417,498	308,384
Lease liabilities	89,705	-13,303	-1,239	-3,328		5,972		2,144		79,951
Derivatives	1,040	-725			2,417					2,732
Other financial liabilities	171,648	-10,455			35,537					196,730
Guarantees and deposits received	97	685								782
Total liabilities arising from financing activities	**1,252,732**	**-131,104**	**-1,239**	**-13,547**	**37,954**	**5,972**	**0**	**13,990**	**0**	**1,164,758**

Below is a schedule of the maturities of all of these financial liabilities including all expected actual cash flows, estimated as of December 31, 2021 (thousands of euros):

	Statement of financial position 31-12-21
- Bank borrowings	780,410
- Borrowings from other entities	2,981
- Lease liabilities	64,148
- Deposits and guarantees	84
- Financial liabilities under vendor call options	196,802
- Derivatives	1,270
TOTAL FINANCIAL LIABILITIES	**1,045,695**
Estimated expected future flows:	
2022	451,387
2023	83,559
2024	394,693
2025	38,730
2026	27,166
Other	67,666
TOTAL FUTURE FLOWS	**1,063,201**

12.3 Risk management targets and policies and use of financial instruments

The primary objective of the Group's risk management policy is to safeguard the value of its assets and facilitate sustainable business growth by configuring an optimal capital structure tailored for the legislation in force in the countries in which it operates. In addition, its capital management policy is designed to preserve its credit metrics and to maximize shareholder value.

Its risk management strategy encompasses key business performance indicators such as earnings, leverage, capital expenditure and business strategy with a view to enabling the Group to take substantiated decisions in order to deliver the above-mentioned objectives. The attached management report and corporate governance report provide additional information on the key business risks.

Capital management

The overriding objective of the Group's capital management is to safeguard the business's sustainability and maximize shareholder value. To this end it contemplates:

- The cost of capital, in keeping with industry calculation standards, with a view to combining debt and equity to optimise this cost.
- A leverage ratio that makes it possible to obtain and maintain the targeted credit ratings and ensure short- and long-term financing for the Group's projects.

The right combination of debt and equity, in order to optimise the cost of capital and enable adequate shareholder remuneration, business continuity and growth. Note that the Ebro Group is subject to capital requirements under certain long-term loan agreements and that it is in compliance with these covenants.

In recent years, the Ebro Group has been concentrating its activities in its key businesses by means of strategic acquisitions, while keeping leverage low.

NET DEBT (thousands of euros)	2019	2020	*2020/2019*	2021	*2021/2020*
Equity	2,262,203	1,927,351	*-14.8%*	2,101,627	*9.0%*
Net debt	999,849	950,757	*-4.9%*	504,723	*-46.9%*
Average net debt	871,658	917,574	*5.3%*	865,418	*-5.7%*
Leverage	44.2%	49.3%	*11.6%*	24.0%	*-51.3%*
Leverage (average net debt) ***(1)***	38.5%	47.6%	*23.6%*	41.2%	*-13.5%*
EBITDA-A	251,365	305,132	*21.4%*	301,860	*-1.1%*
Coverage	3.98	3.12		1.67	

(1) Leverage = Ratio of average net interest-bearing debt to equity (excluding non-controlling interests)

The accompanying Group Management Report provides the definition and reconciliation of the alternative performance measures shown in this table (net debt and average net debt).

Leverage (net debt over equity attributable to equity holders of the parent) increased slightly in 2019 and 2020 but decreased substantially in 2021. Those movements are the result of the sharp increase in profits in 2020, the major investment in working capital needed to tackle the prevailing inflationary pressures (as detailed in the accompanying management report) and the sale of the various dry pasta businesses, which culminated in 2021 and was accompanied by the payment of extraordinary dividends in 2020 and 2021.

The recent disposals have led to a reduction in borrowings of close to 50% and left a reasonable debt coverage ratio of less than 2 times EBITDA-A from continuing operations (refer to the consolidated management report).

Financial risk management and use of financial instruments

The main financial instruments used by the Group are bank loans, bank overdraft facilities, equity instruments, derivative financial instruments, cash and short-term deposits. In addition, the Group has other financial assets and liabilities such as trade accounts receivable and payable.

These financial instruments expose the Group to market risks via variability in interest rates, in exchange rates and in the fair value of certain financial instruments. They also expose it to liquidity and credit risk.

The overriding objective of exchange rate risk management is to offset (at least partially) potential valuation losses on assets denominated in currencies other than the euro with savings, albeit smaller in magnitude, on liabilities denominated in the same currencies.

The financial instruments that are used to hedge this financial risk may or may not qualify for designation as accounting hedges (cash flow or fair value hedges, depending on the nature of the hedged item).

In order to manage the foreign currency and interest rate risks arising in the course of the Group's operations and, from time to time, potential movements in the prices of certain raw materials (gas), the Group uses derivative (mainly interest or exchange rate forward sale-purchase currency contracts and options over interest or exchange rates) and non-derivative (currency-denominated borrowings, forward currency contracts) financial instruments in order to minimize or ring-fence them.

Those hedges are arranged as a function of:

- Prevailing market conditions;
- Evolving management objectives; and
- The specific characteristics of the transactions giving rise to the financial risk being hedged.

The accounting policies used to measure those financial instruments are described in note 3 above. The Board of Directors and senior management team review and establish the risk management policies applying to each and every one of these risks. The Board has delegated the development and oversight of the enterprise risk management system in its Audit Committee and the Risk Committee.

Cash flow interest rate risk

This is the risk arising from borrowings, loans extended and cash and cash equivalent balances denominated in euros and/or foreign currencies and arranged at floating rates of interest, specifically the risk that the cash flows associated with interest payments/receipts will fluctuate because of changes in market interest rates.

The Group manages this risk by keeping a balanced portfolio of fixed and variable rate borrowings. The Group's policy is to minimize exposure to this risk, to which end it continually monitors market conditions with the support of external experts in order to arrange new instruments or change the terms of existing instruments in order to minimize exposure to variability in the cash flows or fair value of its financial instruments.

(THOUSANDS OF EUROS)

Management has performed sensitivity analysis with respect to the impact of 50 basis point fluctuations in interest rates on the Group's rate-sensitive financial assets and liabilities with an impact on Group earnings: the estimated impact on 2021 profit of such a change would be 4.0 million euros (4.6 million euros in 2020).

The main assumptions used to perform this sensitivity analysis are as follows:

- The analysis only models the impact on financial instruments susceptible to significant changes in the event of upward or downward movements in interest rates.

- The only input varied is the rate of interest, with all other variables held constant in the model.

Effect of changes in interest rates

	2021				2020			
Income/(expense)	**-0.50%**	**-0.25%**	**0.25%**	**0.50%**	**-0.50%**	**-0.25%**	**0.25%**	**0.50%**
Profit before tax	4,014	2,007	-2,007	-4,014	4,571	2,286	-2,286	-4,571

Foreign currency risk

This the risk arising from exposure to the impact of movements in exchange rates on assets, liabilities, net investments in foreign operations and transactions conducted in currencies other than the euro. As a result of the Group's investments in the US, the carrying amounts of the Group's assets and liabilities are significantly exposed to changes in the USD / EUR exchange rate.

Britain's withdrawal from the European Union ('Brexit') sparked significant uncertainty regarding the future of relations between the UK and the European Union, including in relation to the laws and regulations that will apply going forward. After the main terms of the exit agreement had been negotiated and following a transition period which ran until the end of 2020, the definitive trade and cooperation agreement was executed on December 24, 2020. The trade and cooperation agreement reached is deemed provisional. Although it provides a framework for trade relations it leaves numerous aspects of the future relationship between the EU and the UK open and there have been a number of modification warnings and claims of violations, particularly in relation to the matter of the Irish border.

Although the free trade agreement goes a long way to dissipate uncertainty, the Ebro Group has taken measures to ensure the performance and profitability of its agreements to the extent possible. More specifically, those measures are articulated around ensuring the supply of raw materials by increasing buffer stocks, checking contract profitability by keeping close track of margins and potential cost overruns unrelated to the business and reducing the potential impact of volatility in the pound sterling.

The Group believes that the Brexit situation does not constitute a material risk in respect of its annual consolidated financial statements. The Group's fixed productive assets in the UK account for 15.8% (2020: 12.6%) of the Group total, while the revenue generated in the UK market in 2021 represented around 12.5% (2020: 10%) of the Group total.

The Group is also exposed to foreign exchange rate risk on account of its transactions. That risk arises from the purchases and sales made by the business units in currencies other than the functional currency. In the case of significant transactions, the Group's policy is to use foreign exchange forward contracts to eliminate or minimize the related exchange rate risk.

Certain Group companies in the rice (Herba Spain, S&B Herba, Herba Ingredients and Herba Bangkok) and pasta segments (France, Bertagni and Garofalo) write foreign currency future contracts and/or options in order to mitigate their transaction-related exposures. Those transactions are arranged to minimize currency risk but have not been designated as hedges for accounting purposes. The contracts outstanding at year-end:

	Notional amount (thousands)	
Currency	**2021**	**2020**
USD	69,516	117,118
EUR	27,483	29,322
THB (Thailand)	155,000	200,000
GBP	13,016	-
AUD (Australia)	167	78

The Group is (net) long on US dollars; these contracts basically hedge raw material contracts benchmarked against the dollar entered into by Group subsidiaries that operate in a different local currency. The euro positions are held by Group companies with functional currencies other than the euro which trade in euros, mainly UK companies.

Below is a sensitivity analysis, measured in terms of the impact on the Group statement of profit or loss, with respect to the Group's key exposures to exchange rate risk by currency and type of instrument. The instruments grouped under “Other financial instruments” are loans or cash positions denominated in the currency referenced that do not qualify as accounting hedges.

The sensitivity analysis provided below should be understood as the Group's maximum exposure at a given point in time; in reality, the Group always hedges business transactions denominated in a currency to which management wants to mitigate exposure; however, those transactions do not quality for hedge accounting on account of the complexity of matching flow timing.

The following assumptions were used to model the sensitivity of the Group's assets and liabilities to changes in exchange rates:

- The analysis only models the impact on financial instruments susceptible to significant changes in the event of fluctuations in exchange rates.

- Borrowings designated as effective hedges of net investments are excluded from this analysis.

- The only input varied is the rate of exchange, with all other variables held constant in the model.

(THOUSANDS OF EUROS)

Effect of changes in the Thai Baht relative to the euro

Due to derivatives:

	2021				2020			
Income/(expense)	-10.00%	-5.00%	5.00%	10.00%	-10.00%	-5.00%	5.00%	10.00%
Profit before tax	-461	-240	255	538	-662	-343	370	771

Effect of changes in the sterling relative to the euro

Due to derivatives:

	2021				2020			
Income/(expense)	-10.00%	-5.00%	5.00%	10.00%	-10.00%	-5.00%	5.00%	10.00%
Profit before tax	1,050	567	-567	-1,050	928	412	-412	-928

Due to other financial instruments:

	2021				2020			
Income/(expense)	-10.00%	-5.00%	5.00%	10.00%	-10.00%	-5.00%	5.00%	10.00%
Profit before tax	2,516	1,258	-1,258	-2,516	2,937	1,469	-1,469	-2,937

Effect of changes in the dollar relative to the euro, sterling and Baht

Due to derivatives:

	2021				2020			
Income/(expense)	-10.00%	-5.00%	5.00%	10.00%	-10.00%	-5.00%	5.00%	10.00%
Profit before tax	1,666	1,217	-1,192	-2,449	-5,111	-2,698	2,223	3,931

Due to other financial instruments:

	2021				2020			
Income/(expense)	-10.00%	-5.00%	5.00%	10.00%	-10.00%	-5.00%	5.00%	10.00%
Profit before tax	2,006	1,003	-1,003	-2,006	240	120	-120	-240

In addition to the exposure measured in terms of the impact on the consolidated statement of profit or loss, the next table illustrates the impact of movements in the EUR/USD exchange rate on the Group's net debt (excluding the derivatives shown in the table above). Until year-end 2020 a significant percentage of Group borrowings was denominated in US dollars; following the sale of the US dry pasta business, however, the dollar-denominated borrowings and liabilities were restructured and were negligible at year-end; indeed, the Group had a net cash position in US dollars at December 31, 2021.

Impact on borrowings

Changes in the USD

	2021				2020			
+ Borrowings / (- Borrowings)	-10.00%	-5.00%	5.00%	10.00%	-10.00%	-5.00%	5.00%	10.00%
Borrowings as per statement of financial position	17,282	8,641	-8,641	-17,282	7,590	3,795	-3,795	-7,590

Price risk in respect of other financial assets and liabilities

Certain of the Group's financial assets and liabilities expose it to price risk. The most significant exposure derives from the valuation of the put-call options over the shares of a series of companies (see below).

Liquidity risk

The Group's objective is to match its cash flow generation capabilities with its debt servicing and refinancing requirements. The Group aims to maintain a balance between continuity of funding and flexibility through the use of renewable credit facilities, bank loans with scope for grace periods to align them with the returns on the underlying assets and forward purchase contracts. In addition:

– the Group maintains significant liquidity at its subsidiaries in the US, Europe and the rest of the world.

– Management analyses the availability of cash periodically in order to identify in a timely manner any shortfalls of liquidity requiring suitable financing.

– The Group also has the possibility of (i) securing financing from banks other than those it usually works with; and (ii) upsizing and extending its current financing lines beyond 12 months from the end of the reporting period.

– Lastly, the Group evaluates the concentration of its liquidity risk regularly with a view to refinancing its debt if necessary. It has concluded that its liquidity risk is not significantly concentrated.

Note 12.2 analyzes the Group's borrowings at year-end 2021 by maturity.

Credit (counterparty) risk

This is the risk that a counterparty will not meet its contractual obligations, generating a financial loss for the Group. This risk is mitigated by means of (i) careful selection of transactions and counterparty banks based on credit ratings and (ii) the negotiation of sufficient guarantees to mitigate this risk.

The Group has always taken a conservative approach to business transactions; it has local risk committees that continually review limits, open positions and automated system alerts. As a result, the Group's trade credit non-performance ratio has been historically low.

In addition, the sales and collections management departments work in a coordinated manner. Counterparties are selected on the basis of the credit ratings awarded by the credit insurance providers with which the Group works, these policies ultimately serving as guarantees. Lastly, the finance department analyzes expected credit risk as a function of counterparty credit scoring, as prescribed in IFRS 9. The Group's high level of geographic diversification results in a low level of customer credit risk concentration.

12.4 Fair value of financial instruments

The table below breaks down the carrying amounts and fair values of Group's financial assets and liabilities at December 31, 2021 (in thousands of euros) other than its accounts payable and receivable and its cash and cash equivalents, whose carrying amounts are deemed a reasonable approximation of their fair value.

Financial assets	31/12/2021		31/12/2020	
	Carrying amount	Fair value	Carrying amount	Fair value
- Loans to associates	1,122	1,122	1,122	1,122
- Loans to third parties	3,543	3,543	3,855	3,855
- Deposits and guarantees	3,323	3,323	4,921	4,921
- Shares in non-group companies	1,151	1,151	1,074	1,074
- Derivatives	527	527	1,611	1,611
	9,666	**9,666**	**12,583**	**12,583**

Financial liabilities	31/12/2021		31/12/2020	
	Carrying amount	Fair value	Carrying amount	Fair value
- Borrowings	783,391	786,785	890,369	892,152
- Lease liabilities	64,148	64,148	79,951	79,951
- Deposits and guarantees	84	84	782	782
- Financial liabilities under vendor call options	196,802	196,802	190,924	190,924
- Derivatives	1,270	1,270	2,732	2,732
	1,045,695	**1,049,089**	**1,164,758**	**1,166,541**

Financial assets and liabilities measured at fair value: fair value hierarchy

All of the financial instruments measured at fair value are classified into one of the following levels depending on the inputs used to value them:

- Level 1. Use of quoted prices in active markets of identical assets and liabilities (without any adjustment)
- Level 2. Use of directly or indirectly observable inputs (other than level 1 quoted prices)
- Level 3. Use of unobservable inputs

Thousands of euros	31 December 2021	Level 1	Level 2	Level 3
Financial assets				
Equity instruments	**1,151**	-	1,151	-
Derivatives	**527**	-	527	-
Financial liabilities				
Other financial liabilities	**196,802**	-	-	196,802
Derivatives	**1,270**	-	1,270	-

The Group does not hold any financial instruments whose fair value cannot be reliably measured. No instruments were transferred between the various fair value hierarchy levels in the course of the reporting period.

13. LIQUID ASSETS: CASH AND SHORT-TERM DEPOSITS

The breakdown of this heading at year-end 2021 and 2020 (in thousands of euros):

ITEM	31-12-21	31-12-20
Cash on hand and at banks	414,448	209,087
Short-term deposits and cash equivalents	124,791	1,399
TOTAL	**539,239**	**210,486**

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group. The deposits earn interest at the applicable stipulated rates. The fair value of the Group's cash and cash equivalents was 539,239 thousand euros at December 31, 2021 (210,486 thousand euros at year-end 2020).

Throughout the year the Group companies invested their occasional cash surpluses in repos and equivalent securities in order to generate a return on these balances. Those investments are mainly denominated in euros, with a portion denominated in US dollars. The average annual return earned on those investments was around 0.20% in 2021 (2020: 0.25%).

14. INVESTMENTS IN ASSOCIATES

The movements under this heading in 2021 and 2020 (in thousands of euros) are shown below:

Associate	Balance at 31/12/2020	Additions due to investments	Decrease due to disposals	Dividends paid	Profit/(loss) for the year	Translation differences	Other movements	Balance at 31/12/2021
Riso Scotti, S.p.a.	35,114			(1,000)	1,072	0	0	35,186
Associates of Riviana Foods Inc.	8,268			(3,171)	2,072	642	0	7,811
Other companies	5	0	0	0	0	0	0	5
	43,387	**0**	**0**	**(4,171)**	**3,144**	**642**	**0**	**43,002**

Associate	Balance at 31/12/2019	Additions to acquisitions	Decrease due to disposals	Dividends paid	Profit/(loss) for the year	Translation differences	Other movements	Balance at 31/12/2020
Riso Scotti, S.p.a.	32,696			0	2,418	0	0	35,114
Associates of Riviana Foods Inc.	9,512			(3,502)	3,030	(772)	0	8,268
Other companies	18	5	0	0	0	0	(18)	5
	42,226	**5**	**0**	**(3,502)**	**5,448**	**(772)**	**(18)**	**43,387**

There were no significant movements under this heading in 2021 or 2020.

The associates of Riviana Foods, Inc. do not have material amounts of assets, income, borrowings or employees. The Ebro Group has not extended guarantees of material amount to any of its associates.

The most significant figures for the Scotti Group, using estimated financial statements at December 31, 2021, are as follows (in thousands of euros):

Thousands of euros	31/12/2020	31/12/2021
Trademarks, other intangible assets and goodwill	55,147	54,489
Property, plant and equipment	64,054	59,067
Other non-current assets	17,031	13,195
Current assets	74,196	80,449
Cash	31,623	36,482
Non-current, non-financial liabilities	-21,155	-20,345
Financial liabilities	-74,469	-73,105
Current, non-financial liabilities	-58,036	-61,863
Non-controlling interests	-606	-403
	87,785	87,966
Ownership interest acquired	40%	40%
	35,114	**35,186**
Revenue	244,500	256,600
Profit for the year	6,045	2,680
No. of employees	340	332

15. GOODWILL

The movements under goodwill in 2021 and 2020 (in thousands of euros) are shown below:

Segment	CGU or groups of CGUs	31/12/2020	Additions	Decrease & other	Impairment losses	Translation differences	31/12/2021
Rice	Danrice (Denmark)	14,524					14,524
Rice	Vogan (UK)	1,173				163	1,336
Rice	Riceland (Hungary)	2,184					2,184
Rice	Steve & Brotherton (UK)	1,711					1,711
Rice	Ingredients Group	11,198					11,198
Rice	SOS Business (Spain)	28,390					28,390
Rice	Ebro Frost (Germany)	14,606					14,606
Rice	Geovita (Italy)	22,894					22,894
Rice	Transimpex (Germany)	15,292					15,292
Rice	Tilda Group (UK)	79,409				5,555	84,964
Rice	Riviana Group (US)	259,977				21,817	281,794
Pasta	Ebro Group France	432,569		(279,778)			152,791
Pasta	Garofalo (Italy)	57,049					57,049
Pasta	Bertagni (Italy)	114,575					114,575
Other	Harinas Santa Rita (Spain)	6,051					6,051
		1,061,602	**0**	**(279,778)**	**0**	**27,535**	**809,359**
Total gross carrying amount		1,118,537	0	(279,778)		27,535	866,294
Accumulated impairment losses		(56,935)					(56,935)

(THOUSANDS OF EUROS)

Segment	CGU or groups of CGUs	31/12/2019	Additions	Decreases & other	Impairment losses	Translation differences	31/12/2020
Rice	Danrice (Denmark)	14,524					14,524
Rice	Vogan (UK)	1,324				(151)	1,173
Rice	Riceland (Hungary)	2,184					2,184
Rice	Steve & Brotherton (UK)	1,674				37	1,711
Rice	Mundiriz (Morocco)	243			(183)	(60)	0
Rice	Ingredients Group	11,157				41	11,198
Rice	SOS Business (Spain)	28,390					28,390
Rice	Ebro Frost (Germany)	14,606					14,606
Rice	Geovita (Italy)	22,894					22,894
Rice	Transimpex (Germany)	15,292					15,292
Rice	Tilda Group (UK)	83,910				(4,501)	79,409
Rice	Riviana Group (US)	349,714		(64,807)		(24,930)	259,977
Pasta	Riviana Group (Canada)	74,049		(36,808)	(34,921)	(2,320)	0
Pasta	Ebro Group France	432,569					432,569
Pasta	Garofalo (Italy)	57,049					57,049
Pasta	Bertagni (Italy)	114,575					114,575
Other	Harinas Santa Rita (Spain)	6,051					6,051
		1,230,205	**0**	**(101,615)**	**(35,104)**	**(31,884)**	**1,061,602**
Total gross carrying amount		1,252,636	0	(101,615)		(32,484)	1,118,537
Accumulated impairment losses		(22,431)			(35,104)	600	(56,935)

The Group undertook several business combinations in 2021 and 2020. Note 5 outlines those transactions in detail. Other significant movements in both reporting periods include changes due to exchange differences on the goodwill allocated mainly to the Group's US and UK subsidiaries.

The decrease in 2021 corresponds to the sale of the French Dry Pasta business (note 5). The decreases in 2020 related to: (i) 64,807 thousand euros related to the sale of the North American Dry Pasta Business; and (ii) 36,808 thousand euros related to the reclassification in 2020 of the Canadian Dry Pasta business to non-current assets held for sale, which were sold in 2021.

The Ebro Group establishes its cash-generating units (CGUs) in accordance with the definition given in IAS 36 Asset impairment: “A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets”. The Group accordingly defines its cash-generating units using geographical criteria and by legal entity as, in general, the legal entities located in each country are separate and their business is basically focused on one of the activities comprising the Group's business segments, i.e., rice or pasta.

The goodwill balances were generated by business combinations. Those assets were tested for impairment at year-end 2021 and 2020 (by an independent expert, Duff & Phelps); the resulting values were allocated to the cash-generating units or groups of cash-generating units indicated in the table above.

To test the assets for impairment, the Group calculated the value in use of each cash-generating unit (CGU) by discounting the associated cash flows, generally projected for a period of five years, and their terminal value, in turn calculated by projecting the last year's cash flows by a perpetuity growth rate.

(THOUSANDS OF EUROS)

The cash flow projections were based on historical information and the best estimates of the managers of each CGU, underpinned by their budgets and medium-term business plans. The resulting CGU fair values were additionally cross-checked using comparable multiples methodology. Note with respect to the projection exercise undertaken in recent years, the actual results have not yielded significant deviations necessitating material changes in the projections.

Although effectiveness of the new lease accounting standard, IFRS 16, from January 1, 2019 did not have a very significant impact on the Ebro Group, it did imply certain changes for impairment testing purposes from 2019. Specifically, it implied the following changes:

- The metrics used for cross-checking purposes were revised upwards on account of the recognition of right-of-use assets.
- The statement of profit or loss and financial position projections were also adjusted to eliminate lease expense, a concept that has been replaced by right-of-use asset depreciation and the finance cost corresponding to the new financial liability.
- The numbers factor in new cash outflows corresponding to the renewal of the lease agreements subject to the new standard and their impact during the projection time horizon and on the CGUs' terminal value.
- The discount rates used have been adjusted to reflect the new market situation, making sure that the comparable companies used use similar accounting policies.

The growth rates used to extrapolate the cash flow projections beyond the projection horizon and the pre- and after-tax discount rates applied to the cash flow projections for the most important CGUs in 2021 (2020) were:

Segment	CGU	Pre-tax rate		Post-tax rate		Growth rate, g	
		2021	2020	2021	2020	2021	2020
Rice	Frozen Foods (Germany and Denmark)	5.4%	6.1%	4.5%	5.0%	2.0%	1.8%
Rice	UK Business	6.8%	6.5%	5.3%	5.5%	2.0%	2.1%
Rice	Ingredients (Belgium and Netherlands)	5.4%	6.0%	4.5%	4.8%	2.0%	1.9%
Rice	SOS Business (Spain)	6.8%	7.5%	5.5%	6.0%	2.0%	1.9%
Rice	Geovita (Italy and France)	7.2%	7.9%	5.8%	6.3%	1.9%	1.7%
Rice	Transimpex (Germany)	5.4%	6.1%	4.5%	5.0%	2.0%	1.8%
Rice	Riviana Group (US)	6.6%	6.6%	5.5%	5.5%	2.2%	2.2%
Rice	Tilda Group (UK)	6.4%	6.4%	5.3%	5.5%	2.0%	2.1%
Pasta	Riviana Group (Canada)	N/A	6.3%	N/A	5.3%	N/A	2.0%

(THOUSANDS OF EUROS)

Pasta	Ebro Group France	6.0%	6.4%	5.0%	5.3%	2.0%	1.8%
Pasta	Garofalo (Italy and international)	7.6%	8.3%	6.0%	6.5%	1.9%	1.7%
Pasta	Bertagni (Italy)	7.2%	8.0%	5.8%	6.3%	1.9%	1.7%
Other	Harinas Santa Rita (Spain)	6.7%	7.4%	5.5%	6.0%	2.0%	1.9%

The key assumptions used to value each cash-generating unit (CGU) include: (i) the average rate of sales revenue growth modeled for the projection period; (ii) the compound average annual rate of growth in the EBITDA-A margin; (iii) the trend in working capital expressed as a number of days of sales; (iv) average annual capital expenditure, modeled as a percentage of projected EBITDA; (v) the discount rate; and (vi) the rate of growth in perpetuity (g).

The Group did not detect any indications that its intangible assets may have become impaired in 2021. Moreover, the results of its 2021 impairment tests were satisfactory.

In 2020 the Ebro Group recognized an impairment allowance against its Fresh Pasta CGU in Canada:

- The business of the wholly-owned subsidiary, Cateli (Canada), was treated as a single CGU. Its core business is the sale of pasta in Canada and as such has been included in the Pasta Segment over the years. However, that pasta business in turn comprised dry and fresh pasta businesses. In October 2020, the Group agreed the sale of the dry pasta segment of the business such that that CGU had to be 'broken up' for impairment testing purposes.

- The result of the impairment tests for the fresh pasta business in Canada indicated the need to recognize an impairment loss of 34,921 thousand euros in 2020, shaped by the weak performance of that business segment, coupled with the increase in discount rates due to the pandemic.

As for the assumptions used to calculate the recoverable amount of the various CGUs to which goodwill has been assigned, management believes that no reasonably-possible change in the key assumptions used would cause their carrying amounts to exceed their recoverable amounts. That assessment is underpinned by the sensitivity analysis performed with respect to the two inputs deemed key to the valuation results:

Segment	CGU	Change necessary for the recoverable amount to fall to the unit's carrying amount	
		+ WACC (points)	- g (points)
Rice	Frozen Foods (Germany and Denmark)	a)	a)
Rice	UK Business (a)	1.25%	-0.5%
Rice	Ingredients (Belgium and Netherlands)	a)	a)
Rice	SOS Business (Spain)	a)	a)
Rice	Geovita (Italy and France)	0.5%	-0.5%
Rice	Transimpex (Germany)	a)	a)

Rice	Riviana Group (US)	a)	a)
Rice	Tilda Group	a)	a)
Pasta	Ebro Group France	a)	a)
Pasta	Garofalo (Italy and international)	a)	a)
Pasta	Bertagni (Italy)	a)	a)
Other	Harinas Santa Rita (Spain)	1.5%	-0.5%

a) CGUs in which it would take an increase in the WACC of over 2 percentage points and, simultaneously, a reduction in the rate of growth in perpetuity of over 0.5 percentage points (with respect to the values indicated in the table above) for their recoverable amount to decrease to their carrying amount.

16. INVENTORIES

The breakdown of inventories at year-end 2021 and 2020 (in thousands of euros):

ITEM	31-12-21	31-12-20
Goods held for resale	10,982	5,574
Raw materials	323,958	217,735
Consumables and replacement parts	13,978	11,974
Containers	31,728	34,660
Work in progress	47,410	34,285
Finished goods	209,818	224,602
By-products and waste	6,264	7,042
Prepayments to suppliers	67,736	50,014
TOTAL GROSS CARRYING AMOUNT OF INVENTORIES	**711,874**	**585,886**
Inventory impairment provision	(9,175)	(7,606)
TOTAL CARRYING AMOUNT OF INVENTORIES	**702,699**	**578,280**

At both reporting dates, the balance of prepayments to suppliers presented on the face of the consolidated statement of financial position mainly comprised payments made to rice growers and rice suppliers. In addition, the Group was contractually committed to the purchase of 38,155 thousand euros of rice from rice growers and cooperatives at year-end 2021 (34,879 thousand euros at year-end 2020). The Group was also contractually committed to raw material and packaging material purchases in the US, Canada, France, Spain and Italy totalling 174,122 thousand euros (year-end 2020: 173,633 thousand euros).

The net provision for inventory impairment recognized in 2021 was 4,567 thousand euros (2020: 6,645 thousand euros), while 4,522 thousand euros of previously recognized provisions were utilized (2020: 2,324 thousand euros); 882 thousand euros (2020: zero) were derecognized due to business sales; exchange losses on inventories amounted to 208 thousand euros (2020: losses of 256 thousand euros); and reclassifications to non-current assets held for sale amounted to 0 thousand euros (2020: 275 thousand euros).

(THOUSANDS OF EUROS)

17. SHARE CAPITAL, RESERVES, EARNINGS PER SHARE AND DIVIDENDS

17.1 Capital and reserves

Issued capital

The Parent's issued 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.

Ebro Foods, S.A. gleans 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 it from its shareholders as part of the process of preparing its annual consolidated financial statements. Based on that information, the Parent's significant shareholders and their shareholdings at year-end is as follows:

Significant shareholder	2021					2020				
	% 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.	14.443	0.000	14.443	0.000	14.443	14.004	0.000	14.004	0.000	14.004
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
Hercalianz Investing Group, S.L.	8.621	0.000	8.621	0.000	8.621	8.434	0.000	8.434	0.000	8.434
Grupo Tradifín, 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 (through Mendibea 2002, S.L.)	0.002	5.199	5.201	0.000	5.201	0.002	5.199	5.201	0.000	5.201
Artemis Investment Management, LLP	0.000	3.650	3.650	0.000	3.650	0.000	3.420	3.420	0.000	3.420

Share premium

As for the 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. Virtually all of the share premium account was distributed in 2009 by means of the distribution of an in-kind special dividend paid in own shares.

Restricted reserves

Spanish enterprises 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 Parent had fully endowed its legal reserve at both year-ends.

As for the restrictions on the reserves of the Group's subsidiaries, it is worth noting the existence of legal reserves at the Spanish subsidiaries and some of the international subsidiaries totalling approximately 21.2 million euros (24.8 million euros at year-end 2020) that are subject to the same legal reserve regime detailed above. The portion of such reserves arising on consolidation is included under retained earnings.

Consolidated retained earnings includes 38,531 thousand euros (year-end 2020: 38,531 thousand euros) corresponding to Herba Foods S.L.U. In addition, certain foreign subsidiaries have retained earnings which have not been distributed since consolidation within the Ebro Group. In both instances, the distribution of such retained earnings is contingent upon payment of the corresponding income tax or withholdings. Note that the taxable event - income tax or withholdings - would accrue whenever such distribution is ratified, something not expected to occur in the short or medium term.

Translation differences - foreign exchange translation differences reserve

The foreign exchange translation differences reserve is used to recognize the exchange differences arising from the translation of the financial statements of foreign subsidiaries. It is also used to recognize hedges of net investments in these entities. The breakdown of translation differences at year-end by company (in thousands of euros) is provided below:

	31-12-21	31-12-20
Herba companies	(6,821)	(12,138)
RIVIANA Group (US)	88,918	10,464
Ebro Alimentación Mexico	(176)	(183)
Garofalo Group (Italy) - International business	(33)	(88)
Ebro Group France - International business	107	(85)
Tilda Group (UK and UAE)	22,998	1,186
TOTAL	**104,993**	**(844)**

Own shares

In 2021, 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 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.

In 2020, 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 June 3, 2015 and that granted at the Annual General Meeting held on July 29, 2020 for a period of five years (as duly notified to the CNMV in keeping with prevailing legislation). In 2020, under the scope of the employee share plan, it bought back 44,884 shares, sold 12,500 and delivered 32,384 own shares to employees. The Company did not hold any own shares at December 31, 2020.

17.2 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to ordinary equity holders of the Parent (after adjusting for interest on non-cumulative redeemable and convertible preference shares, of which Ebro Foods, S.A. did not have any at either year-end) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares (Ebro Foods, S.A. did not have any dilutive potential ordinary shares at either year-end).

The following table reflects the income (thousands of euros) and share data used in the basic and diluted EPS computations:

	31/12/2021	31/12/2020
Profit from continuing operations attributable to ordinary equity holders of the parent	133,602	102,991
Profit from discontinued operations attributable to ordinary equity holders of the parent	105,027	89,424
Profit attributable to ordinary equity holders of the parent	238,629	192,415
Interest on non-cumulative convertible and redeemable preference shares	0	0
Profit attributable to ordinary equity holders of the parent adjusted for the effect of dilution (non-cumulative convertible and redeemable preference shares)	238,629	192,415

	2021	2020
	Thousands	Thousands
Weighted average number of ordinary shares for basic EPS (*)	153,865	153,865
Effects of dilution from:		
Share options	0	0
Redeemable preference shares	0	0
Weighted average number of ordinary shares adjusted for the effect of dilution	153,865	153,865

(*) Takes into account the weighted average effect of movements in own shares during the year.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorization of these financial statements.

17.3 Dividends

Ordinary dividend - Distribution of the dividends approved at the Annual General Meeting held on July 30, 2021 at which the Parent's shareholders ratified the motion to pay a cash dividend with a charge against 2020 profit and unrestricted reserves of 0.57 euros per share, payable in the course of 2021 for a total outlay of 87,703 thousand euros. The dividend was paid out in three equal instalments of 0.19 euros per share (before withholdings) on April 6, June 30, and October 1, 2021.

Extraordinary dividend - Distribution of the dividend approved at the Extraordinary General Meeting held on December 15, 2021, at which the Company's shareholders ratified a motion for the payment of an extraordinary dividend of 0.57 euros per share (before withholdings), for a total outlay of 87,703 thousand euros. That dividend was paid out in one go on December 22, 2021.

Dividends declared, paid and proposed:	**2021**	**2020**
	Thousands of euros	
Dividends paid:		
Ordinary final dividend paid in 2021: 0.57 euros (2020: 0.57 euros)	87,703	87,703
Extraordinary final dividend paid in 2021: 0.57 euros (2020: 1.94	87,703	298,499
	175,406	**386,202**
Proposed dividend subject to approval at the Annual General Meeting (not recognized as a liability at year-end)		
Dividend pending payment in 2022: 0.57 euros (2021: 0.57 euros)	87,703	87,703
	87,703	**87,703**

18. DEFERRED INCOME

This heading essentially includes grants relating to assets, greenhouse gas emission allowances received (up until 2013) and other items of deferred income that are not individually material. The movements under this heading in 2021 and 2020 (thousands of euros):

	Government grants		Other deferred income		TOTAL	
	31-12-21	31-12-20	31-12-21	31-12-20	31-12-21	31-12-20
Opening balance	11,437	7,204	0	0	11,437	7,204
Grants received	1,591	5,059	0	0	1,591	5,059
Additions due to GHG allowances	0	0	0	0	0	0
Other increases/decreases	(2,215)	2	20	0	(2,195)	2
Translation differences	4	(3)	0	0	4	(3)
Reclassified to profit or loss from continuing operations	(511)	(825)	0	0	(511)	(825)
Closing balance	**10,306**	**11,437**	**20**	**0**	**10,326**	**11,437**

The year-end balances mainly comprise grants relating to assets awarded to various Group companies in relation to certain fixed asset investment projects (to date these companies have satisfied all the conditions attached to their grant). The most significant increase in 2021 and 2020 relates a grant awarded to Garofalo (Italy) to help fund the expansion of its factory.

The breakdown of grants by maturity is as follows (thousands of euros):

GRANTS RELATING TO ASSETS	Pending reclassification to profit or loss			
	< 1 year	2 - 5 years	> 5 years	Total
Breakdown of closing balance by maturity	441	1,704	8,161	10,306

19. PROVISIONS FOR PENSIONS (POST-EMPLOYMENT BENEFITS) AND SIMILAR OBLIGATIONS

The reconciliation of the opening and closing balances under this heading (in thousands of euros) is as follows:

	31-12-21 Total	31-12-20 Total
Opening balance	**56,466**	**47,010**
Translation differences	1,408	(1,141)
Disposals	(14,441)	0
Amounts utilized and benefits paid	(12,270)	(12,419)
Amounts transferred to other accounts	(59)	138
Transfers to liabilities of non-current assets held for sale	0	(1,068)
Surplus provisions and employee departures	0	(189)
Amount provided for in the year for actuarial changes	(10,077)	7,715
Amount provided for in the year for unwind of discount	615	783
Amount provided for in the year for employee benefits expense	11,674	10,023
Amount provided for in the year for other operating expenses	30	124
Amount provided for in the year in respect of discontinued operations	1,742	5,490
Closing balance	**35,088**	**56,466**

The breakdown by type of post-employment commitment (in thousands of euros):

	31-12-21	31-12-20
Defined benefit obligations	18,146	26,310
Retirement bonuses and similar obligations	10,918	25,437
Senior management bonus schemes (note 23)	6,024	4,719
TOTAL	**35,088**	**56,466**

The types of commitments extended by company/CGU are summarised below:

	Defined contribution pension commitments	Defined benefit pension commitments	Other defined benefit commitments	Retirement bonuses	Long-service bonuses	Termination or retirement benefits
Ebro Foods, S.A. (Spain)					Yes (a)	
Riviana Group (US & Canada)	Yes	Yes (b)	Yes (b)			
Ebro Group France				Yes (a)	Yes (a)	Yes (a)
Bertagni (Italy)						Yes (a)
Boost (Herba) (Belgium)	Yes (c) 2007	Yes (c) 2006				Yes (a)
Herba Bangkok and Ebro India						Yes (a)
Garofalo (Italy)						Yes (a)
Geovita (Herba) (Italy)						Yes (a)
Mundiriso (Herba) (Italy)						Yes (a)
S&B Group (Herba) (UK)	Yes (d)	Yes (d)				
Ebro Germany (Germany)		Yes (a)		Yes (a)		
Euryza (Herba) (Germany)		Yes (a)				
Transimpex (Herba) (Germany)		Yes (a)				
Lassie Group (Herba) (Netherlands)	Yes (e)	Yes (e)				
Herba Ricemills (Spain)				Yes (a)		

(a) Obligations not externalized. Managed and provided for in-house. Except for Garofalo (Italy), which has externalized a portion of its obligations.

(b) These obligations are managed externally. The administration, management and investment decision-making with respect to these assets is performed by a committee that is independent from the company's management.

(c) These became defined contribution obligations in 2007.

(d) Obligations to current employees were switched to a defined contribution benefit arrangement in 2007, while former employees continue to receive a defined benefit scheme.

(e) These became defined contribution obligations in 2014.

The next section outlines the most significant obligations on the basis of their relative materiality with respect to the overall obligation and/or because their specific circumstances warrant their individual disclosure.

19.1 Retirement bonuses and similar obligations

The breakdown by company or business is as follows (in thousands of euros):

	31-12-21	31-12-20
Ebro Group France	5,014	19,347
Herba Rice Group (Herba)	2,663	2,478
Garofalo (Italy)	433	466
Riviana American Group (Riviana)	2,594	2,937
Ebro Foods, S.A.	200	198
Other minor obligations	14	11
SUBTOTAL	**10,918**	**25,437**

19.1.1 Ebro Foods, S.A.

The balance at year-end 2021 in respect of Ebro Foods, S.A. totals 200 thousand euros (year-end 2020: 198 thousand euros) and corresponds to the provision for the potential obligation to provide long-service bonuses to some of its employees. The Group is not legally required to externalize this obligation. The expense recognized in this respect was 2 thousand euros in 2021 (2020: 11 thousand euros).

19.1.2 Ebro France Group companies

The decrease in the provision for these commitments in 2021 is due to the sale of the French Dry Pasta business (note 5). The Ebro France Group companies have obligations to their employees, mainly in respect of: (i) retirement bonuses (provisions of 4,789 and 15,379 thousand euros at year-end 2021 and 2020, respectively) and long-service bonuses (provisions of 225 and 1,031 thousand euros at year-end 2021 and 2020, respectively) and; (ii) since 2016, for some employees, provisions for termination benefits (zero and 2,937 thousand euros, respectively).

Those provisions were recognized based on actuarial calculations performed internally. The related net expenditure recognized in 2021 amounted to 2,818 thousands euros (2020: 3,792 thousand euros); note that 123 thousand euros was credited directly in equity as actuarial gains (2020: 1,556 thousand euros charged directly against equity as actuarial losses) and that 1,537 thousand euros (2020: 2,125 thousand euros) were charged against earnings from discontinued activities.

These provisions are funded in-house, albeit not by specific assets. The interest rate applied in 2021 was 0.75% (0.50% in 2020).

19.1.3 Herba Rice Group companies

The collective bargaining agreements applicable at the subsidiaries in Italy, Belgium, Thailand and India include termination benefit obligations (voluntary or otherwise) for their employees. Those provisions were recognized based on actuarial calculations performed internally in some instances and externally in others.

The related provision at year-end 2021 amounted to 2,648 thousand euros (2,478 thousand euros at year-end 2020). Expenditure in 2021 was 516 thousand euros (2020: 528 thousand euros).

In addition, some Herba Group subsidiaries (S&B Herba in the UK, Boost in Belgium, Ebro Frost in Denmark, Ebro Group Netherlands and the Ingredients Group from 2014) have defined contribution pension plans for some of their employees under which they make an annual contribution based on a percentage of qualifying employees' salaries. Expenditure in 2021 was 2,223 thousand euros (2020: 1,788 thousand euros).

Lastly, in keeping with the rice sector's collective bargaining agreement, Herba Ricemills, S.L.U. has retirement bonus obligations that have been externalized under an insurance policy; the related provision at year end 2021 stood at 15 thousand euros (zero euros at year-end 2020). Net expenditure in 2021 was 53 thousand euros (2020: 74 thousand euros).

19.1.4 Garofalo (Italy)

The applicable collective bargaining agreement includes termination benefit obligations (voluntary or otherwise) for employees. That obligation was externalized in 2008; the provision for the obligation funded internally and accrued until the date of externalization continues to be recognized through settlement. The provision is updated annually on the basis of external actuarial calculations. The related provision at year-end 2021 amounted to 433 thousand euros (466 thousand euros at year-end 2020). The discounting of this provision implied a finance cost of 2 thousand euros in 2021 (2020: 3 thousand euros), actuarial losses charged directly to equity of 10 thousand euros (11 thousand euros in 2020) and payments totalling 41 thousand euros (2020: 5 thousand euros). The expense recognized in 2021 in respect of the obligation externalized since 2008 amounted to 476 thousand euros (2020: 481 thousand euros).

19.1.5 Riviana Foods, Inc.

In addition to the defined benefit obligations detailed in note 19.2 below, the Riviana Group companies offer their US employees voluntary contribution plans. Those companies match their employees' contributions. Total expenditure in connection with those plans was 3,235 thousand euros in 2021 (2020: 3,831 thousand euros).

19.2 Pension and other defined benefit obligations

The breakdown by company:

Defined benefit	**31/12/2021**			**31/12/2020**		
Thousands of euros	Pension commitments	Other commitments	Total	Pension commitments	Other commitments	Total
Riviana Group (US & Canada)	8,508	-3,880	4,628	12,430	-3,461	8,969
Boost (Herba) (Belgium)	143		143	359		359
S&B Group (Herba) (UK)	4,654		4,654	7,867		7,867
Ebro Germany (Germany)	1,891		1,891	2,109		2,109
Euryza (Herba) (Germany)	4,820		4,820	4,990		4,990
Transimpex (Germany)	2,010		2,010	2,016		2,016
	22,026	**-3,880**	**18,146**	**29,771**	**-3,461**	**26,310**

The reconciliation of the opening and closing balances included in the table above, broken down using geographic criteria, deemed the most appropriate and uniform criterion in terms of the underlying factors generating these obligations, in 2021 and 2020:

	TOTAL		Europe		US & Canada	
Thousands of euros	**31-12-21**	**31-12-20**	**31-12-21**	**31-12-20**	**31-12-21**	**31-12-20**
Provisions for pensions - obligations						
Opening balance	81,135	81,120	30,122	28,559	51,013	52,561
Charge for the year	3,151	3,821	445	611	2,706	3,210
Actuarial changes	-4,106	8,432	-2,680	2,977	-1,426	5,455
Benefits paid	-5,462	-5,902	-881	-1,057	-4,581	-4,845
Reclassification to liabilities of non-current assets held for sale	0	-1,068	0	0	0	-1,068
Translation differences	5,546	-5,268	1,364	-968	4,182	-4,300
Closing balance	80,264	81,135	28,370	30,122	51,894	51,013
Provisions for pensions - plan assets						
Opening balance	-54,824	-59,833	-12,781	-12,886	-42,043	-46,947
Return on plan assets	-876	-1,253	-157	-235	-719	-1,018
Contributions by employer	-1,875	-1,792	-827	-762	-1,048	-1,030
Actuarial changes	-5,802	-2,256	-1,149	-584	-4,653	-1,672
Benefits paid	5,463	5,902	881	1,057	4,582	4,845
Translation differences	-4,204	4,407	-819	629	-3,385	3,778
Closing balance	-62,118	-54,825	-14,852	-12,781	-47,266	-42,044
Closing balance	**18,146**	**26,310**	**13,518**	**17,341**	**4,628**	**8,969**

	TOTAL		Europe		US & Canada	
Net annual cost by component	**31-12-21**	**31-12-20**	**31-12-21**	**31-12-20**	**31-12-21**	**31-12-20**
Current service cost	1,730	1,797	116	161	1,614	1,636
Borrowing costs	1,422	2,024	329	450	1,093	1,574
Expected return on plan assets	-876	-1,253	-157	-235	-719	-1,018
	2,276	**2,568**	**288**	**376**	**1,988**	**2,192**
Actuarial changes recognized directly in consolidated equity: (gains)/losses	**-9,909**	**6,176**	**-3,829**	**2,393**	**-6,080**	**3,783**

Actuarial assumptions		**31-12-21**	**31-12-20**	**31-12-21**	**31-12-20**
Discount rate		0.55% - 1.90%	0.10% - 1.30%	2.51% - 3.07%	2.66% - 2.93%
Future salary increases		1.50% - 3.20%	1.50% - 3.00%	2.50% - 3.00%	2.50% - 3.00%
Expected return on plan assets		0.55% - 1.90%	0.10% - 1.30%	2.51% - 3.07%	2.66% - 2.93%

In general the obligations relate to pension plans for most of the employees of the Riviana Group in both the US and Canada and for certain employees of the European subsidiaries. At the S&B Group, these obligations now only correspond to former employees (the obligations in respect of current employees were transferred to defined contribution arrangements on January 1, 2006). The Riviana Group in the US has not been adding new employees to this defined benefit scheme since February 2006.

In the case of the Riviana Group, the other commitments relate to health insurance, prescription drug plans and life insurance provided to just some of their employees.

20. OTHER PROVISIONS

The movements under this heading in 2021 and 2020 (in thousands of euros) are shown below:

Movements under other provisions	31-12-21 Total	31-12-20 Total
Opening balance	14,089	15,125
Translation differences	43	(35)
Other transfers	845	(113)
Amounts utilized and payments	(493)	(1,845)
Additions with a charge to profit or loss	2,071	1,517
Unused amounts reversed with a credit to profit or loss	(460)	(560)
Business sales/exits	(465)	0
Closing balance	**15,630**	**14,089**

An analysis by underlying concept and company/business (in thousands of euros):

Breakdown of other provisions by concept	31-12-21	31-12-20
Lawsuits and disputes	14,744	13,356
Modernization and restructuring plan	102	183
Misc. other contingencies of insignificant amount	692	550
	15,538	**14,089**

	31-12-21	31-12-20
Ebro Foods, S.A.	11,240	11,240
Ebro Group France	495	873
Herba Group	2,551	528
Riviana Group	194	183
Garofalo Group	1,071	711
Ebro Group Germany	0	550
Other	79	4
	15,630	**14,089**

20.1 Lawsuits and disputes: Provisions covering the outcome of lawsuits related to the sale of the dairy business

One of the provisioned items is the provision recognized to cover the outcome of lawsuits related to the sale of the dairy business (sold in 2010), specifically related to the reps and warranties extended to its buyers, as an unfavourable ruling in these 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 recognize a provision in respect of certain of these cases in light of the probable outflow of resources in the future.

In relation to the resolution issued by the Spanish anti-trust authority, the CNMC for its acronym in Spanish, on February 26, 2015, imposing a fine of 10,270 thousand euros on Puleva Food, S.L., its annulment by the National High Court on October 25, 2018 and the subsequent resumption of the disciplinary proceedings by the CNMC with retroactive effect on December 21, 2018, 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 2021.

Elsewhere, 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 certain years and events in relation to the reps and guarantees provided to the buyer of the Group's former dairy business; the case was pending ruling at the reporting date.

20.2 Status of other lawsuits and disputes

In addition to the lawsuits outlined in section 20.1 above, at year-end 2021, the Group had recognized provisions for other lawsuits and disputes in the amount of 4,298 thousand euros (year-end 2020: 2,849 thousand euros).

The provisions relate to court proceedings underway and other claims; in the directors' opinion, after taking appropriate legal advice from its in-house and external counsel, the outcome of these legal claims will not give rise to any significant liabilities beyond the amounts provided at year-end.

The breakdown of the maximum liability under these legal claims (items 20.1 and 20.2 above) is shown below (in thousands of euros):

	31-12-21	**31-12-20**
Tax and customs assessments signed under protest	2,131	1,412
Judicial review contingencies	12,031	14,210
Other lawsuits	1,749	121
	15,911	**15,743**

21. TAX MATTERS

Year-end balances receivable from and payable to the tax authorities (in thousands of euros):

	Receivable		**Payable**	
	31-12-21	31-12-20	31-12-21	31-12-20
VAT and personal income tax	27,748	42,751	(15,992)	(29,438)
Social security	44	47	(3,364)	(3,120)
Grants pending collection	3,963	5,000		
Other public authorities	3,710	728	(410)	(227)
Total taxes receivable/payable	**35,465**	**48,526**	**(19,766)**	**(32,785)**
Income tax - tax payable/refundable	**23,097**	**17,055**	**(37,454)**	**(49,875)**

Certain Group companies file consolidated tax returns in keeping with applicable tax and other legislation prevailing in each country. The companies that file under a consolidated tax regime are: most of the Spanish companies (Spanish tax group), the Riviana Group (US) together with its Canadian subsidiary, the Ebro France Group and the Group companies resident in Germany and the Netherlands for tax purposes.

The statutory corporate income tax rates vary from one country to another, the most significant (on account of their relative materiality) being the rates prevailing in: Spain: 25%; France: 28.41% (32.02% in 2020 and set to decrease to 25% in 2022); the US: 24%; Germany: 30%; the Netherlands: 25.5%; Italy: 28%; Argentina: 30% (previously 25%); and the UK: 19% (set to increase to 23% from 2023). The table provided later on in this note presents the impact of the national rates other than 25% (benchmark Spanish rate) under the dedicated line item, 'Impact of differing tax rates (taxable income)'.

Income tax expense for the year ended December 31, 2021 is quantified on the basis of the best estimate of the weighted average tax rate (effective rate) expected to apply in the current annual reporting period, adjusted for application of prevailing tax provisions. The consolidated average effective tax rate (in respect of profit from continuing operations) in 2021 was 26.93% (26.67% in 2020). Note that the effective tax rate in 2021 is the result of: (i) a decrease due to several factors (better use in 2021 of tax credits thanks to higher taxable income in some countries and the utilisation in 2021 of tax losses carried forward from prior years, primarily in Spain); offset by (ii) an increase as a result of statutory rate changes in certain countries (like the UK) and the derecognition of certain tax assets.

The breakdown of the tax expense accrued by the Group in 2021 and 2020 (in thousands of euros) is provided below:

(THOUSANDS OF EUROS)

	31/12/2021		31/12/2020	
	Accounting	Tax	Accounting	Tax
Accounting profit before tax from continuing operations	**198,731**	**198,731**	**159,869**	**159,869**
Profit/(loss) before tax from discontinued operations	**140,360**	**140,360**	**138,592**	**138,592**
Profit/(loss) before tax recognised in equity	**10,077**	**10,077**	**(7,715)**	**(7,715)**
	349,168	**349,168**	**290,746**	**290,746**
Permanent differences	(650)	(650)	39,316	39,316
Tax losses generated during the year	4,262	4,262	4,852	4,852
Utilization of individual tax losses	(31,557)	(31,557)	(6,266)	(6,266)
Accounting profit adjusted for permanent differences	**321,223**	**321,223**	**328,648**	**328,648**
Temporary differences		123,949		97,853
Tax losses generated during the year		0		6,078
Utilization of tax losses		(11,045)		(220)
Adjusted taxable profit	**321,223**	**434,127**	**328,648**	**432,359**
Impact of differing tax rates (taxable income)	(14,399)	(13,820)	(16,165)	(30,123)
Taxable income of the Group	**306,824**	**420,307**	**312,483**	**402,236**
Tax calculated at statutory rate of 25%	76,706	105,077	78,121	100,559
Tax credits utilized	(6,997)	(7,078)	0	0
Tax payable	**69,709**	**97,999**	**78,121**	**100,559**
Adjustments in respect of prior-year's income tax	2,299		(481)	
Restatement of net deferred taxes due to changes in tax rates	9,063		(1,682)	
Restatement of net deferred taxes	2,670		40	
Inspection assessments and fines	(3,341)	581	0	0
Equivalent tax charges	10,775	11,151	14,145	17,042
Adjustment in respect of prior year's tax payable		3,316		3,352
Total tax expense	**91,175**	**113,047**	**90,143**	**120,953**
Tax expense, continuing operations	53,512		42,642	
Tax expense, discontinued operations	35,333		49,168	
Tax expense, recognised directly in equity	2,330		(1,667)	
	91,175		**90,143**	

STATEMENT OF PROFIT OR LOSS - INCOME TAX	31/12/2021	31/12/2020
Current tax expense, continuing operations	42,348	44,407
Current tax expense, sale of discontinued operations	55,651	64,859
Total deferred tax expense	(30,254)	(29,133)
Tax expense deferred in equity	1,964	(2,011)
Restatement of prior-year's income tax	2,299	(482)
Restatement of net deferred taxes	11,733	(1,642)
Equivalent tax charges	10,775	14,145
Inspection assessments and fines	(3,341)	0
	91,175	**90,143**

Tax expense, recognized directly in equity	31/12/2021	31/12/2020
Change in fair value of financial assets	0	0
Change due to actuarial gains/(losses)	2,330	(1,667)
	2,330	**(1,667)**

Total expense for tax purposes less the withholdings and payments on account made during the year yields the amount of tax payable to / refundable by the tax authorities in respect of current income tax.

The most significant temporary differences in 2021 and 2020:

- A decrease of 8,776 thousand euros (2020: increase of 7,715 thousand euros) due to the tax effect of actuarial losses/gains on pension commitments, recognized directly in equity.
- An increase of 62,614 thousand euros (2020: 84,941 thousand euros) due to the effects of the sale of the assets and liabilities of the dry pasta businesses in the US and Canada (note 5).
- A decrease of 20,738 thousand euros (2020: 18,731 thousand euros) due to the amortization for tax purposes of the goodwill arising on the acquisition of foreign companies.
- An increase of 122,711 thousand euros related with the temporary difference arising from the derecognition of goodwill for tax purposes following the sale of Panzani, SAS (note 5).
- A decrease of 42,762 thousand euros (10,515 thousand euros in 2020) in relation to temporary differences at the Riviana Group (US), mainly due to the amortization for tax purposes of trademarks and other assets and the recognition in different periods for accounting versus tax purposes of items in provision and accrual accounts.
- Temporary differences affecting 2020 but not 2021: An increase of 34,921 thousand euros related with the temporary difference arising from the impairment loss recognized in 2020 on the goodwill allocated to the fresh pasta business in Canada. That goodwill is being amortized for tax purposes on a straight-line basis over a period of 15 years.
- A decrease of 1,310 thousand euros (2020: 4,647 thousand euros) in relation to temporary differences at the Herba Group, mainly due to the amortization for tax purposes of trademarks and other assets, accelerated depreciation regimes in Spain and the US and the recognition in different periods for accounting versus tax purposes of items in provision accounts.
- An increase of 19,673 thousand euros (decrease of 39 thousand euros in 2020) in relation to temporary differences at the Ebro France Group, due mainly to movements under provisions, offset by property, plant and equipment depreciation charges and the carve-out of assets prior to the sale of Panzani, SAS.
- A decrease of 11,503 thousand euros (increase of 5,278 thousand euros in 2020) in consolidation adjustments due to different accounting criteria applied in preparing the separate versus the consolidated annual financial statements.
- An increase of 4,040 thousand euros (2020: decrease of 1,148 thousand euros), mainly in relation to other companies, due to the origination and/or utilisation for tax purposes of provisions recognized and/or reversed during the year, the recognition and/or reversal of depreciation and impairment losses on non-financial assets and other contingencies cancelled and financial assets that were or were not eligible for deduction during the year.

The permanent differences correspond basically to:

- In 2021, an increase of 37,753 thousand euros (2020: 52,722 thousand euros) due to the effects of the sale of the assets and liabilities of the dry pasta businesses in the US and Canada, corresponding essentially to the carrying amount of goodwill derecognized following the sales (note 5). In addition, in 2021, the sale of the French Dry Pasta business gave rise to a net decrease of 19,987 thousand euros, by way of permanent difference, due to the 95% exemption on the gain for tax purposes (net because that decrease was partially offset by taxation on the gain obtained on the asset carve-out carried out prior to the sale of Panzani, SAS) (note 5).

- The remaining 18,416 thousand euros (2020: 13,406 thousand euros) relate to amounts equivalent to tax that do not compute for income tax calculation purposes, the effect of expenses that are not deductible in determining tax profit, the deductibility for tax purposes of losses on non-current financial assets and the reversal of certain provisions that were not deductible for tax purposes when they were recognized in prior years.

In 2021 the Group utilized 6,997 thousand euros of tax credits (2020: zero). Those tax credits mainly derive from new product development efforts, charitable donation deductions, deductions under double taxation treaties and tax relief on the reinvestment of gains generated by asset sales (still-unused credits generated prior to 2014). The Group did not utilise tax credits 2020 due to the lack of sufficient taxable income.

Until and including 2014 it was possible in Spain to certify deductions in respect of reinvestments; those deductions were eliminated in 2015. Between 2013 and 2006, both inclusive, the Spanish tax group reinvested qualifying proceeds totalling 33.1, 5.0, 115.3, 57.3, 1.5, 16.2, 11.2 and 76.3 million euros, respectively. These reinvestments satisfied all of the requirements for qualifying for the related tax relief.

The reconciliation of the opening and closing deferred tax balances (in thousands of euros) is provided below:

	31/12/2021			31/12/2020		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Opening balance: continuing operations	**61,996**	**(242,916)**	**(180,920)**	**57,252**	**(292,826)**	**(235,574)**
Opening balance: discontinued operations	**608**	**(14,982)**	(14,374)	**0**	**0**	0
Transfers	378	(218)	160	2,757	(2,769)	(12)
Translation differences	1,995	(9,940)	(7,945)	(2,643)	12,124	9,481
Business combinations	0	(927)	(927)	0	0	0
Disposals / derecognitions	(7,091)	13,204	6,113	0	0	0
Charged / credited in statement of profit or loss	(4,872)	35,129	30,257	3,328	17,100	20,428
Charged / credited to equity	(1,020)	(879)	(1,899)	1,413	598	2,011
Restatements	(5,724)	(691)	(6,415)	497	7,875	8,372
Reclassification to assets and liabilities held for sale	0	0	0	(608)	14,982	14,374
Closing balance	**46,270**	**(222,220)**	**(175,950)**	**61,996**	**(242,916)**	**(180,920)**

The breakdown of deferred taxes into their most significant components at year-end is provided in the next table:

(THOUSANDS OF EUROS)

	31/12/2021		31/12/2020	
	Deferred tax		Deferred tax	
	assets	liabilities	assets	liabilities
Property, plant and equipment	135	(61,633)	5,106	(70,730)
Investment properties	7,255	(50)	7,489	(76)
Goodwill	2,774	(76,558)	2,833	(91,335)
Other intangible assets	4,334	(76,525)	3,705	(68,514)
Inventories	7,478	(198)	9,984	(204)
Receivables and accruals (assets)	2,245	(1,135)	2,148	(33)
Pensions and similar obligations	7,167	(450)	13,405	(31)
Other non-current provisions	1,090	(493)	1,274	(600)
Payables and accruals (liabilities)	10,113	0	10,456	(1,291)
Unused tax credits and tax losses	3,679	0	5,596	0
Tax assessments	0	(2,972)	0	(7,896)
Accrual of tax credits	0	(2,206)	0	(2,206)
TOTAL	**46,270**	**(222,220)**	**61,996**	**(242,916)**

At year-end 2021, the Group companies had around 43 million euros of unused tax losses (63 million euros at year-end 2020), for which it has mostly not recognized the corresponding tax assets, which it can offset against taxable profit during periods ranging from four years to indefinitely.

The Spanish tax group has its books open to inspection from 2016 in respect of all applicable taxes. The other Group companies have their books open to inspection in respect of the taxes and years applicable under local tax legislation insofar as not already inspected, in most instances from 2016 or 2017.

The directors believe there is no need to provide for potential additional tax liabilities that could arise from differing interpretations of tax regulations.

Lawsuits and disputes: 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.

In addition, the Group signed assessments handed down in connection with the deduction accredited and applied as warranted in relation to the 2008 Volvo Ocean Race under protest. The amount contested, which applies from 2008 to 2010, totals 3,021 thousand euros. In that case, the liability was not initially provided for as the assessments had been appealed and the likelihood of winning the claim was deemed high due to the precedent set by National High Court rulings in favour of other taxpayers that had brought identical cases.

However, in July 2017, the Supreme Court ruled against the taxpayer in a very similar case. Therefore, the risk that the outcome of the proceedings will not favour the Ebro Foods, S.A. tax group and so entailing an outflow of resources was reclassified from remote to probable. As a result, in 2017, the Group recognized a provision of 3,928 thousand euros to cover this liability. The provision was recognized with a charge against corporate income tax expense in the 2017 income statement.

However, in July 2021 a new Supreme Court ruling found in favour of the taxpayer in relation to this same matter and the potential liability was reassessed, concluding that it is more probable than not that a similarly favourable ruling will be handed down in Ebro Foods, S.A.'s case, prompting the reversal (elimination) of this provision of 3,928 thousand euros in 2021 (by recognising a credit under income tax expense in the consolidated statement of profit or loss).

As for the rest of the items covered in the 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 and the Company has therefore lodged 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.

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 three of the lawsuits comprising this part of the assessments in 2021 (friendly agreements between Spain and other countries in order to avoid double taxation) that did not give rise to significant outflows of resources for the Ebro Group.

There were no new developments in the lawsuits related with the other tax assessments appealed in relation to the 2012-2015 inspection in 2021 or 2020.

22. COMMITMENTS AND CONTINGENCIES

Commitments under leases that have not been capitalized (exempt low-value and short-term leases) – Group as lessee

Note 10 provides the minimum future expenses (payments) payable under leases that have not been capitalized due to qualification as low-value or short-term leases.

Operating lease commitments - Group as lessor

The Group has leased several properties within its investment property portfolio. Those non-cancellable leases have remaining terms of between three and five years. All leases include a clause to enable revision, generally upwards, of the rental charge on an annual basis according to prevailing market conditions. Future minimum rentals receivable under non-cancellable operating leases at year-end (in thousands of euros) are as follows:

	31/12/2021	31/12/2020
Within one year	338	862
After one year but not more than five years	174	45
More than five years	0	0
Total	**512**	**907**

Capital commitments

Capital expenditure contracted for (machinery purchases and upgrades) at the end of the reporting period but not yet incurred totaled 31,296 thousand euros (32,208 thousand euros at year-end 2020).

Inventory commitments

Refer to the disclosures provided in note 16.

Legal claims and dispute guarantees

Refer to the disclosures provided in notes 20 and 21.

Guarantees

The guarantees provided in the form of bank guarantees at the end of each reporting period (in thousands of euros):

	31/12/2021	31/12/2020
Bank guarantees: Provided to courts and other bodies in relation to claims and tax deferrals (notes 20 & 21)	20,207	20,207
Bank guarantees: provided to Spain's Agricultural Guarantee Fund (FEGA), customs authorities and third parties to guarantee fulfilment of obligations arising in the ordinary course of business	45,590	65,782
Other bank guarantees:	943	468
TOTAL	**66,740**	**86,457**

Lastly, the Garofalo group's credit facilities, with a drawdown limit of 40 million euros, are secured by a mortgage over its factory and site in Italy (note 12).

Investment commitments

As detailed in note 12.2, the Group has closed a number of business combinations in recent years in which it has acquired the majority of the target companies' voting rights and, by extension, control. In structuring some of those transactions it granted the NCI holders certain put options over their shares, as detailed in the table below.

Business acquired	Acquisition date	% acquired	% NCI	Description
Transimpex m.b.H.	01/10/2017	100%	-	Note 1
Pastificio Lucio Garofalo Spa	18/06/2014	52%	48%	Note 2
Santa Rita Harinas, S.L.	13/07/2016	52%	48%	Note 2
Geovita Group	01/08/2017	52%	48%	Note 2
Bertagni 1882, S.p.A.	01/04/2018	70%	30%	Note 2

Note 1: Transimpex: the Group is obliged to acquire the NCI holdings (45%), paying a fixed price, in the event of the death, disability or abandonment of the NCI holder. That fixed price is grossed up by the corresponding percentage interest in any profits that have not been distributed on the date of the purchase of the NCI holder shares. In that instance, therefore, it is understood that the Group has deferred payment for 100% of the shares, such that the NCI shares are recognized as if they had already been acquired at the time of the business combination and any changes in the recognized liability payable to the NCI holders are recognized in profit or loss.

Note 2: The price of the put options written over the NCI shares is calculated on the basis of average earnings over a series of years. The accounting policy applied by the Group to recognize those put options, for which it has concluded that IAS 32 does not apply as the Group has not acquired the voting and dividend rights attached to 100% of the target companies' shares (including those held by NCI holders), is described in note 3.a.

With respect to the contractual terms and conditions of the above business combinations, note that:

– They do not impose any restrictions on the NCI holders' voting rights or dividend entitlements.

– They do not entail purchased NCI call options with the same exercise date as the written NCI put options, even though the call and put option price-setting features may be similar.

– The exercise prices for the NCI holders' put options are established on the basis of average earnings reported by the companies acquired over a series of years and are not, therefore, set at a fixed amount (other than Transimpex).

In light of the above, with the exception of the Transimpex transaction, the written NCI put options are not considered contingent consideration requiring measurement under IAS 32 but rather under IFRS 10, as the options do not give the buyers present access to the returns associated with the NCI holders' shares.

The summary of the outstanding commitments assumed by entity:

- Transimpex - In September 2017, through its wholly-owned German subsidiary, Ebro Foods Germany, Gmbh., the Ebro Group acquired 55% of Germany's Transimpex, GmbH., also committing to acquire the outstanding 45%.

  The total investment for 100% of Transimpex amounted to 23,622 thousand euros, of which 9,361 thousand euros was paid for in 2017. The Group has committed to pay the outstanding 14,261 thousand euros three years from the close, by September 30, 2020, from which date (and with no time limit) the sellers are free to exercise their put option at the amount of the agreed deferred consideration plus 45% of retained earnings since January 1, 2018.

Transimpex has therefore been fully consolidated in light of this control arrangement; in parallel the Ebro Group has recognized the estimated cost of the option over the remaining 45% as a non-current financial liability (valued in accordance with the method described in note 1 of the table above).

- Garofalo Group - The Ebro Group acquired 52% of Italy's Pasta Garofalo on June 18, 2014. The Group acquired a 52% interest for 63,455 thousand euros, paying 58,255 thousand euros in 2014 and the remaining 5,200 thousand euros in 2015. The Group took effective control of the Garofalo Group on June 30, 2014, which was also the date of its first-time consolidation.

  In addition, the Group has arranged two options with the other shareholder over the remaining 48%: it wrote a put option (exercisable until December 31, 2029 following an amendment of the terms in 2019) and purchased a call option (exercisable from January 1, to December 31, 2030, as amended in 2019). 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. The fair value of the written NCI put option has been recognized as a non-current financial liability (measured in accordance with the method described in note 2 of the table above).

- Santa Rita Harinas - The Ebro Group acquired 52% of Santa Rita Harinas, S.L. for 4,778 thousand euros in July 2016. The Group took effective control of Santa Rita Harinas, S.L. on 13 July 2016, which was also the date of its first-time consolidation.

  In addition, the Group has arranged two options with the other shareholder over the remaining 48%, writing a put option (exercisable from August 2019 with no expiry date) and purchasing a call option (exercisable from August 2026 with no expiry date) over the NCI holder's shares. 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. The fair value of the written NCI put option has been recognized as a non-current financial liability (measured in accordance with the method described in note 2 of the table above).

- Geovita - In July 2017, the Ebro Group acquired a 52% interest in the Geovita group of Italy, whose parent company is Geovita Functional Ingredients, S.r.l., also undertaking to acquire the remaining 48%. It invested 16,500 thousand euros for that 52% shareholding, which it paid for in 2017. The Group took effective control of Geovita on August 1, 2017, which was also the date of its first-time consolidation.

  In addition, the Group has arranged a call option of the remaining 48% (exercisable by the other shareholder over a 10-year period from July 2021). The price of this option will be determined as a function of Geovita's average earnings metrics over a series of years, as well as other terms and conditions customary in arrangements of this nature. The fair value of the written NCI put option has been recognized as a non-current financial liability (measured in accordance with the method described in note 2 of the table above).

- Bertagni Group - On March 29, 2018, the Group acquired 70% of Italy's Bertagni 1882, S.p.A ("Bertagni") through the Panzani Group and Pastificio Lucio Garofalo, S.p.A. The Group's investment totaled 96.5 million euros. The date on which the Group took effective control of this business - and the date of its first-time consolidation - was April 1, 2018.

  In addition, there is a put option over the remaining 30% (exercisable by the other shareholders over a 10-year period from April 2022). 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. The fair value of the written NCI put option has been recognized as a non-current financial liability (measured in accordance with the method described in note 2 of the table above in page 96).

The Group's investment commitments with respect to these companies and the expected timeline of the potential future payments are summarised below:

Thousands of euros	Total	Group 1	Group 2
Commitments at January 1, 2021	**190,924**	**17,969**	**172,955**
- Dividends paid in 2021	-9,215	-1,700	-7,515
- Share of profit/(loss) in 2021 (a)	9,397		9,397
- Share of other income and expenses recognized in equity	25		25
- Expenses/losses related to derivatives and fin'l inst. (note 7.3)	3,073	3,073	
- Settlement (payment) of options	0	0	0
- Change in fair value in 2021 (a)	2,598		2,598
Commitments at December 31, 2021	**196,802**	**19,342**	**177,460**
Estimated payment timeline			
- Potential payments in 2022	177,460		
- Potential payments in 2023	19,342		
	196,802		

- Group 1: Transimpex
- Group 2: Garofalo Group, Santa Rita Harinas, Geovita and Bertagni Group

(a) The non-controlling interests' shares in these companies' earnings is recognized in the consolidated statement of profit or loss under "Group profit for the year - Attributable to non-controlling interests" and the impacts of the subsequent remeasurement of the NCI puts are recognized against retained earnings in the consolidated statement of changes in equity within "Other movements".

23. RELATED-PARTY TRANSACTIONS

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 Group has not extended or received other guarantees in respect of accounts receivable from or payable to its related parties.

The Group did not record any impairment of receivables relating to amounts owed by related parties 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.

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

Note 17 itemizes the shareholders with significant interests in Ebro Foods, S.A. (parent of the Ebro Foods Group) in 2021.

A summary of the transactions, excluding dividends, between any Ebro Group company and those significant shareholders and their related parties (unless those shareholders are directors, whose transactions are disclosed separately in note 23.2) is provided below (in thousands of euros):

Significant shareholder (and its related party)	Relationship between the shareholder and its related party	Ebro Group company	Type of transaction	2021 Amount	2020 Amount
Sociedad Anónima Damm (Estrella de Levante, SA.)	Company	Herba Ricemills, SLU	Sale of goods (finished and in-progress)	1,397	1,131
Sociedad Anónima Damm (Cía Cervecera Damm, SA.)	Company	Herba Ricemills, SLU	Sale of goods (finished and in-progress)	5,262	3,724
Sociedad Anónima Damm (Alfil Logistics, S.A.)	Company	Herba Ricemills, SLU	Purchase of services	7	0

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

The summary of transactions, other than dividends and remuneration payments, between the Ebro Group companies and their directors and parties related to the latter, is as follows (in thousands of euros):

Director (and his related party)	Relationship between the director and his related party	Ebro Group company with which the transaction was performed	Type of transaction	2021 Amount	2020 Amount
Antonio Hernández Callejas (Luis Hernández González)	Relative	Ebro Foods, S.A.	Lease (expense)	42	42
Antonio Hernández Callejas	Company	Herba Ricemills, S.L.U.	Sale of goods (finished and in-progress)	0	1

(THOUSANDS OF EUROS)

Director (and his related party)	Relationship between the director and his related party	Ebro Group company with which the transaction was performed	Type of transaction	2021 Amount	2020 Amount
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Fitoplacton Marino, S.L.)	Company	Arotz Foods, S.A.	Sale of goods (finished and in-progress)	4	8
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Arotz Foods, S.A.	Sale of goods (finished and in-progress)	1	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Herba Ricemills, S.L.U.	Lease (expense)	150	143
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Herba Ricemills, S.L.U.	Purchase of goods (finished and in-progress)	474	474
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	S&B Herba Foods, Ltd	Purchase of goods (finished and in-progress)	0	199
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Arrozeiras Mundiarroz, S.A.	Purchase of goods (finished and in-progress)	529	405
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Herba Ricemills, S.L.U.	Sale of goods (finished and in-progress)	303	154
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	S&B Herba Foods, Ltd	Sale of goods (finished and in-progress)	0	199
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Boost Nutrition, CV	Purchase of goods (finished and in-progress)	13	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Boost Nutrition, CV	Sale of goods (finished and in-progress)	13	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Herba Ricemills, S.L.U.	R&D transfers and license agreements	0	340
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Herba Ricemills, S.L.U.	Sale of goods (finished and in-progress)	107	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Herba Ricemills, S.L.U.	Purchase of services	187	34
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Boost Nutrition, CV	Sale of goods (finished and in-progress)	7	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Herba Ingredients BV	Purchase of services	0	5
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Boost Nutrition, CV	Purchase of goods (finished and in-progress)	7	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	S&B Herba Foods, Ltd	Purchase of services	0	2

(THOUSANDS OF EUROS)

Director (and his related party)	Relationship between the director and his related party	Ebro Group company with which the transaction was performed	Type of transaction	2021 Amount	2020 Amount
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.)	Company	Herba Ricemills, S.L.U.	Services rendered	7	6
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A - El Cobujon, S.L.)	Company	Herba Ricemills, S.L.U.	Purchase of goods (finished and in-progress)	388	131
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A - El Cobujon, S.L.)	Company	S&B Herba Foods, Ltd	Purchase of goods (finished and in-progress)	0	199
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A - El Cobujon, S.L.)	Company	Tilda LTD	Purchase of goods (finished and in-progress)	0	22
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A - El Cobujon, S.L.)	Company	S&B Herba Foods, Ltd	Sale of goods (finished and in-progress)	0	199
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A - El Cobujon, S.L.)	Company	Herba Ricemills, S.L.U.	Sale of goods (finished and in-progress)	194	153
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A - El Cobujon, S.L.)	Company	Boost Nutrition, CV	Purchase of goods (finished and in-progress)	20	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A - El Cobujon, S.L.)	Company	Boost Nutrition, CV	Sale of goods (finished and in-progress)	20	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A - El Cobujon, S.L.)	Company	Herba Ingredients BV	Purchase of services	0	6
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A - El Cobujon, S.L.)	Company	Herba Ricemills, S.L.U.	Purchase of services	8	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A - El Cobujon, S.L.)	Company	Arrozeiras Mundiarroz, S.A.	Sale of goods (finished and in-progress)	16	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A - El Cobujon, S.L.)	Company	Herba Ricemills, S.L.U.	Services rendered	7	5
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Australian Commodities, S.L.)	Company	Herba Ricemills, S.L.U.	Purchase of goods (finished and in-progress)	79	235
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Australian Commodities, S.L.)	Company	Boost Nutrition, CV	Purchase of goods (finished and in-progress)	108	34
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Australian Commodities, S.L.)	Company	Herba Ricemills, S.L.U.	Sale of goods (finished and in-progress)	70	235
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Australian Commodities, S.L.)	Company	Boost Nutrition, CV	Sale of goods (finished and in-progress)	108	34
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Australian Commodities, S.L.)	Company	Arrozeiras Mundiarroz, S.A.	Sale of goods (finished and in-progress)	10	0

(THOUSANDS OF EUROS)

Director (and his related party)	Relationship between the director and his related party	Ebro Group company with which the transaction was performed	Type of transaction	2021 Amount	2020 Amount
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Australian Commodities, S.L.)	Company	Herba Ingredients BV	Purchase of services	0	5
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Australian Commodities, S.L.)	Company	Herba Ingredients BV	Purchase of goods (finished and in-progress)	7	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Australian Commodities, S.L.)	Company	S&B Herba Foods, Ltd	Purchase of services	0	1
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.- Australian Commodities, S.L.)	Company	Herba Ricemills, S.L.U.	Services rendered	9	5
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.- Australian Commodities, S.L.)	Company	Herba Ricemills, S.L.U.	Purchase of services	2	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.-Dehesa Norte, S.L.)	Company	Herba Ricemills, S.L.U.	Purchase of goods (finished and in-progress)	6,024	10,753
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.-Dehesa Norte, S.L.)	Company	S&B Herba Foods, Ltd	Purchase of goods (finished and in-progress)	0	70
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.-Dehesa Norte, S.L.)	Company	Tilda LTD	Purchase of goods (finished and in-progress)	0	22
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.- Dehesa Norte, S.L.)	Company	Herba Ricemills, S.L.U.	Sale of goods (finished and in-progress)	95	159
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.-Dehesa Norte, S.L.)	Company	S&B Herba Foods, Ltd	Sale of goods (finished and in-progress)	0	70
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.-Dehesa Norte, S.L.)	Company	Boost Nutrition, CV	Purchase of goods (finished and in-progress)	82	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.-Dehesa Norte, S.L.)	Company	Boost Nutrition, CV	Sale of goods (finished and in-progress)	82	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.- Dehesa Norte, S.L.)	Company	Herba Ingredients BV	Purchase of services	0	5
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.-Dehesa Norte, S.L.)	Company	Herba Ricemills, S.L.U.	Purchase of services	49	110
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.-Dehesa Norte, S.L.)	Company	Herba Ricemills, S.L.U.	Lease (expense)	31	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.-Dehesa Norte, S.L.)	Company	Herba Ricemills, S.L.U.	Services rendered	9	5
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A.- Dehesa Casudis, S.L.)	Company	Herba Ricemills, S.L.U.	Purchase of goods (finished and in-progress)	523	503

(THOUSANDS OF EUROS)

Director (and his related party)	Relationship between the director and his related party	Ebro Group company with which the transaction was performed	Type of transaction	2021 Amount	2020 Amount
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Islasur, S.A.)	Company	Herba Ricemills, S.L.U.	Purchase of goods (finished and in-progress)	73	106
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Islasur, S.A.)	Company	Boost Nutrition, CV	Purchase of goods (finished and in-progress)	99	34
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Islasur, S.A.)	Company	S&B Herba Foods, Ltd	Purchase of goods (finished and in-progress)	0	126
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Islasur, S.A.)	Company	Herba Ricemills, S.L.U.	Sale of goods (finished and in-progress)	65	225
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Islasur, S.A.)	Company	Boost Nutrition, CV	Sale of goods (finished and in-progress)	99	34
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Islasur, S.A.)	Company	S&B Herba Foods, Ltd	Purchase of services	0	2
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Islasur, S.A.)	Company	Herba Ricemills, S.L.U.	Purchase of services	3	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Islasur, S.A.)	Company	Herba Ingredients BV	Purchase of services	0	6
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Islasur, S.A.)	Company	Herba Ingredients BV	Purchase of goods (finished and in-progress)	7	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Islasur, S.A.)	Company	Herba Ricemills, S.L.U.	Services rendered	9	5
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Pesquería Isla Mayor, S.L.)	Company	Herba Ricemills, S.L.U.	Purchase of goods (finished and in-progress)	65	131
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Pesquería Isla Mayor, S.L.)	Company	S&B Herba Foods, Ltd	Purchase of goods (finished and in-progress)	0	116
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Pesquería Isla Mayor, S.L.)	Company	S&B Herba Foods, Ltd	Sale of goods (finished and in-progress)	0	101
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Pesquería Isla Mayor, S.L.)	Company	Boost Nutrition, CV	Purchase of goods (finished and in-progress)	99	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Pesquería Isla Mayor, S.L.)	Company	Boost Nutrition, CV	Sale of goods (finished and in-progress)	99	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Pesquería Isla Mayor, S.L.)	Company	Herba Ricemills, S.L.U.	Sale of goods (finished and in-progress)	65	145
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Pesquería Isla Mayor, S.L.)	Company	S&B Herba Foods, Ltd	Purchase of services	0	2

Director (and his related party)	Relationship between the director and his related party	Ebro Group company with which the transaction was performed	Type of transaction	2021 Amount	2020 Amount
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Pesquería Isla Mayor, S.L.)	Company	Herba Ingredients BV	Purchase of services	0	6
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Pesquería Isla Mayor, S.L.)	Company	Herba Ricemills, S.L.U.	Purchase of services	10	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Pesquería Isla Mayor, S.L.)	Company	Herba Ricemills, S.L.U.	Services rendered	9	5
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Agropecuaria Isla Mayor, S.L.)	Company	Herba Ricemills, S.L.U.	Sale of goods (finished and in-progress)	0	1
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Hispamark Real Estate,S.L.)	Company	Herba Ricemills, S.L.U.	Lease (expense)	261	247
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Hispamark Real Estate,S.L.)	Company	Herba Ricemills, S.L.U.	Purchase of services	30	32
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Zudirroz,S.L.)	Company	Herba Ricemills, S.L.U.	Purchase of goods (finished and in-progress)	489	498
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Oryza Agrícola, S.L.)	Company	Herba Ricemills, S.L.U.	Sale of goods (finished and in-progress)	2	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Rivereta 12, S.L.)	Company	Herba Ricemills, S.L.U.	Purchase of goods (finished and in-progress)	14	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Hacienda Bocón, S.L.)	Company	Herba Ricemills, S.L.U.	Purchase of goods (finished and in-progress)	240	0
Grupo Tradifín S.L. and Hercalianz Investing Group, S.L. (Instituto Hispánico del Arroz, S.A. - Greenveta 78, S.L.)	Company	Herba Ricemills, S.L.U.	Purchase of goods (finished and in-progress)	181	0
Grupo Tradifín, S.L. (Cabher 96, S.L.)	Company	Herba Ricemills, S.L.U.	Purchase of goods (finished and in-progress)	28	135

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

Against the backdrop of the general dividend policy of Ebro Foods, S.A., the following amounts were paid in 2021 (2020) (expressed in thousands of euros):

- Dividends paid to significant shareholders (excluding directors): 24,837 (58,543)
- Dividends paid to directors and executives: 97,915 (213,717)

23.4 Transactions undertaken with other Ebro Group companies that are not eliminated in the consolidated financial statements and whose purpose or terms fall outside the Group's ordinary course of business or other than on an arm's length basis

There were no related-party transactions of this type in either reporting period.

23.5 Transactions with other related parties

The note summarizes the transactions performed in 2021 and 2020 between the Ebro Group and "Other related parties" (in thousands of euros):

Other related parties	Ebro Group company with which the transaction was performed	Type of transaction	2021 Amount	2020 Amount
Félix Hernández Callejas (transaction performed by Hernández Barrera Servicios, S.A., with which Félix Hernández Callejas has company ties)	Herba Ricemills, S.L.U.	Services rendered	4	2
Félix Hernández Callejas (transaction performed by Hernández Barrera Servicios, S.A.)	Herba Ricemills, S.L.U.	Purchase of services	300	300
Félix Hernández Callejas	Herba Ricemills, SLU	Sale of goods (finished and in-progress)	0	1

Note that one of the directors of Hernández Barrera Servicios, S.A. is Félix Hernández Callejas, who is the natural person who represents Hercalianz Investing Group, S.L. on the Board of Directors of Ebro Foods, S.A.

23.6 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 its Group companies and Riso Scotti S.p.A. (an associate that is not fully consolidated by the Ebro Group) in 2021 and 2020 (amounts in thousands of euros):

Ebro Group company with which the transaction was performed	Type of transaction	2021 Amount	2020 Amount
Ebro Foods, S.A.	Services rendered (income)	0	3
Ebro Foods, S.A.	Dividends received	1,000	0
Arotz Foods, S.A.	Purchase of goods (finished and in-progress)	34	0
Herba Ricemills, S.L.U.	Purchase of goods (finished and in-progress)	389	347

(THOUSANDS OF EUROS)

Ebro Group company with which the transaction was performed	Type of transaction	2021 Amount	2020 Amount
Herba Ricemills, S.L.U.	Sale of goods (finished and in-progress)	6,054	250
Herba Ricemills, S.L.U.	Finance income	12	0
Mundiriso, S.R.L.	Purchase of goods (finished and in-progress)	842	918
Mundiriso, S.R.L.	Sale of goods (finished and in-progress)	1,180	1,328
Arrozeiras Mundiarroz, S.A.	Purchase of goods (finished and in-progress)	122	81
Geovita Functional Ingredients, S.R.L.	Purchase of goods (finished and in-progress)	224	283
Geovita Functional Ingredients, S.R.L.	Sale of goods (finished and in-progress)	613	661
Herba Bangkok, S.L.	Sale of goods (finished and in-progress)	704	1,342
Herba Ingredients Group	Sale of goods (finished and in-progress)	110	0

23.7 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 conflicts of interest itemized 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., itemized 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 Tradifín, 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.

- 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 in Instituto Hispánico del Arroz, S.A. and Cabher 96, S.L. through her 33.25% direct shareholding in Grupo Tradifín, S.L., an entity of which she is the chief executive: specifically, indirect shareholdings of 16.625% in Instituto Hispánico del Arroz, S.A. and of 33.25% in Cabher 96, S.L. She does not hold any positions or duties at the latter two entities.

- Hercalianz 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 Hercalianz 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 Hercalianz 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 Hercalianz 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 Parent 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.

23.8 Director and officer remuneration

Director remuneration. The remuneration accrued by the members of the Board of Directors of Ebro Foods, S.A. totaled 7,169 thousand euros in 2021 (2020: 6,898 thousand euros), broken down as follows (pre-tax amounts in thousands of euros):

DIRECTOR REMUNERATION AND OTHER BENEFITS	2021	2020
TYPE OF REMUNERATION		
Attendance fees	323	322
Fixed remuneration received in their capacity as directors	2,850	2,850
Total director remuneration	**3,173**	**3,172**
Wages, salaries and professional fees	3,996	3,726
Termination and other benefits	0	0
Total executive director remuneration	**3,996**	**3,726**
TOTAL REMUNERATION	**7,169**	**6,898**
OTHER BENEFITS		
Life insurance and post-employment benefits	0	0

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 28, 2022, 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 2021 at the upcoming 2022 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 director remuneration for 2021 (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	388	28	1,505	2,491	**4,412**
Carceller Arce, Demetrio	362	27	0	0	**389**
Alimentos y Aceites, S.A.	121	18	0	0	**139**
Barreiro Pérez-Pardo, Belén	154	22	0	0	**176**
Carceller Arce, María	121	18	0	0	**139**
Castelló Clemente, Fernando	197	27	0	0	**224**
Comenge Sánchez-Real, José Ignacio	147	18	0	0	**165**
Corporación Financiera Alba, S.A.	121	18	0	0	**139**
Costa García, Mercedes	199	27	0	0	**226**
Empresas Comerciales e Industriales Valencianas, S.L.	121	18	0	0	**139**
Fernández Alonso, Javier	305	29	0	0	**334**
Grupo Tradifín, S.L.	191	27	0	0	**218**
Hercalianz Investing Group, S.L. (*)	147	18	0	0	**165**
Zorrero Camas, Pedro Antonio (**)	279	28	0	0	**307**
TOTAL	**2,853**	**323**	**1,505**	**2,491**	**(***) 7,172**

(*) Hercalianz 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 categorized 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.

(**) Pedro Antonio Zorrero Camas resigned from the Board of Directors on December 15, 2021 with effect from December 31, 2021. On January 31, 2022, the Board of Directors agreed to avail of the co-option procedure to name Marc Thomas Murtra Millar as external independent director to fill the vacancy left following Mr. Zorrero Camas' resignation. Mr. Murtra Millar has also been made a member of the Company's Executive Committee and Audit and Control Committee.

(***) Total director remuneration amounted to 7,168,731 euros (before tax), which, rounded to thousands of euros, comes out at 7,169 thousand. 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.

Note, additionally, the following with respect to director remuneration:

- The amounts shown include attendance fees earned by the Chairman of the Board of Directors of Ebro Foods, S.A., Mr. Antonio Hernández Callejas, in his capacity as director of a Group subsidiary, Pastificio Lucio Garofalo, S.p.A., in the amount of 5,000 euros (before tax) in both reporting periods.

- In addition to the amounts shown, the Chairman of the Board of Directors received the pre-tax sum of 5,200 euros (in both reporting periods) in the form of attendance fees for performance of his duties as director of the Group's associate, Riso Scotti, S.p.A.

- Of the total variable remuneration earned by the Chairman of the Board of Directors for performance of his executive duties in 2021, 897 thousand euros, before tax, corresponded to the Deferred Annual Bonus Scheme tied to the Group's 2019-2021 Business Plan in respect of 2019, a figure representing 25% of the bonuses accrued under that three-year scheme. That sum was provided for in the 2019 financial statements and paid in 2021.

- Elsewhere, in relation to the total remuneration earned by the Chairman of the Board of Directors for the performance of his executive duties in 2021, the 2021 financial statements recognize a provision of 1,898 thousand euros in respect of the provisional estimate of the amount corresponding to 2021 under the Deferred Annual Bonus Scheme tied to the Group's 2019-2021 Plan, which represents up to 50% of the deferred bonus entitlement expected to be accrued during the three-year period. That figure will be paid in 2023.

Those bonus schemes are not tied to Ebro Foods' share price performance nor do they 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 2021 (year-end 2020: 11); in 2021 those executives accrued total remuneration (fixed wages and salaries and annual bonuses) of 2,400 thousand euros (2020: 2,453 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”.

Elsewhere, the professionals in charge of the Ebro Group's main business units (other than the Chairman of the Board and COO of the Group) numbered five at year-end 2021 (six at year-end 2020). Their total aggregate pre-tax remuneration in 2021 was 1,876 thousand euros, 677 thousand US dollars and 534 thousand Canadian dollars (1,936 thousand euros, 1,665 thousand US dollars and 546 thousand Canadian dollars in 2020), corresponding to fixed wages and salaries and annual bonuses.

Eleven Ebro Group officers (other than the Chairman of the Board of Directors) were covered by the Deferred Annual Bonus Scheme tied to the Group's 2019-2021 Strategic Plan at December 31, 2021 (11 at year-end 2020). Total aggregate remuneration effectively collected under that scheme in 2021 (corresponding to that accrued by 11 executives in 2019) amounted to 769 thousand euros and 339 thousand US dollars, a figure representing up to 25% of the bonuses earned during the three-year term of the 2019-2021 Scheme and which had been provided for in the 2019 financial statements.

The consolidated financial statements for the year ended December 31, 2021 also recognize a provision of 1,575 thousand euros and 286 thousand US dollars in respect of the provisional estimate of the amount corresponding to the Group's officers (other than the Chairman of the Board of Directors) in 2021 under Deferred Annual Bonus Scheme in 2021, which represents up to 50% of the deferred bonus entitlement expected to be accrued during the three-year period. Those bonuses are payable in 2023 under 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 192 thousand euros in 2021 (113 thousand euros in 2020), are effective until April 30, 2022 and are currently in the process of being renewed.

24. ENVIRONMENTAL DISCLOSURES

Management approach

The Ebro Group's main environmental commitments and targets are set down in its Sustainability, Environment and Corporate Social Responsibility Policy: "Steer the company's processes, activities and decisions to protect our environment, prevent and minimize environmental impact, optimize the use of natural resources and preserve biodiversity".

In line with that pledge, the Group's environmental policy is articulated around the following lines of initiative:

1. Ensuring that its companies comply with applicable environmental legislation in carrying out their business activities by means of the rollout of in-house management systems and monitoring of prevailing legislation in this arena.

2. Minimising the environmental impact of its business operations by searching for eco-efficient solutions and rolling out initiatives designed to reduce its emissions while rationalising the consumption of water, energy and packaging materials.

3. Transitioning towards a circular economy, recovering waste and encouraging its recycling and reuse and using recycled and/or environmentally-friendly raw materials whenever possible.

4. Providing environmental employee training and awareness programmes.

5. Encouraging sustainable farming techniques among its suppliers.

As for its own operations, the productive processes used at the Group's various factories, in both the rice and the pasta divisions, are relatively simple agricultural food processes that do not have a major impact on the environment and entail minimum risk of accidental contamination. The most significant environmental aspects pertaining to the Group can be categorized as follows:

1. Emissions into the air: mainly particles derived from the handling of cereals and greenhouse gas (GHG) emissions derived from the consumption of fossil fuels and electricity. The fuel most widely used is natural gas.

2. Noise emissions: derived from the operation of engines, compressors, sleeve filters and other manufacturing equipment. All the factories comply with applicable environmental regulations and their noise levels are monitored regularly; mitigating measures are put in place as necessary.

3. Productive processes: essentially mechanical and hydrothermal, these processes require the use of very few chemical products, and in very small amounts. Most of these products are used to clean equipment and sanitise raw materials and are relatively safe for the environment.

4. Water consumption: the Group uses relatively little water in its manufacturing processes (most of its products are dry products), so that the volume of wastewater produced is also small. Moreover, the wastewater generated is relatively uncontaminated as the water consumed is used basically to produce vapour, as a refrigerant or as an ingredient in finished products.

5. Waste generation and management: the Group generates minimum amounts of waste, including both non-hazardous (mainly ingredient and auxiliary material packaging) and hazardous (maintenance operations) waste, which is managed by authorised handlers.

Provisions and guarantees for environmental risks

All of the Group companies have arranged civil liability insurance that covers third-party damage caused by a sudden and unintentional spill. Management believes that this policy adequately covers any potential risk in this respect. To date the Group has not been party to any material environmental-related claims; moreover, it can claim a positive record on the basis of the results of audits and inspections and the lack of any pleas in respect of its integrated environmental permit processes, etc.

All of the Group companies have arranged civil liability insurance that covers third-party damage caused by a sudden and unintentional spill. Management believes that this policy adequately covers any potential risk in this respect. To date the Group has not been party to any material environmental-related claims; moreover, it can claim a positive record on the basis of the results of audits and inspections and the lack of any pleas in respect of its integrated environmental permit processes, etc.

Circular economy measures

In terms of compliance with the packaging and packaging waste reduction, recycling and recovery objectives laid down in Spanish Law 11/97, of April 24, 1997, the Group's Spanish subsidiary Herba is a member of Ecoembalajes España, S.A. (Ecoembes), whose mission is to design and develop systems oriented towards collecting, sorting and recovering used packaging and packaging waste. Ecoembes uses the concept known as the Green Dot (the symbol featured on the packaging) to certify that the product's packager has paid a certain amount of money for each item of packaging it places on the market.

In tandem, both the European rice subsidiaries and Ebro Foods' head offices have entered into agreements with entities akin to Ecoembes for the destruction of paper and other materials. Those agreements allow them not only to comply with data protection legislation but also to guarantee the sustainable management of this documentation through recycling commitments.

In 2021, in line with the changes introduced in prior years by our dry rice brands, La Fallera and La Cigala (Spain) and Risella (Finland), framed by our circular economy targets in the packaging area (100% recyclable by 2030), we continued to work to make our containers and packaging more recyclable. For example, for our SOS speciality rice brand, which we are currently packaging in non-recyclable flexible containers (PE/PP), we are analysing a switch to recyclable paper containers, which would prevent the placement on the market of 19,480 tonnes of PE/PP packaging which ends up in landfills.

We are also continuing to test and validate a *doypack*, a stand-up pouch made from high barrier, sterilizable homopolymer (specifically, polypropylene) complexes, to replace complex structures in which the coexistence of different polymeric chains makes mechanical recycling impossible.

It is also worth highlighting that fact that one of the Group’s best-selling formats, the Brillante rice cups, are 100% recyclable.

Climate change

Climate change constitutes a significant risk for the Group’s business activities as it impacts fundamental aspects such as the production of raw materials, the availability of critical resources (such as water), the viability of transport, logistics and product distribution operations and implies an increase in the energy needs associated with our productive processes, among other things.

Against that backdrop, and in keeping with the recommendations issued by the Task Force on Climate Related Financial Disclosures (TCFD), we have identified the potential risks, impacts and opportunities climate change may have for our organisation and associated each one with opportune mitigation and/adaptation measures. The next step will be to quantify those risks and impacts in financial terms.

Framed by its commitment to reducing emissions in absolute terms by 2030, the Group has pledged to start to work over the next two years on an emissions-reduction plan aligned with the science-based targets (SBT), globally aligned targets based on climate change science in order to reduce carbon emissions and keep global warming within the limits stipulated in the Paris Agreement.

To that end, in 2020 the Group developed a GHG inventorying system for all Ebro Group companies that is ISO 14064-1:2019 certified. Reporting under that standard has allowed the Group to measure its Scope 1 and 2 GHG emissions; in 2022 the idea is to complete the measurement of its carbon footprint in terms of Scope 3 emissions. Once it has calculated its total carbon footprint, the Group will determine the base year for emissions-reduction comparison purposes.

To that end, the Group has defined a series of action plans framed by its Sustainability Plan, dubbed *HEADING FOR 2030*. Those initiatives are:

- Risk and opportunities analysis and assessment
- Energy efficiency
- Procurement of renewable energy
- Waste recovery
- Management of GHG impacts
- Technology and R&D capabilities

In terms of our Scope 1 and 2 emissions, some Group companies, specifically those located in Italy, have begun to install photovoltaic solar panels at their factories. Likewise, the Garofalo subsidiaries and Ebro Frost Germany are using CHP in their energy mixes, while Ebro Frost Denmark and Ebro India are using biomass.

As for our Scope 3 footprint, in keeping with our membership of the Lean&Green programme for the calculation-reduction-offset of emissions derived from ground transportation nationwide in Spain, we are closing to finalising the plan for the reduction of those emissions by 20% in five years, which is due to be presented during the second quarter of 2022.

Also at the Scope 3 level, the Ebro Group is working actively to foster and research environmentally sustainable rice farming practices in a number of rice producing regions in order to contribute to environmental preservation, protect biodiversity and mitigate climate change. That work is taking the form of in-house initiatives and *ad-hoc* collaborations with stakeholders and sector associations, such as the SAI Platform (SAI-P) and the Sustainable Rice Platform (SRP).

The flagship projects in this effort in 2021:

- <u>Thailand: Sustainable Aromatic Rice Initiative - Thailand (SARI-T):</u>

  This initiative, carried out in collaboration with Mars Food, GIZ and the Thai Rice Department, is aimed at improving the livelihood of 1,200 rice farmers in the Roi Et province by helping them grow Hom Mali, a high-quality fragrant rice, in a sustainable manner.

The programme entails numerous interventions: it educates rice farmers on the SRP standard and farming technologies and provides them with new skills and access to top quality seeds; it also promotes gender equality. It also verifies the crop for SRP purposes. The project completed its fourth year producing rice in 2021.

- Spain: Oryzonte programme

Carried out in the marshlands of the Guadalquivir River in Seville together with Mars Food and Danone.

Started up in 2018, this project seeks to make rice-growing in the province of Seville (Andalusia, Spain) more sustainable by focusing on three core aspects: water, GHG emissions and biodiversity.

- In terms of the water aspect, the project has evaluated the scope for different practices to reduce the use of water in rice paddies at a commercial scale. In 2021, we worked with several irrigation community organisations to boost knowledge of the trend in salinity within the water circuit during the rice season and the relationship with production yields. In addition, in collaboration with the Sustainable Farming Institute of CSIC (Upper Council of Scientific Research), the project worked on a water and salinity model to assess the situation all along the right bank of the rice-growing basin in Seville.

- As for GHG emissions, the project verified that the implementation of specific practices aligned with the guidelines issued by the Intergovernmental Panel on Climate Change (IPCC), such as alternative wetting and drying (AWD) techniques, effectively unlocked a reduction in GHG emissions in estates located on both banks of the Guadalquivir River without negatively impacting farming outputs.

- Biodiversity. The Group's biodiversity initiatives included the installation of perches and nests for bats and special-interest birds of prey, such as the common own and kestrel. Encouraging the presence of these birds of prey and bats is a promising strategy for reducing the use of pesticides and boosting the sustainability of the agricultural production system.

- Programmes carried out by Ebro India

Ebro India continues to work on a number of different sustainability projects, some of which have been underway for several years, such as EKTA, Control Farming and Organic Farming. In 2021 the Indian subsidiary added a new programme designed to reduce water consumption and emissions and foster new biological pest control methods.

- This new initiative consists of teaching 50 farmers how to use biological pest control methods (spider bundles and pheromone traps). Pheromone traps are a very visible way of checking whether crops are infested or not, so decreasing indiscriminate use of pesticides. Spider bundles provide a natural habitat for spiders, which are natural predators of insects. By reducing the insect population, the volume of pesticides needed also decreases.

Lastly, it encourages the use of a AWD tubes in order to check when it is necessary to water, reducing surplus water usage and, by extension, emissions.

- EKTA, underway since 2015, continues to lend support to over 5,000 farmers. EKTA is a programme for the provision of training to farmers on new farming practices and the optimal use of pesticides and fertilisers, helping them to reduce costs and attain higher crop yields.

- Control Farming: one of the biggest challenges in India lies with compliance with the maximum residue levels permitted in the European Union. Through the Control Farming programme, Ebro India is working in close collaboration with Indian farmers to closely monitor the practices employed from sowing to harvesting, educating them on the correct use of pesticides and fungicides in terms of quantity, quality and timing.

- Organic Farming: ongoing work with around 830 farmers on the production of organic rice, both basmati and other varieties.

Note lastly, that, in order to tackle the challenges posed by climate change and stay on top of the legislation being passed in this arena, the Ebro Group is part of the Forética Climate Change Cluster (www.foretica.org). Within that cluster, a group of large enterprises is working together to lead the strategic positioning of climate change within organisational management, debate and exchange opinions and good practices, participate in the global debate and provide input for the decisions taken at the government level.

These measures do not have a significant accounting impact, nor do they imply a significant change in the estimates made by management in prior years.

The useful life of the Group's property, plant and equipment will not be affected by the Group's environmental commitments as, in general, its assets can be operated using energy generated from renewable sources. Against that backdrop, the Ebro Group is also increasing its consumption of renewable sources.

Nor have its environmental commitments triggered the need to recognize any additional impairment losses, in light of the Ebro Group's earnings prospects. Reasonably possible changes in the commitment to reduce emissions in absolute terms would not have a material impact on the estimated values in use of the CGUs that are subject to impairment tests, as itemized in note 15.

At the date of authorising these consolidated financial statements for issue, the Group does not have any contractual or constructive obligation of an environmental nature that could give rise to an estimated outflow of resources with an impact on these consolidated financial statements.

25. NON-CURRENT ASSETS HELD FOR SALE AND PROFIT/(LOSS) AFTER TAX FROM DISCONTINUED OPERATIONS

As disclosed in note 5, on December 31, 2020 the Group reclassified the assets and liabilities of the rest of its US Dry Pasta - Ronzoni business (other than the Garofalo business) and its Canadian Dry Pasta business to non-current assets held for sale. All of the assets and liabilities classified as held for sale at year-end 2020 were sold and derecognized in 2021. The breakdown of those assets and liabilities is as follows:

Thousands of euros	31/12/2021 Assets	31/12/2020 Assets	31/12/2021 Liabilities	31/12/2020 Liabilities	
NON-CURRENT ASSETS	0	123,437	0	16,078	**NON-CURRENT LIABILITIES**
Intangible assets		49,586		1,068	Provisions for pensions and similar obligations
Property, plant and equipment		36,435		28	Financial liabilities
Deferred tax assets		608		14,982	Deferred tax liabilities
Goodwill		36,808			
CURRENT ASSETS	0	18,537	0	1,395	**CURRENT LIABILITIES**
Inventories		18,537		85	Financial liabilities
Other current assets		0		1,310	Other current liabilities
	0	**141,974**	**0**	**17,473**	

Likewise, in the consolidated statement of profit or loss for the years ended December 31, 2021 and 2020, the income and expenses of the above-listed businesses, as well as the income and expenses of the French Dry Pasta business sold in 2021 (note 5), as well as the part of the US Dry Pasta business that was sold in December 2020, were reclassified to 'Profit after tax from discontinued operations'. The breakdown of the corresponding income and expenses:

Discontinued operations Thousands of euros	31/12/2021 TOTAL	31/12/2021 ENA Pasta (a) Months	31/12/2021 Panzani Pasta 12 months	31/12/2020 TOTAL	31/12/2020 ENA Pasta 12 months	31/12/2020 Panzani Pasta 12 months
- Revenue	504,992	54,628	450,364	806,893	339,614	467,279
- Change in inventories	5,674	0	5,674	15,323	0	15,323
- Own work capitalised	428	0	428	276	0	276
- Other operating income	1,382	494	888	(40)	0	(40)
	512,476	55,122	457,354	822,452	339,614	482,838
- Raw materials and consumables used and other expenses	(279,918)	(15,001)	(264,917)	(423,035)	(155,890)	(267,145)
- Employee benefits expense	(75,638)	(19,626)	(56,012)	(105,181)	(44,049)	(61,132)
- Depreciation and amortization	(22,636)	(3,697)	(18,939)	(30,795)	(12,014)	(18,781)
- External services	(94,063)	(14,068)	(79,995)	(164,198)	(68,872)	(95,326)
- Other operating expenses	(10,431)	(937)	(9,494)	(13,179)	(9,815)	(3,364)
	(482,686)	(53,329)	(429,357)	(736,388)	(290,640)	(445,748)
Operating profit	**29,790**	**1,793**	**27,997**	**86,064**	**48,974**	**37,090**
Net finance income/(cost)	**(1,453)**	**(53)**	**(1,400)**	**(2,234)**	**30**	**(2,264)**
Profit before tax	**28,337**	**1,740**	**26,597**	**83,830**	**49,004**	**34,826**
Income tax	(7,048)	(430)	(6,618)	(22,949)	(11,738)	(11,211)
Profit after tax from discontinued operations	**21,289**	**1,310**	**19,979**	**60,881**	**37,266**	**23,615**
- Pre-tax loss on the sale of the businesses	112,023	51,349	60,674	54,762	54,762	n/a
- Income tax effect of the gains generated by the sales	(28,285)	(16,093)	(12,192)	(26,219)	(26,219)	n/a
Total profit after tax from discontinued operations	**105,027**	**36,566**	**68,461**	**89,424**	**65,809**	**23,615**

(a) Corresponds to one month's income and expenses for the Canadian Dry Pasta business and five months' income and expenses for the US Ronzoni & Winchester Dry Pasta business.

26. FEES PAID TO AUDITORS

External services in the consolidated statement of profit or loss include the fees paid to the auditors of the consolidated financial statements. 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 2021 and 2020 were as follows (in thousands of euros):

- The fees corresponding to auditing services provided in 2021 amounted to 2,188 (2020: 2,205) thousand euros; those corresponding to other assurance services amounted to 83 thousand euros (2020: 88 thousand euros).

- The fees for tax advisory and and/other services totaled 265 thousand euros (2020: 187 thousand euros).

27. OTHER DISCLOSURES

<u>Disclosures required under article 42 *bis* of Regulation 1065/2007 of July 27, 2017</u>

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:

Disclosures for Ebro Foods, S.A.:

COMPANY	ACCOUNT ID CODE	BIC CODE	ACCOUNT CODE	BANK	BRANCH	COUNTRY OF LOCATION OF THE BANK	DATE OPENED	BALANCE AT DEC. 31, 2021 (EUROS)	AVERAGE BALANCE 4Q21 (EUROS)	% INTEREST	CURRENCY
Semola s.r.l.	IBAN	BCABIT21XXX	IT39D0350003205000000037267	Ubi Banco di Brescia SpA	Roma	Italy	april-13	0.00	0.00	100%	EUR
Semola s.r.l.	IBAN	BACRIT21575	IT64H0303215201010000476353	Credem SpA	Salerno	Italy	march-21	295,008.84	622,459.12	100%	EUR
Ebro Costa Rica S.L.	IBAN	BSNJCRSJXXX	CR11010200009024954723	BAC San Jose	San José	Costa Rica	august-06	20,951.21	24,475.97	100%	USD
Ebro Riviana Guatemala SL	Other	INDLGTGCXXX	0011100015	Banco Industrial Guatemala	Ciudad Guatemala	Guatemala	august-06	2,092.90	2,092.90	100%	GTQ
	Other	INDLGTGCXXX	0000683771	Banco Industrial Guatemala	Ciudad Guatemala	Guatemala	august-06	24,563.31	24,563.31	100%	USD
	Other	CITIGTGCXXX	0002058006	CITIBANK	Ciudad Guatemala	Guatemala	march-21	86,331.18	127,344.75	100%	GTQ
EF Alimentación,S de R.L de CV.	CLABE	BCMRMXMM	187408390	BBVA BANCOMER, S.A.	Mexico DF	Mexico	august-11	3,724.39	4,242.27	100%	MXP
	CLABE	BCMRMXMM	187409842	BBVA BANCOMER, S.A.	Mexico DF	Mexico	august-11	20,040.61	19,849.58	100%	USD
Mundiriz	Other	BMCEMAMCXXX	0117350000012100060709.11	BMCE Bank	Larache	Morroco	2001	207,730.45	291,517.85	100%	MAD
	Other	BCMAMAMCXXX	007 640 0013709000000131 39	Attijariwafa Bank	TANGER	Morroco	2002	31,372.41	55,315.73	100%	MAD
	Other	BMCEMAMCXXX	011 735 0000 01 66600 60709 27	BMCE Bank	Larache	Morroco	2009	84.57	89.43	100%	MAD
	Other	BMCEMAMCXXX	011 735 000 501 66500 12519 30	BMCE Bank	Larache	Morroco	2015	2,121,349.01	2,141,027.68	100%	EUR
	Other	CDMAMAMCXXX	021 735 0000 080 030 167465 07	Crédit du Maroc	Larache	Morroco	march-18	6,866.04	7,542.40	100%	MAD
	Other	CAIXAMAMCXXX	003 640 64000000011 70167 55	CaixaBank - Tanger	TANGER	Morroco	sep-21	8,453.74	8,519.56	100%	MAD
Agromeruan	Other	BMCEMAMCXXX	0117350000012100006819.79	BMCE Bank	Larache	Morroco	2007	4,298.97	18,452.23	100%	MAD
	Other	CDMAMAMCXXX	021 735 0000 080 030 183549 61	Crédit du Maroc	Larache	Morroco	oct-21	9,475.85	9,549.63	100%	MAD
	Other	CAIXAMAMCXXX	003 640 64000000011 70268 43	CaixaBank - Tanger	TANGER	Morroco	sep-21	0.00	0.00	100%	MAD
Rivera del Arroz, S.A.	Other	BMCEMAMCXXX	0117350000012100060728.51	BMCE Bank	Larache	Morroco	2002	7,606.71	8,421.55	100%	MAD
Katania	Other	BMCEMAMCXXX	011 735 0000 01 210 00 13562 26	BMCE Bank	Larache	Morroco	february-12	142,609.52	153,895.56	100%	MAD
Herba Egypt Ricemills, LTD	IBAN	CITIEGCX	EG240043000200000000101445127	CITIBANK	Cairo	Egypt	october-12	807,309.62	814,757.74	100%	EGP
	IBAN	CITIEGCX	EG460043000200000000101445119	CITIBANK	Cairo	Egypt	october-12	0.00	0.00	100%	EUR
	IBAN	CITIEGCX	EG740043000200000000101445003	CITIBANK	Cairo	Egypt	october-12	0.00	0.00	100%	USD
	IBAN	BCBIEGCX	EG940034001200000000010006217	Attijariwafa bank Egypt	Cairo	Egypt	october-12	8,629.82	13,196.50	100%	EGP

Disclosures for other Group companies:
Refer to the Appendix following note 28.

Average payment period

As required under the Spanish Corporate Enterprises Act, it is hereby noted that the average payment period of the companies domiciled in Spain was 27.3 days in 2021 and 23 days in 2020. Calculations made in accordance with the ICAC (Spanish Accounting and Audit Institute) Resolution.

	2020	**2021**
	Days	**Days**
Average supplier payment term	23.0	27.3
Paid transactions ratio	22.5	29.0
Outstanding transactions ratio	35.5	13.8
	Amount (thousands of euros)	**Amount (thousands of euros)**
Total payments made	369,824	400,673
Total payments outstanding	15,090	55,093

28. EVENTS AFTER THE REPORTING PERIOD

The recent events in Ukraine, following military invasion by the Russian Federation on February 24, 2022, are causing significant global uncertainty. The international community has reacted swiftly, with many countries (including the European Union and United States) imposing sanctions on Russia and its people.

The recent onset of the conflict 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 may have on the businesses of the Group.

The situation is already affecting the availability and prices of certain commodities (those in which Russia is a leading global producer and exporter, such as wheat and sunflower oil), energy prices and exchange rates. However, it is hard to estimate how these variables will evolve in the coming months.

Despite the uncertainty and impossibility of making reliable estimates, the Parent's directors believe that the current situation and its consequences are not and should not have a material impact on the 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, has downsized its dry pasta business significantly in 2021 and 2020 (note 5). 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 could have on the prices of wheat sourced from other markets).

- With respect to the global economic impact, the types 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 significant impact on the Group's businesses.

In light of the foregoing, the Parent's directors believe that these events do not imply the need to make any adjustments whatsoever to its financial statements for the year ended December 31, 2021.

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

(THOUSANDS OF EUROS)

APPENDIX: DISCLOSURES REQUIRED UNDER ARTICLE 42 BIS OF REGULATION 1065/2007 OF JULY 27, 2017 (extension of note 27)

COMPANY	ACCOUNT ID CODE	BIC CODE	ACCOUNT CODE	BANK	BRANCH	COUNTRY OF LOCATION OF THE BANK	DATE OPENED	BALANCES AT DEC. 31 (EUROS)	AVERAGE BALANCE LAST QUARTER (EUROS)	% INTEREST	CURRENCY
Herba Ricemills, S.L.U.	IBAN	CITIGB2L	GB42 CITI 1850 0811 2932 65	CITIBANK NA	London	United Kingdom	12-05-2006	0.00	0.00	100%	GBP
	IBAN	CITIGB2L	GB20 CITI 1850 0811 2932 73	CITIBANK NA	London	United Kingdom	12-05-2006	0.00	0.00	100%	USD
Herba Foods	IBAN	CITIGB2L	GB26 CITI 1850 0811 2301 15	CITIBANK NA	London	United Kingdom	18-05-2006	3,861,407.67	1,852,672.54	100%	GBP
	IBAN	CITIGB2L	GB04 CITI 1850 0811 2301 23	CITIBANK NA	London	United Kingdom	18-05-2006	14,160,052.71	1,187,628.24	100%	USD
	IBAN	CITIGB2L	GB48 CITI 1850 0811 2301 07	CITIBANK NA	London	United Kingdom	18-05-2006	(16,841,208.02)	(2,554,763.17)	100%	EUR
Agromeruan	IBAN	BMCEMAMC	011735000012100006819.79	BMCE	Larache	Morroco	2007	4,313.95	18,373.46	100%	MAD
	IBAN	CDMAMAMC	021 735 0000 080 030 183549 61	Crédit du Maroc	Larache	Morroco	oct-21	9,508.87	9,508.87	100%	MAD
	IBAN	CAIXAMAMC	003 640 64000000011 70268 43	CaixaBank - Tanger	TANGER	Morroco	sep-21	0.00	0.00	100%	MAD
Anglo Australian Rice LTD	IBAN	BARCGB22	GB93BARC20510130115193	BARCLAYS BANK	Liverpool	United Kingdom	01-11-1986	15,221.00	15,221.00	100%	GBP
	IBAN	BARCGB22	GB54BARC20510159121999	BARCLAYS BANK	Liverpool	United Kingdom	01-08-2001	0.00	0.00	100%	EUR
Arrozeiras Mundiarroz, S.A.	IBAN	CITIPTPX	PT50016900010003181600936	CITIBANK Internacional, plc	Lisbon	Portugal	24-07-2006	0.00	0.00	100%	EUR
	IBAN	CITIGB2L	GB88CITI18500811257226	CITIBANK NA	London	United Kingdom	26-07-2006	0.00	0.00	100%	USD
	IBAN	CITIGB2L	GB40CITI18500811247905	CITIBANK NA	London	United Kingdom	26-07-2006	0.00	0.00	100%	EUR
	IBAN	BESCPTPL	PT50000702450011754000839	NovoBanco	Coruche	Portugal	14-02-1994	14,955.87	105,874.08	100%	EUR
	IBAN	BESCPTPL	PT50000702450011754110158	NovoBanco	Coruche	Portugal	15-12-1997	0.00	0.00	100%	USD
	IBAN	BBVAPTPL	PT50001900000020004690004	BBVA	Lisbon	Portugal	18/02/1992	1,070.33	801.57	100%	EUR
	IBAN	BBVAPTPL	PT50001900000024000185188	BBVA	Lisbon	Portugal	08-02-1994	0.00	0.00	100%	USD
Bertolini, GMBH	IBAN	COBADEFF	DE63 2004 0000 0623 7036 00	Commerzbank AG	Hamburg	Germany	01-01-2013	45,210.30	157,538.22	100%	EUR
Boost Nutrition, N.V.	IBAN	CITIBEBX	BE53570128815553	CITIBANK NA	Brussels	Belgium	15-06-2006	0.00	0.00	100%	EUR
	IBAN	CITIGB2L	GB72CITI18500811229966	CITIBANK NA	London	UK	14-06-2006	0.00	0.00	100%	USD
	IBAN	GKCCBEBB	BE73552273580060	Belfius bank	Antwerp	Belgium	02-05-1996	720,937.37	354,560.69	100%	EUR
	IBAN	GKCCBEBB	BE73552273580060 USD	Belfius bank	Antwerp	Belgium	02-05-1996	0.00	0.00	100%	USD
Ebro Foods GMBH	IBAN	COBADEFF	DE05200400000623709300	Commerzbank	Hamburg	Germany	01-07-2011	14,873.83	28,920.39	100%	EUR
Ebro Rice Handling, BVBA (antigua	IBAN	CITIBEBX	BE75570130425551	CITIBANK NA	Brussels	Belgium	14-04-2008	0.00	0.00	100%	EUR
EF Alimentación, SRL de CV	CLABE	BCMRMXMM	187408390	BBVA BANCOMER, S.A.	Mexico DF	Mexico	Aug/7/2011	3,724.39	4,242.27	100%	MXP
	CLABE	BCMRMXMM	187409842	BBVA BANCOMER, S.A.	Mexico DF	Mexico	Aug/7/2011	20,040.61	19,849.58	100%	USD
Ebrofrost Denmark A/S	IBAN	CITIGB2L	GB79CITI18500811230034	CITIBANK NA	London	United Kingdom	26-07-2006	(4,615,767.79)	(4,750,000.00)	100%	EUR
	IBAN	CITIGB2L	GB79CITI18500813428915	CITIBANK NA	London	United Kingdom	23-04-2013	15,811.29	15,500.00	100%	USD
	IBAN	JYBADKKK	DK5650600001063204	Jyske Bank A/S	Odense	Denmark	01-01-2014	(4,647,072.80)	(2,567,425.00)	100%	DKK
	IBAN	JYBADKKK	DK3450600001063212	Jyske Bank A/S	Odense	Denmark	01-01-2014	920,421.56	152,688.00	100%	EUR
Ebrofrost Germany, GmBH	IBAN	BYLADEM1GZK	DE83720518400000161315	Sparkasse Günzburg/Krumbach	Günzburg	Germany	06.01.2013	2,289,489.40	1,884,760.97	100%	EUR
Ebrofrost Holding GmbH	IBAN	BYLADEM1GZK	DE49720518400040319345	Sparkasse Günzburg/Krumbach	Günzburg	Germany	01-06-2013	1,042,534.09	626,901.54	100%	EUR
Ebrofrost UK Limited	IBAN	BYLADEM1GZK	DE28720518400005600028	Sparkasse Günzburg/Krumbach	Günzburg	Germany	17-06-2015	184.52	184.52	100%	GBP
	IBAN	BYLADEM1GZK	DE27720518400040428187	Sparkasse Günzburg/Krumbach	Günzburg	Germany	16-10-2015	(1,078.52)	304,761.64	100%	EUR
Ebro Foods Nederl. Brands, B.V.	IBAN	CITINL2X	NL37CITI0266064566	Citibank	Amsterdam	Netherlands	18-01-2012	(5,836.32)	(3,894.45)	100%	EUR
	IBAN	CITIGB2L	GB83CITI18500814059840	Citibank	London	United Kingdom	31-12-2014	0.00	0.00	100%	USD
	IBAN	RABONL2U	NL25RABO0310990335	Rabobank	Utrecht	Netherlands	11-07-2016	36.19	617.41	100%	USD
Ebro India Private Limited	IBAN	HDFCINBB	50200001041939	HDFC Bank LTd	TARAORI	India	24-05-2013	871,552.13	1,882,945.76	100%	INR
	IBAN	CITIINBX	521059001	Citi bank	New Delhi	India	18-09-2013	137,615.66	434,623.44	100%	INR
	IBAN	BOFA0ND6216	24871013	Bank of America	New Delhi	India	24-08-2014	47,146.74	193,013.33	100%	INR
	IBAN	BOFA0ND6216	Loan	Bank of America	New Delhi	India	24-08-2014	(6,499,127.41)	(1,168,501.86)	100%	USD
	IBAN	BNPAINBBDEL	0906511493200162	BNP PARIBAS	New Delhi	India	28-10-2015	31,483.87	97,571.23	100%	INR
	IBAN	BNPAINBBDEL	refer PCFC Loan Sheet	BNP PARIBAS	New Delhi	India	28-10-2015	(441,463.15)	(1,168,501.86)	100%	INR
	IBAN	INDB0000073	259996544504	IndusInd Bank	Karnal	India	14-03-2017	24,047.99	70,979.95	100%	INR
	IBAN	UCBA0002323	23230210001110	UCO Bank	Karnal	India	06-05-2017	212.15	626.53	100%	INR
	IBAN	HSBC0110005	054708284001	HSBC	New Delhi	India	20-11-2018	194,650.72	454,617.54	100%	INR
	Other	HSBC0110005	Loan	HSBC	New Delhi	India	20-11-2018	(222,010.12)	0.00	100%	USD
	Other	CRLY0000002	02006017100000	Credit Agricole	New Delhi	India	21-12-2019	45,380.92	2,294,222.26	100%	USD
	Other	CHAS0INBX02	5622411725	Jp Morgan	New Delhi	India	26-06-2020	106,362.05	515,872.22	100%	INR
	Other	CRLY0000002	refer PCFC Loan Sheet	Credit Agricole	New Delhi	India	02-01-2020	(711,582.56)	not available	100%	INR
	Other	CRLY0000002	refer PCFC Loan Sheet	Credit Agricole	New Delhi	India	02-11-2020	(1,797,312.94)	not available	100%	INR
	Other	CHAS0INBX02	refer PCFC Loan Sheet	Jp Morgan	New Delhi	India	23-07-2020	(916,232.47)	(1,947,503.11)	100%	INR
	Other	CHAS0INBX02	refer PCFC Loan Sheet	Jp Morgan	New Delhi	India	29-07-2020	(1,140,400.69)	(1,947,503.11)	100%	INR
	Other	CHAS0INBX02	Refer WCDL Sheet	Jp Morgan	New Delhi	India	26-11-2020	(5,936,197.75)	(1,978,732.58)	100%	INR
	Other	BNPA0009065	Refer WCDL Sheet	BNP PARIBAS	New Delhi	India	28-10-2015	(3,561,718.65)	(1,187,239.55)	100%	INR
	Other	BOFA0ND6216	Refer WCDL Sheet	Bank of America	New Delhi	India	28-08-2014	(3,561,718.65)	(1,187,239.55)	100%	INR
Ebrosur, SRL	CBU	BSCHARBA	034753/2	Banco Santander Rio SA	Buenos aires	Argentina	15-06-2016	176,857.23	1,347,937.00	100%	ARG
	CBU	BSCHARBA	034754/9	Banco Santander Rio SA	Buenos aires	Argentina	15-06-2016	392.62	392.62	100%	USD
Euryza GMBH	IBAN	COBADEHHXXX	DE04200400000621702000	Commerzbank AG	Hamburg	Germany	2000	(5,878.80)	13,351.22	100%	EUR
	IBAN	CITIDEFFXXX	DE83502109000214587009	Citigroup	Frankfurt	Germany	01-02-2007	0.00	0.00	100%	EUR

(THOUSANDS OF EUROS)

COMPANY	ACCOUNT ID CODE	BIC CODE	ACCOUNT CODE	BANK	BRANCH	COUNTRY OF LOCATION OF THE BANK	DATE OPENED	BALANCES AT DEC. 31 (EUROS)	AVERAGE BALANCE LAST QUARTER (EUROS)	% INTEREST	CURRENCY
Euro Rice Flour, B.V.	IBAN	ABNANL2A	NL15ABNA0240369394	ABN AMRO Bank NV	Amsterdam	the Netherlands	11-03-2010	101,159.18	3,680.11	100%	EUR
Fentus 61 GmbH	IBAN	COBADEFFXXX	DE47 2004 0000 0626 0509 00	Commerzbank AG	Hamburg	Germany	01-02-2017	4,084.89	6,931.84	100%	EUR
Gourmet Foods and Bever. Ltd.	Other	203883	43597741	Barclays Bank	UK	UK	11-02-2015	326.54	324.34	100%	GBP
	Other	400106	02602865	HSBC	UK	UK	11-02-2015	153.11	178.11	100%	GBP
Herba Bangkok, S.L.	Other	CITITHBX	5-126385-015	CITIBANK NA	Bangkok	Thailand	11-06-2008	1,106,839.62	860,357.03	100%	THB
	Other	CITITHBX	0-126385-005	CITIBANK NA	Bangkok	Thailand	11-06-2008	0.00	0.00	100%	THB
	Other	CITITHBX	5-126385-104	CITIBANK NA	Bangkok	Thailand	25-09-2015	1,043,643.68	711,551.45	100%	USD
	Other	CITITHBX	N/A	CITIBANK NA	Bangkok	Thailand	11-06-2008	0.00	90,400,000.00	100%	THB
	Other	BNPATHBK	00010 000632 040 83	BNP Paribas Bank	Bangkok	Thailand	02-10-2006	284,087.92	284,087.92	100%	THB
	Other	BNPATHBK	00010 000632 000 09	BNP Paribas Bank	Bangkok	Thailand	02-10-2006	50,000.00	50,000.00	100%	THB
	Other	BNPATHBK	00010 000632 040 83 USD	BNP Paribas Bank	Bangkok	Thailand	25-06-2013	0.00	0.00	100%	USD
	Other	BNPATHBK	N/A	BNP Paribas Bank	Bangkok	Thailand	02-10-2006	0.00	0.00	100%	THB
	Other	BOFATH2X	33243 017	Bank of America	Bangkok	Thailand	03-08-2016	1,191,248.49	14,325,620.39	100%	THB
	Other	BOFATH2X	33243 025 USD	Bank of America	Bangkok	Thailand	03-08-2016	812,372.00	760,868.53	100%	USD
	Other	BOFATH2X	N/A	Bank of America	Bangkok	Thailand	03-08-2016	0.00	0.00	100%	THB
	Other	KRTHTHBK	092-0-03203-6	Krungthai Bank PCL.	MEA Ploenchit	Thailand	25-08-2006	1,720,228.79	1,846,837.60	100%	THB
Herba Cambodia Co, Ltd	Other	ABAAKHPP	000206556	Advanced Bank Of Asia Ltd	Phnom Penh	Cambodia	11-07-2016	93,736.66	51,068.90	100%	USD
	Other	ABAAKHPP	000373587	Advanced Bank Of Asia Ltd	Phnom Penh	Cambodia	02-02-2018	20,765,099.19	124,459,992.19	100%	KMR
Herba Germany GMBH	IBAN	COBADEFFXXX	DE96 2004 0000 0622 0057 00	Commerzbank AG	Hamburg	Germany	2005	(17.85)	(17.16)	100%	EUR
	IBAN	CITIDEFFXXX	DE60502109000214588005	Citigroup	Frankfurt	Germany	12-2006	0.00	0.00	100%	EUR
Herba Ingredients Belgium B, BV	IBAN	KREDBEBB	BE29735042745864	KBC Bank NV	Brussels	Belgium	06-04-2016	589,422.48	32,076.65	100%	EUR
	IBAN	KREDBEBB	BE11 7380 1830 6548	KBC Bank NV	Brussels	Belgium	30-06-2006	48,251.78	26,036.24	100%	EUR
	IBAN	KREDBEBB	BE55736064832844	KBC Bank NV	Brussels	Belgium	02-12-2019	319,254.92	30,397.35	100%	EUR
Herba Ingredients, B.V.	IBAN	CITINL2X	NL08CITI0266059171	CITIBANK NA	Amsterdam	the Netherlands	10-01-2013	0.00	(104,889.50)	100%	EUR
	IBAN	CITIGB2L	GB84CITI18500813594416	CITIBANK NA	London	United Kingdom	10-01-2013	0.00	(2,858.69)	100%	USD
	IBAN	CITIGB2L	GB82CITI18500810232335	CITIBANK NA	London	United Kingdom	13-12-2018	0.00	0.00	100%	GBP
	IBAN	KREDBEBB	BE19731041645812	KBC Bank NV	Brussels	Belgium	22-01-2016	5,010.30	10,388.51	100%	EUR
	IBAN	DEGRBEBB	BE05676528001375	Degroof Petercam	Brussels	Belgium	11-05-2021	0.00	0.00	100%	EUR
Herba Ingredients SC, BV	IBAN	KREDBEBB	BE56 7380 0432 3188	KBC Bank NV	Brussels	Belgium	19-10-2001	420,968.07	27227,60,	100%	EUR
Herba Ingredients Netherl., BV	IBAN	CITINL2X	NL45CITI0266065295	Citibank	Amsterdam	Netherlands	14-02-2012	0.00	3,042.57	100%	EUR
Indo European Foods Limited	Other	203909	44044299	Barclays Bank	Leicestershire	UK	12-08-2021	0.00	0.00	100%	EUR
	IBAN	203909	GB42BARC20390965944844	Barclays Bank	Leicestershire	UK	31-05-2019	747.81	39,809.70	100%	EUR
	IBAN	203909	GB19BARC20390943390527	Barclays Bank	Leicestershire	UK	22-02-2017	277,609.07	415,273.04	100%	GBP
	Other	203909	60710946	Barclays Bank	Leicestershire	UK	20-08-2019	1,093,004.76	726,335.35	100%	GBP
	Other	203909	80119482	Barclays Bank	Leicestershire	UK	12-08-2021	724,545.51	518,252.86	100%	GBP
	Other	203909	43804211	Barclays Bank	Leicestershire	UK	20-08-2019	16.08	15.87	100%	USD
	IBAN	203909	GB94BARC20390988126644	Barclays Bank	Leicestershire	UK	31-05-2019	118.98	930.03	100%	USD
International Pulse Ingredients Company, BV	IBAN	ABNANL2A	NL37ABNA0240369386	ABN AMRO Bank NV	Amsterdam	the Netherlands	11-03-2010	23,910.81	2,644.07	100%	EUR
Joseph Heap Property	IBAN	BARCGB22	GB52BARC20510170619930	BARCLAYS BANK	Liverpool	United Kingdom	01-02-2004	0.00	0.00	100%	GBP
Joseph Heap&Sons, LTD	IBAN	BARCGB22	GB41BARC20510170416428	BARCLAYS BANK	Liverpool	United Kingdom	01-11-1986	0.00	0.00	100%	GBP
	IBAN	BARCGB22	GB70BARC20510187433877	BARCLAYS BANK	Liverpool	United Kingdom	01-05-2000	0.00	0.00	100%	EUR
Katania Magrheb, SARL	IBAN	BMCEMAMC	011 735000001210001356226	BMCE Bank	Larache	Morroco	10-02-2017	143,106.37	153,238.62	100%	MAD
La Loma Alimentos, S.A.	CBU	SCBLUS33XXX	000 - 000336637	Banco Santander Rio SA	Buenos Aires	Argentina	23/07/2013	3,991.14	2,900.49	100%	ARG
	CBU	BSCHARBA	000-00035161/0	Banco Santander Rio SA	Buenos Aires	Argentina	20/01/2017	116.46	78.73	100%	ARG
	CBU	BSCHARBA	000-036430/6	Banco Santander Rio SA	Buenos Aires	Argentina	03/05/2018	0.00	0.00	100%	USD
	CBU	BSCHARBA	000-036429/0	Banco Santander Rio SA	Buenos Aires	Argentina	05-03-2018	0.00	0.00	100%	USD
	CBU	BERAARBAXXX	42006614643	Nuevo Banco de Entre Ríos	Entre Rios	Argentina	22/05/2002	11,974.50	10,457.66	100%	ARG
	CBU	BFRPARBAXXX	068-000848/6	BBVA Banco Francés S. A.	Buenos Aires	Argentina	24-10-2018	1,510.33	1,512.31	100%	USD
	CBU	BFRPARBAXXX	068/0314544/9	BBVA Banco Francés S. A.	Buenos Aires	Argentina	24-10-2018	71,680.85	64,302.31	100%	ARG
	CBU	BFRPARBAXXX	068/314545/6	BBVA Banco Francés S. A.	Buenos Aires	Argentina	24-10-2018	1.60	1.63	100%	ARG
	CBU	BFRPARBAXXX	068/0314544/9	BBVA Banco Francés S. A. - Valores a depositar	Concordia	Argentina	24-10-2018	101,426.39	97,106.98	100%	ARG
	IBAN	BBVAESMM	ES3801826204582012463035	BANCO FRANCES Cta ESPAÑA	Sevilla (SUC 6204)	Spain	13-11-2019	48,544.17	96,176.23	100%	USD
	IBAN	BBVAESMM	ES2801826204520201545968	BANCO FRANCES Cta ESPAÑA	Sevilla (SUC 6204)	Spain	18-11-2019	0.00	0.00	100%	EUROS
	CBU	BFRPARBAXXX	068/000003/6	BBVA Banco Francés S. A.	Buenos Aires	Argentina	24-10-2018	0.00	1,169.69	100%	EUROS
	PRE FINANCING	BBVAESMM	ES3801826204582012463035	BBVA España	Spain	Spain	13-11-2019	(5,049,202.10)	(4,775,217.68)	100%	USD
Mediterranean Food Labels, BV	IBAN	CITINL2X	NL59CITI0266064558	Citibank	Amsterdam	Netherlands	17-01-2012	0.00	0.00	100%	EUR
Mundi Riso, S.R.L.	IBAN	CITIITMX	IT12D0356601600000122474011	CITIBANK NA	Milan	Italy	27-06-2006	0.00	0.00	100%	EUR
	IBAN	CITIGB2L	GB22CITI18500811257250	CITIBANK NA	London	United Kingdom	14-06-2006	0.00	0.00	100%	USD
	IBAN	BAPPIT21I87	IT32Q0503410000000000005783	BANCA POPOLAE DI NOVARA	Vercelli	Italy	27-03-1996	15,337.35	69,379.34	100%	EUR
	IBAN	BAPPIT21I87	IT76U0503410000USD100003375	BANCO BPM S.P.A.	Vercelli	Italy	26-01-2017	239.89	272.22	100%	USD

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Mundi Riz, S.A.	IBAN	BMCEMAMC	0117350000012100060709.11	BMCE	Larache	Morroco	2001	208,454.19	290,273.42	100%	MAD
	IBAN	CAIXAMAMC	003 640 64000000011 70167 55	CaixaBank - Tanger	TANGER	Morroco	sep-21	8,483.19	8,483.19	100%	MAD
	IBAN	BMCEMAMC	011 735 0000 01 66600 60709 27	BMCE	Larache	Morroco	2009	84.86	89.04	100%	MAD
	IBAN	BMCEMAMC	011 735 000 501 66500 12519 30	BMCE	Larache	Morroco	2015	2,121,349.01	2,141,027.68	100%	Euro
	IBAN	CDMAMAMC	021 735 0000 080 030 167465 07	CDM	Larache	Morroco	01-03-2018	6,889.97	7,510.20	100%	MAD
Neofarms Bio, S.A.	CBU	BFRPARBAXXX	0170068826000000084796	BBVA Banco Francés S. A.	Concordia	Argentina	24/10/2018	24.91	24.94	60%	USD
	CBU	BFRPARBAXXX	0170068820000031454182	BBVA Banco Francés S. A.	Concordia	Argentina	24/10/2018	112,989.48	54,710.91	60%	ARG
	CBU	BFRPARBAXXX	0170068820000031454250	BBVA Banco Francés S. A.	Concordia	Argentina	24/10/2018	3.43	3.48	60%	ARG
	CBU	BFRPARBAXXX	0170068821000000000296	BBVA Banco Francés S. A.	Concordia	Argentina	14-01-2019	1,310.82	1,322.73	60%	EUROS
	CBU	BFRPARBAXXX	0170068820000031454182	BBVA Banco Francés S. A. - Valores a depositar	Concordia	Argentina	24/10/2018	5,379.95	6,766.97	60%	ARG
	IBAN	BBVAESMM	ES5701826204542012468030	BANCO FRANCES Cta ESPAÑA	Sevilla (SUC 6204)	Spain	24-03-2020	44,868.25	43,308.39	60%	USD
	PRE FINANCING	BBVAESMM	ES5701826204542012468030	BBVA Banco Francés S. A.	Concordia	Argentina	24-03-2020	(5,053,864.26)	(4,577,783.28)	60%	USD
N&C Boost, NV	IBAN	GKCCBEBB	BE49552273940071	Belfius bank	Antwerp	Belgium	02-05-1996	1,262,793.04	1,274,393.11	100%	EUR
	IBAN	GKCCBEBB	BE12055950094292	Belfius bank	Antwerp	Belgium	02-05-1996	0.00	0.00	100%	EUR
Reiskontor Handels, GMBH	IBAN	COBADEFFXXX	DE70200400000621701200	Commerzbank AG	Hamburg	Germany	2001	24,669.30	24,046.02	100%	EUR
Rice&Cereals Consultancy, BV	IBAN	KREDBEBB	BE28 7381 0728 1820	KBC	Sint Kruis	Belgium	not available	70 014,49	58,625.77	100%	EUR
Riceland Magyarorszag	IBAN	CITIHUHX	HU96 10800007 54873009	Citibank	Budapest	Hungary	13-04-2006	411,441.50	228,877.12	100%	HUF
	IBAN	CITIHUHX	HU19 10800007 74873025	Citibank	Budapest	Hungary	26-04-2006	1,369.38	1,369.38	100%	HUF
	IBAN	CITIHUHX	HU09 10800007 64873017	Citibank	Budapest	Hungary	13-04-2006	0.00	0.00	100%	EUR
Risella OY	IBAN	CITIFIHX	FI9571307001700049	Citibank Int. Plc Finland	Helsinki	Finland	23-05-2006	0.00	0.00	100%	EUR
Rivera del Arroz, S.A.	IBAN	BMCEMAMC	0117350000012100060728.51	BMCE Bank	Larache	Morroco	2002	7,633.21	8,385.60	100%	MAD
SBS Commodities, BV	IBAN	ABNANL2A	NL34ABNA0240369440	ABN AMRO Bank NV	Amsterdam	the Netherlands	11-03-2010	28,535.91	1,335.38	100%	EUR
Suntra Rice BV	IBAN	ABNANL2A	NL56ABNA0240369432	ABN AMRO Bank NV	Amsterdam	The Netherlands	11-03-2010	28,161.57	1,296.52	100%	EUR
S&B Herba Foods, Ltd.	IBAN	CITIGB2L	GB04CITI18500811230026	CITIBANK NA	London	United Kingdom	06-02-2006	0.00	0.00	100%	GBP
	IBAN	CITIGB2L	GB06CITI18500811229990	CITIBANK NA	London	United Kingdom	06-06-2012	0.00	0.00	100%	EUR
	IBAN	CITIGB2L	GB18CITI18500811247913	CITIBANK NA	London	United Kingdom	06-02-2006	0.00	0.00	100%	USD
	IBAN	BARCGB22	GB66BARC20000020118044	BARCLAYS BANK	London	United Kingdom	01-04-1992	32,629.00	31,756.00	100%	GBP
	IBAN	BARCGB22	GB42BARC20000085332255	BARCLAYS BANK	London	United Kingdom	01-10-1998	0.00	0.00	100%	EUR
	IBAN	BARCGB22	GB85BARC20000055842899	BARCLAYS BANK	London	United Kingdom	01-12-1992	0.00	0.00	100%	USD
	IBAN	BARCGB22	GB19BARC20000086447199	BARCLAYS BANK	London	United Kingdom	01-04-1992	0.00	0.00	100%	USD
TAG Nahrungsmittel, GMBH	IBAN	COBADEFFXXX	DE12200400000623705100	Commerzbank	Hamburg	Germany	01-08-2011	9,934.00	4,061.22	100%	EUR
TBA Suntra Beheer B.V.	IBAN	ABNANL2A	NL25ABNA0240369408	ABN AMRO Bank NV	Amsterdam	the Netherlands	11-03-2010	2,141.40	2,150.94	100%	EUR
TBA Suntra B.V.	IBAN	ABNANL2A	NL59ABNA0240369378	ABN AMRO Bank NV	Amsterdam	the Netherlands	11-03-2010	4,446.03	10,783.71	100%	EUR
	IBAN	ABNANL2A	NL11ABNA0242125360	ABN AMRO Bank NV	Amsterdam	the Netherlands	01-04-2011	5,749.84	5,749.84	100%	USD
	IBAN	CITINL2X	NL62CITI0266064698	CITIBANK NA	Amsterdam	the Netherlands	21-02-2012	0.00	(9,887.00)	100%	EUR
	IBAN	CITIGB2L	GB88CITI18500813090817	CITIBANK NA	London	United Kingdom	21-02-2012	0.00	0.00	100%	USD
Transimpex Warenhandelsgesell-Schaft, GmbH	IBAN	COBADEFFXXX	DE70 5454 0033 0703 0075 00	Commerzbank AG	Ludwigshafen	Germany	01-10-2017	691,626.26	1,222,475.55	100%	EUR
	IBAN	SOLDAES1HDB	DE47 6725 0020 0009 1217 22	Sparkasse	Heidelberg	Germany	01-07-2008	2,904,880.20	1,230,758.15	100%	EUR
	IBAN	COBADEFF545	DE14 5454 0033 0209 9901 00	Comerzbank AG	Ludwigshafen	Germany	01-03-2006	160,963.51	537,136.31	100%	EUR
	IBAN	GENODE61MA2	DE11 6709 0000 0015 1800 05	VR Bank Rhein-Neckar eG	Mannheim	Germany	01-03-1996	1,542,374.76	544,177.75	100%	EUR
	IBAN	HYVEDEMM489	DE40 6702 0190 0007 0683 28	Hypo Vereinsbank	Mannheim	Germany	01-06-1999	1,029,665.81	1,527,540.54	100%	EUR
	IBAN	HYVEDEMMXXX	DE03 7002 0270 0874 3304 42	Hypo Vereinsbank	Mannheim	Germany	01-10-1999	428.038,39 USD	175.410,92 USD	100%	USD
	IBAN	HYVEDEMM489	DE05 6702 0190 0023 0897 69	Hypo Vereinsbank	Mannheim	Germany	01-10-2014	0.00	0.00	100%	USD
Vogan, LTD	IBAN	BARCGB22	GB23BARC20748190929786	BARCLAYS BANK	Sandy	United Kingdom	01-06-1987	0.00	0.00	100%	GBP
	IBAN	BARCGB22	GB87BARC20748172495433	BARCLAYS BANK	St Neots	United Kingdom	01-01-2001	0.00	0.00	100%	EUR