FINANCIAL STATEMENTS AND MANAGEMENT REPORT

FOR THE YEAR ENDED

December 31, 2024

EBRO FOODS, S.A.

CONTENTS

EBRO FOODS, S.A. BALANCE SHEET AT DECEMBER 31, 2024 AND 2023 Thousands of euros			
ASSETS	**Note**	**31.12.2024**	**31.12.2023**
A) NON-CURRENT ASSETS		**1,770,370**	**1,897,058**
I. Intangible assets	**5**	**9,983**	**10,965**
2. Concession assets		72	75
3. Patents, licences and trademarks		8,546	10,481
5. Software		1,365	409
II. Property, plant and equipment	**6**	**445**	**509**
2. Plant and other PP&E		445	509
III. Investment property	**7**	**8,387**	**8,400**
1. Land		7,273	7,273
2. Buildings		1,114	1,127
IV. Non-current investments in group companies and associates	**8**	**1,744,267**	**1,870,508**
1. Equity instruments		1,744,267	1,870,508
V. Non-current financial assets	**9**	**134**	**146**
5. Other financial assets		134	146
VI. Deferred tax assets	**15**	**7,154**	**6,530**
B) CURRENT ASSETS		**16,696**	**32,392**
III. Trade and other receivables	**9 & 10**	**15,269**	**16,930**
1. Trade receivables		29	121
2. Trade receivables, group companies and associates	**17**	13,631	12,566
3. Miscellaneous receivables		3	1
4. Receivable from employees		189	191
5. Current tax assets	**15**	85	2,723
6. Receivable from government agencies	**15**	1,332	1,328
VI. Accruals		**587**	**698**
VII. Cash and cash equivalents	**11**	**840**	**14,764**
1. Cash		840	14,764
TOTAL ASSETS		**1,787,066**	**1,929,450**

The accompanying notes 1 to 20 are an integral part of the balance sheet at December 31, 2024.

EBRO FOODS, S.A.
BALANCE SHEET AT DECEMBER 31, 2024 AND 2023
Thousands of euros

EQUITY AND LIABILITIES	Note	31.12.2024	31.12.2023
A) EQUITY		**1,287,749**	**1,310,657**
A.1) CAPITAL AND RESERVES	**12**	**1,287,749**	**1,310,657**
I. Capital		**92,319**	**92,319**
1. Issued capital		92,319	92,319
II. Share premium		**5**	**5**
III. Reserves		**1,116,787**	**1,184,772**
1. Legal and statutory reserves		18,464	18,464
2. Other reserves		1,098,323	1,166,308
VII. Profit for the year		**78,638**	**33,561**
A.2) VALUATION ADJUSTMENTS		**0**	**0**
A.3) GRANTS, DONATIONS AND BEQUESTS RECEIVED		**0**	**0**
B) NON-CURRENT LIABILITIES		**364,957**	**234,104**
I. Non-current provisions	**14**	**15,994**	**14,643**
1. Non-current employee benefit obligations		4,216	2,865
4. Other provisions		11,778	11,778
II. Non-current borrowings	**9**	**61,222**	**1,357**
2. Bank borrowings	**13**	60,000	0
4. Derivatives	**9**	1,222	1,345
5. Other financial liabilities		0	12
III. Non-current borrowings from group companies and associates	**17**	**250,912**	**184,877**
IV. Deferred tax liabilities	**15**	**36,829**	**33,227**
C) CURRENT LIABILITIES		**134,360**	**384,689**
III. Current borrowings:	**9**	**127,485**	**375,634**
2. Bank borrowings	**13**	127,485	375,634
V. Trade and other accounts payable:	**9**	**6,875**	**9,055**
1. Trade payables		577	567
2. Trade payables, group companies and associates		359	3,860
4. Employee benefits payable		4,575	4,351
5. Current tax liabilities	**15**	1,084	0
6. Other taxes payables	**15**	280	277
TOTAL EQUITY AND LIABILITIES		**1,787,066**	**1,929,450**

The accompanying notes 1 to 20 are an integral part of the balance sheet at December 31, 2024.

EBRO FOODS, S.A. STATEMENT OF PROFIT OR LOSS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 Thousands of euros	Note	2024	2023
CONTINUING OPERATIONS			
Revenue		**112,717**	**5,192**
Revenue form services rendered		4,333	3,765
Dividends from group companies and associates	**8 & 17**	108,171	1,166
Finance income from group companies	**17**	213	261
Other operating income		**4,886**	**5,012**
Ancillary and other operating income		4,886	5,012
Employee benefits expense		**(16,357)**	**(14,316)**
Wages, salaries and similar		(12,012)	(11,534)
Employee benefits		(1,420)	(1,422)
Termination benefits		(58)	0
Provisions		(2,867)	(1,360)
Other operating expenses		**(11,491)**	**(10,040)**
External services		(11,064)	(9,677)
Taxes other than income tax		(391)	(336)
Other operating expenses	**14**	(36)	(27)
Depreciation and amortization	**5, 6 & 7**	**(2,412)**	**(2,534)**
Impairment of and gains/(losses) on disposal of fixed assets		**99**	**233**
Gains/(losses) on disposals	**5 & 7**	99	233
OPERATING PROFIT/(LOSS)		**87,442**	**(16,453)**
Finance income		**288**	**984**
From marketable securities and other financial instruments:			
Third parties		288	984
Finance costs		**(10,196)**	**(10,728)**
Borrowings from group companies and associates	**17**	(7,714)	(8,499)
Third-party borrowings		(2,482)	(2,229)
Change in fair value of financial instruments		**123**	**4,185**
Held-for-trading portfolio and other securities	**9**	123	4,185
Exchange gains/(losses)	**9**	**(2,612)**	**(1,407)**
Impairment of and gains/(losses) on disposal of financial assets		**0**	**50,442**
Impairment and losses	**8**	0	643
Gains/(losses) on disposals	**8 & 9**	0	49,799
NET FINANCE INCOME/(COST)		**(12,397)**	**43,476**
PROFIT BEFORE TAX		**75,045**	**27,023**
Income tax	**15**	**3,593**	**6,538**
PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS		**78,638**	**33,561**
PROFIT FOR THE YEAR		**78,638**	**33,561**

The accompanying notes 1 to 20 are an integral part of the statement of profit or loss for the year ended December 31, 2024.

EBRO FOODS, S.A. STATEMENT OF RECOGNIZED INCOME AND EXPENSE FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 Thousands of euros	Note	2024	2023
A) Profit as per statement of profit or loss		**78,638**	**33,561**
Income and expense recognized directly in equity			
I. Measurement of financial instruments			
1. Valuation adjustments: financial assets at fair value	**9**	0	0
2. Other income/expense			
II. Cash flow hedges			
III. Grants, donations and bequests received			
IV. Actuarial gains and losses and other adjustments			
V. Tax effect		0	0
B) Total income and expense recognized directly in equity		**0**	**0**
Amounts reclassified to profit or loss			
VI. Measurement of financial instruments			
1. Valuation adjustments: financial assets at fair value	**9**	0	0
2. Other income/expense			
VII. Cash flow hedges			
VIII. Grants, donations and bequests received			
IX. Tax effect		0	0
C) Total amounts reclassified to profit or loss		**0**	**0**
TOTAL RECOGNIZED INCOME AND EXPENSE (A + B + C)		**78,638**	**33,561**

The accompanying notes 1 to 20 are an integral part of the statement of recognized income and expense for the year ended December 31, 2024.

EBRO FOODS, S.A.
STATEMENT OF TOTAL CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

Thousands of euros	Capital	Share premium	Reserves	Own shares	Retained earnings	Profit/(loss) for the year	Interim dividend	Other equity instruments	Valuation adjustments	Grants, donations and bequests received	TOTAL
OPENING BALANCE AT 31/12/2022	**92,319**	**5**	**1,057,904**	**0**	**0**	**214,562**	**0**	**0**	**0**	**0**	**1,364,790**
I. Restatements for changes in accounting criteria											0
II. Adjustments for misstatements											0
RESTATED BALANCE AT 1/1/2023	**92,319**	**5**	**1,057,904**	**0**	**0**	**214,562**	**0**	**0**	**0**	**0**	**1,364,790**
I. Total recognized income and expense						**33,561**			**0**		**33,561**
II. Transactions with shareholders and owners:	**0**	**0**	**(87,694)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(87,694)**
- Dividend distribution			(87,703)								(87,703)
- Transactions with own shares (net)			9								9
- Other transactions with shareholders			0								0
III. Other changes in equity			214,562			(214,562)					**0**
CLOSING BALANCE AT 31/12/2023	**92,319**	**5**	**1,184,772**	**0**	**0**	**33,561**	**0**	**0**	**0**	**0**	**1,310,657**
I. Restatements for changes in accounting criteria											0
II. Adjustments for misstatements											0
RESTATED BALANCE AT 1/1/2024	**92,319**	**5**	**1,184,772**	**0**	**0**	**33,561**	**0**	**0**	**0**	**0**	**1,310,657**
I. Total recognized income and expense						**78,638**			**0**		**78,638**
II. Transactions with shareholders and owners:	**0**	**0**	**(101,546)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(101,546)**
- Dividend distribution			(101,551)								(101,551)
- Transactions with own shares (net)			5								5
- Other transactions with shareholders			0								0
III. Other changes in equity			33,561			(33,561)					**0**
CLOSING BALANCE AT 31/12/2024	**92,319**	**5**	**1,116,787**	**0**	**0**	**78,638**	**0**	**0**	**0**	**0**	**1,287,749**

The accompanying notes 1 to 20 are an integral part of the statement of total changes in equity for the year ended December 31, 2024.

EBRO FOODS, S.A. STATEMENT OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 Thousands of euros	Note	2024	2023
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		**81,434**	**11,889**
1. Profit for the year before tax		**75,045**	**27,023**
2. Adjustments for non-cash income and expenses:		**(90,807)**	**(41,242)**
a) Depreciation and amortization (+)	5, 6 & 7	2,412	2,534
b) Impairment charges (+/-)	8	0	(643)
c) Changes in provisions (+/-)	14	2,867	1,360
e) Gains/losses on derecognition and disposal of fixed assets (+/-)	7	(99)	(233)
f) Gains/losses on derecognition and disposal of financial instruments (+/-)	8	0	(49,799)
g) Finance income (-)		(501)	(1,245)
h) Finance costs (+)		10,073	6,543
i) Exchange differences (+/-)	9.1	2,612	1,407
k) Other income and expenses (+/-)		(108,171)	(1,166)
3. Working capital changes		**386**	**(2,904)**
b) Trade and other accounts receivable (+/-)		188	(815)
c) Other current assets (+/-)		111	(692)
d) Trade and other payables (+/-)		87	(1,397)
4. Other cash flows from operating activities		**96,810**	**29,012**
a) Interest paid (-)		(8,437)	(2,030)
b) Dividends received (+)		95,758	1,166
c) Interest received (+)		287	632
d) Income tax receipts (payments) (+/-)		9,202	29,244
NET CASH FLOWS FROM INVESTING ACTIVITIES		**(2,746)**	**13,346**
6. Payments for investments (-)		**(2,849)**	**428**
a) Group companies and associates		(1,494)	643
b) Intangible assets		(1,207)	(184)
c) Property, plant and equipment	6	(148)	(31)
7. Proceeds from disposals (+)		**103**	**12,918**
a) Group companies and associates		0	12,634
d) Investment properties		103	284
NET CASH FLOWS USED IN FINANCING ACTIVITIES		**(92,694)**	**(14,661)**
9. Proceeds from and payments for equity instruments		**(681)**	**(632)**
c) Acquisition of own equity instruments (-)		(681)	(632)
10. Proceeds from and repayment of financial liabilities		**9,538**	**73,674**
a) Issuance of:		**434,378**	**123,482**
2. Bank borrowings (+)		231,771	43,962
3. Borrowings from group companies and associates (+)		202,607	79,520
b) Repayment of:		**(424,840)**	**(49,808)**
2. Bank borrowings (-)		(420,162)	(32,780)
3. Borrowings from group companies and associates (-)		(3,682)	(16,050)
4. Other borrowings (-)		(996)	(978)
11. Dividends and payments on other equity instruments		**(101,551)**	**(87,703)**
a) Dividends (-)		(101,551)	(87,703)
EFFECT OF CHANGES IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS		**82**	**82**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(13,924)**	**10,656**
Cash and cash equivalents - opening balance		**14,764**	**4,108**
Cash and cash equivalents - closing balance		**840**	**14,764**

The accompanying notes 1 to 20 are an integral part of the statement of cash flows for the year ended December 31, 2024.

1. COMPANY INFORMATION

Ebro Foods, S.A., a Spanish public limited company (*sociedad anónima*), hereinafter, the Company, was created by the merger by absorption of Puleva S.A. into Azucarera Ebro Agrícolas S.A. on 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's current registered office is in Madrid (28046), at Paseo de la Castellana, 20. The Company's corporate object is to perform the following business activities in Spanish and foreign markets:

a) The production, preparation, sale, research, export and import of all manner of food and dietary products for both human and animal consumption, in addition to energy food products, including their by-products and waste, and, in particular, rice, pasta, sauces and all manner of nutritional products.

b) The production, exploitation and sale of all manner of food, soft and alcoholic beverages.

c) The use of by-products and the provision of services or products of all types relating to the aforementioned activities, including refrigeration cabinets, ice, industrial gas, steam, cold and energy.

d) The acquisition, lease, creation, installation, development and management of industrial, farming and livestock facilities in the food, nutrition and beverage (including alcohol) industries.

e) The performance of projects and installation work and the provision of all manner of technical assistance to other companies in the aforementioned industries; the creation, development, protection and use of patents, trademarks and other assets susceptible to intellectual property protection.

f) Staff training, computer programming or management, investment and monetization of resources, advertising and image, transport, distribution and sale and marketing activities that are ancillary or complementary to the aforementioned activities.

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

Ebro Foods, S.A. is the parent of a consolidated group comprising it and its subsidiaries and associates (the Ebro Group or the Group) with which it has separately presented consolidated financial statements for 2024, which were authorized for issue by the Board of Directors of Ebro Foods, S.A. on March 26, 2025. The 2023 consolidated financial statements were approved at the Annual General Meeting held by Ebro Foods, S.A. on June 5, 2024 and duly filed with Madrid’s Companies Register.

Going concern

The fact that Ebro Foods, S.A. is the parent of a consolidated group should be taken into consideration in assessing the working capital position typical of year-end (which at year-end 2024 was, actually, negative) in the separate annual financial statements of Ebro Foods, S.A., which, as the Group's parent company, has the option of financing itself via dividends and additional bank or Group financing, among other alternatives.

The key figures contained in the 2024 and 2023 consolidated financial statements, which were drawn up in accordance with Final Provision Eleven of Spanish Law 62/2003, of December 30, 2003, under the International Financial Reporting Standards approved by the European Commission, are replicated below:

Thousands of euros	At 31/12/2024		At 31/12/2023	
Total assets		**4,010,946**		**3,871,565**
Equity:		**2,365,149**		**2,222,133**
- Attributable to equity holders of the parent	2,329,616		2,185,159	
- Attributable to non-controlling interests	35,533		36,974	
Revenue		**3,140,493**		**3,084,457**
Profit for the year:		**228,829**		**205,011**
- Attributable to equity holders of the parent	207,867		186,964	
- Attributable to non-controlling interests	20,962		18,047	
Current assets less current liabilities		**522,954**		**434,829**

2. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

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

Financial reporting framework applicable to the Company

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

a) Spain’s Code of Commerce and other company law.

b) Spain's General Accounting Plan, enacted by Royal Decree 1514/2007, as amended in 2021 by Royal Decree 1/2021, of January 12, and other prevailing company law.

c) The binding rules issued by the ICAC (acronym in Spanish for the Audit and Accounting Institute) enacting the General Accounting Plan and its complementary rules and regulations.

d) Other applicable Spanish accounting regulations.

Fair presentation

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

These financial statements have been authorized for issue by the Company's directors and will be submitted for shareholder approval at the Annual General Meeting, at which they are expected to be ratified without modification. The financial statements for 2023 were approved by shareholders at the Annual General Meeting held on June 5, 2024.

Comparative information

The information provided in these financial statements in respect of 2024 is presented to enable a reader comparison with the 2023 figures.

Critical issues concerning the measurement and estimation of uncertainty

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

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

Taxation

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

Impairment of non-financial assets

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

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

Deferred tax assets

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

Provisions

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

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

Global geopolitical situation: War in Ukraine, Middle East conflict and other circumstances: Implications for the 2024 financial statements

More than three years on from the invasion of Ukraine by the Russian Federation on February 24, 2022, global uncertainty remains high. The international community reacted swiftly to that invasion, with many countries (including the European Union and United States) imposing sanctions on Russia and its people and lending military support to Ukraine. Since October 2023, the conflict between Israel and some of the regions around it has further undermined geopolitical stability and added more uncertainty to the financial and energy markets.

The difficulty in predicting how these conflicts will play out and their obvious geopolitical implications mean that it is not currently possible to estimate their potential future impact on the Group's businesses. Note that to date, those impacts have not been significant (refer to the 2023 financial statements).

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

- The Group has no subsidiaries, branches or operations in the regions affected by armed conflict. The Group does not have (and has not had in the recent past) factories, customers or suppliers in Ukraine, Russia, Israel or their neighbouring countries.

- With respect to the global economic impact, the type of products made by the Ebro Group makes its businesses more resilient during times of economic crisis. As a result, the Group does not anticipate a significant decrease in customer demand, loss of suppliers or other material adverse effects on its supply or distribution channels.

On the basis of the most updated information available, in order to duly reflect the prevailing and prospective impacts of these situations on the financial situation, performance and cash flows of Ebro Foods, S.A., the following specific disclosures are made:

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

2. In 2024, the trend in the Ebro Group's sales was positive and akin to that observed in prior years.

3. The Company and its Group continue to take the steps required to tackle these situations and minimize their impact. It believes that they are circumstantial and, based on its most recent estimates and its liquidity position as of the reporting date, will not compromise its ability to continue as a going concern.

Transactions concluded in 2024 that affect the basis of presentation

The Company did not undertake any transactions in 2024 or 2023 that affect the presentation or comparability of these financial statements.

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

a) Merger by absorption of Productos La Fallera, S.A.:

Refer to the 2003 financial statements.

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

Refer to the 2003 financial statements.

c) Non-monetary contribution to Ebro Financial Corporate Services S.L.:

Refer to the 2012 financial statements.

d) Liquidation of Azucarera Energías, S.A. in December 2015:

Refer to the 2015 financial statements.

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

Refer to the 2019 financial statements.

3. APPROPRIATION OF PROFIT

	Amount (thousands of euros)
Basis of appropriation:	
Unrestricted reserves	1,095,159
Profit for the year (as per statement of profit or loss)	78,638
	1,173,797

The appropriation of profit proposed by the directors of Ebro Foods, S.A. at a meeting of the Board of Directors held on December 17, 2024 for submission for ratification at the upcoming Annual General Meeting is as follows:

The profit generated by the Ebro Foods Group in 2024 makes it possible, as in prior years, to propose the payment of a cash dividend by Ebro Foods, S.A., with a charge against profit for the year and unrestricted reserves, of 0.69 euros per share, payable in the course of 2025, in a total amount of 106,167 thousand euros. The dividend will be paid out in three equal instalments of 0.23 euros per share on April 1, June 30, and October 1, 2025.

Limitations on the distribution of dividends

The Company 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. This reserve cannot be distributed to shareholders (Note 12.c) unless it exceeds, and only in the amount by which it exceeds, this 20% threshold.

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

4. RECOGNITION AND MEASUREMENT POLICIES

a) Intangible assets

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

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

(Thousands of euros)

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

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

b) Property, plant and equipment

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

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

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

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

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

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

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

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

c) Investment properties

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

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

d) Exchanges of assets

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

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

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

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

The Company assesses whether there is any indication that a non-current financial asset or cash-generating unit may be impaired at least at each reporting date. If there is any indication of impairment, it estimates their recoverable amounts.

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

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

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

f) Leases

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

Company as lessee

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

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

Company as lessor

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

g) *Financial assets*

1) Classification and measurement

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

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

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

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

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

1.2) Financial assets at amortized cost -

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

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

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

1.3) Financial assets at cost -

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

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

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

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

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

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

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

1.4) Financial assets at fair value through equity -

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

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

1.5) Hedging derivatives -

Derivatives designated as hedging instruments.

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

2) Derecognition

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

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

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

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

3) Interest and dividend income generated by financial assets

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

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

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

4) Reclassification of financial assets

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

h) Impairment of financial assets

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

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

Financial assets at amortized cost

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

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

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

Financial assets at cost

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

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

Financial assets at fair value through equity

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

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

i) Financial liabilities

1) *Classification and measurement*

1.1) Financial liabilities at amortized cost -

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

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

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

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

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

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

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

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

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

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

1.3) Hedging derivatives -

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

2) Derecognition

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

When debt instruments are exchanged, insofar as their contractual terms are substantially different, the original financial liability is derecognized and a new financial liability is recognized. Similarly, any substantial modification of the terms of an existing financial liability is also recognized.

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

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

j) Hedge accounting

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

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

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

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

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

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

- Fair value hedges: These arrangements hedge the risk of variations in the fair value of accounts receivable as a result of changes in exchange rates. The changes generated by exchange differences in respect of both the hedging instrument and the hedged item are recognized in profit or loss.

- Cash flow hedges: These instruments hedge the risk of variations in cash flows attributable to changes in the interest rates borne on loans taken on. The Company uses interest rate swaps to exchange floating for fixed rates. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognized temporarily in equity; the cumulative gain or loss is reclassified to profit or loss in the year or years in which the hedged transaction affects profit or loss.

- Hedges of net investments in foreign operations: These instruments hedge the foreign currency risk associated with the Company's net investments in its US subsidiaries. These hedges take the form of the dollar-denominated loans used to finance the acquisition of these businesses. The exchange gains and losses arising on both the hedging instrument and the US investments are recognized in profit or loss.

k) Fair value estimation

The fair value of financial instruments is determined as follows:

- The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market prices.

- Where there is no active market, fair value is determined using valuation techniques based on market assumptions at the time of the measurement, specifically discounted cash flow analysis using market discount rates and, in the case of options, factoring in the volatilities implicit in the market participants' prices.

Non-current financial assets

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

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

Trade receivables

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

Current financial assets

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

Bank borrowings

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

Trade and other payables

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

Fair value of financial instruments

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

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

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

l) Own shares

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

m) Cash and cash equivalents

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

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

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

n) Grants

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

Repayable grants are recognized as liabilities until they meet the criteria for classification as non-repayable. Until then, no income is recorded.

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

o) Provisions and contingencies

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

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

p) Provisions for long-term employee benefits

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

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

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

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

q) <u>Income tax</u>

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

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

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

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

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

Deferred tax assets and liabilities are measured using the tax rates expected to prevail upon their reversal, based on enacted tax legislation, and in the manner in which the Company reasonably expects to recover or settle the deferred tax asset or liability, respectively.

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

Amendments to Measurement Rule #13 of the Spanish General Accounting Plan derived from International Tax Reform - Pillar Two Model Rules

In May 2023, the IASB issued its amendments to IAS 12 *Income taxes* as a result of the Pillar Two global minimum tax rules published by the OECD Inclusive Framework on Base Erosion and Profit Shifting. Those amendments introduce, provisionally, a mandatory temporary exemption to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules. They also introduce additional disclosure requirements for affected entities to help users of their financial statements better understand an entity's exposure to Pillar Two income taxes. The amendments related with the mandatory temporary exemption and the disclosure requirements for consolidated financial statement purposes took effect in 2023. In Spain, the Audit and Accounting Institute, the ICAC for its acronym in Spanish, has published a briefing note stating its plans to foster a regulatory amendment so as to change Measurement Rule #13 of the General Accounting Plan in line with the content already approved by the European Union following adoption of the above-mentioned amendments to IAS 12. The Company already applied the amendments to Measurement Rule #13 in its separate financial statements for 2023.

r) Distinction between current and non-current

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

s) Income and expense

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

Revenue from sales of goods and rendering of services

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

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

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

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

t) Discontinued operations

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

u) Foreign currency transactions

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

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

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

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

v) Environmental assets and liabilities

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

x) Termination benefits

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

y) Related-party transactions

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

(Thousands of euros)

5. INTANGIBLE ASSETS

The reconciliation of the carrying amounts of the various items comprising intangible assets at the beginning and end of 2024 and 2023 is as follows:

Carrying amounts	Concession assets	Trademarks & patents	Computer software	Total
Balance at December 31, 2022	0	12,418	644	**13,062**
Balance at December 31, 2023	75	10,481	409	**10,965**
Balance at December 31, 2024	72	8,546	1,365	**9,983**

Gross carrying amounts	Concession assets	Trademarks & patents	Computer software	Total
Balance at December 31, 2022	**0**	**24,610**	**4,678**	**29,288**
Business combination				0
Additions	76		108	184
Decreases				0
Translation differences				0
Transfers				0
Balance at December 31, 2023	**76**	**24,610**	**4,786**	**29,472**
Business combination				0
Additions			1,207	1,207
Decreases				0
Translation differences				0
Transfers		(1)	1	0
Balance at December 31, 2024	**76**	**24,609**	**5,994**	**30,679**

Amortization and impairment charges	Concession assets	Trademarks & patents	Computer software	Total
Balance at December 31, 2022	**0**	**(12,192)**	**(4,034)**	**(16,226)**
Business combination				0
Additions	(1)	(1,937)	(343)	(2,281)
Decreases				0
Translation differences				0
Transfers				0
Balance at December 31, 2023	**(1)**	**(14,129)**	**(4,377)**	**(18,507)**
Business combination				0
Additions	(3)	(1,934)	(252)	(2,189)
Decreases				0
Translation differences				0
Transfers				0
Balance at December 31, 2024	**(4)**	**(16,063)**	**(4,629)**	**(20,696)**

At year-end 2024, the Company had fully amortized patents and trademarks with an original cost of 1,679 thousand euros (year-end 2023: 1,679 thousand euros) and computer software with an original cost of 4,354 thousand euros (year-end 2023: 3,526 thousand euros) still in use.

There were no significant movements under this heading in 2024 or 2023.

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

(Thousands of euros)

In 2024, the Company recognized 2,189 thousand euros of amortization charges in respect of these intangible assets (2023: 2,281 thousand euros); it did not recognize any impairment losses on these assets in either reporting period.

Although the Company did not identify potential indications that their carrying amount could exceed their fair value in 2024, it tested its brands for impairment at both year-ends. The mains assumptions made to test those brands for impairment are detailed next. The recoverable amount of the Company's trademarks and brands was determined by calculating their value in use, using cash flow projections that are based on budgets that cover a five-year horizon and are then projected for another five years. The table below presents the discount rates used to discount these assets' projected cash flows for the initial five-year projection period and the medium- to long-term growth rates used to extrapolate the cash flows for each CGU beyond that horizon:

	Pre-tax discount rate		Post-tax discount rate		Growth rate "*g*"	
	2024	2023	2024	2023	2024	2023
Lassie	8.75%	8.75%	7.00%	7.13%	2.00%	2.37%
Saludaes	9.75%	9.88%	8.00%	8.25%	1.88%	2.30%
Kohinoor	11.00%	11.38%	8.63%	9.00%	2.02%	2.54%

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

(Thousands of euros)

6. PROPERTY, PLANT AND EQUIPMENT

The reconciliation of the carrying amounts of the various items comprising property, plant and equipment at the beginning and end of 2024 and 2023 is as follows:

Carrying amounts	Land	Buildings	Plant and other PP&E	In progress and prepayments	Total
Balance at December 31, 2022	0	0	718	0	**718**
Balance at December 31, 2023	0	0	509	0	**509**
Balance at December 31, 2024	0	0	445	0	**445**

Gross carrying amounts	Land	Buildings	Plant and other equipment	In progress	Total
Balance at December 31, 2022	**0**	**0**	**6,183**	**0**	**6,183**
Additions			32		32
Decreases					0
Transfers					0
Balance at December 31, 2023	**0**	**0**	**6,215**	**0**	**6,215**
Additions			148		148
Decreases					0
Transfers					0
Balance at December 31, 2024	**0**	**0**	**6,363**	**0**	**6,363**

Depreciation and impairment charges	Land	Buildings	Plant and other equipment	In progress	Total
Balance at December 31, 2022	**0**	**0**	**(5,465)**	**0**	**(5,465)**
Additions			(241)		(241)
Decreases					0
Transfers					0
Balance at December 31, 2023	**0**	**0**	**(5,706)**	**0**	**(5,706)**
Additions			(211)		(211)
Decreases					0
Transfers			(1)		(1)
Balance at December 31, 2024	**0**	**0**	**(5,918)**	**0**	**(5,918)**

There were no significant movements under this heading in 2024 or 2023.

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

	2024	2023
Other fixtures, tools and furniture	2,367	2,443
Other assets	3,024	2,715

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

(Thousands of euros)

<u>Operating leases</u>

The Company has leased its headquarters in Madrid until April 1, 2025. An agreement extending that lease until April 1, 2030 is expected to close on March 31, 2025. The Barcelona office lease runs until February 28, 2028. The Barcelona lease will subsequently be rolled over automatically if neither party gives termination notice. There are no material contingent payments under these leases. Expenditure under operating leases (including rent and general expenses) totalled 1,201 thousand euros in 2024 (2023: 1,181 thousand euros). The future minimum payments under the Company's non-cancellable operating leases at December 31, 2024 (including the extension of the Madrid office lease yet to be signed) break down as follows:

	31/12/2024	31/12/2023
Within one year	947	1,009
Between one and five years	2,738	329
More than five years	165	0
	3,850	**1,338**

7. INVESTMENT PROPERTIES

The reconciliation of the carrying amounts of the Company's investment properties at the beginning and end of 2024 and 2023 is as follows:

<u>Carrying amounts</u>	Land	Buildings	Total
Balance at December 31, 2022	7,273	1,191	**8,464**
Balance at December 31, 2023	7,273	1,127	**8,400**
Balance at December 31, 2024	7,273	1,114	**8,387**

<u>Gross carrying amounts</u>	Land	Buildings	Total
Balance at December 31, 2022	**7,273**	**1,571**	**8,844**
Additions			0
Decreases		(97)	(97)
Balance at December 31, 2023	**7,273**	**1,474**	**8,747**
Additions			0
Decreases		(1)	(1)
Balance at December 31, 2024	**7,273**	**1,473**	**8,746**

<u>Accumulated depreciation</u>	Land	Buildings	Total
Balance at December 31, 2022	**0**	**(380)**	**(380)**
Additions		(12)	(12)
Decreases		45	45
Balance at December 31, 2023	**0**	**(347)**	**(347)**
Additions		(12)	(12)
Decreases			0
Balance at December 31, 2024	**0**	**(359)**	**(359)**

In 2024, the Group sold one investment property, recognizing a gain of 99 thousand euros. In 2023, the Group sold three small properties, recognizing a gain of 233 thousand euros.

(Thousands of euros)

Except for a small property in Portugal, the Company has no investment properties outside of Spain. The original cost of fully-depreciated investment properties still in use was 81 thousand euros at both year-ends. The expenses associated with these properties related to their upkeep and the related depreciation charges. Maintenance expenses totalled 196 thousand euros in 2024 (2023: 207 thousand euros). All expenses are recognized in the statement of profit or loss as accrued. The Company has no contractual obligations to acquire, build on or develop its investment properties or to repair, maintain or upgrade them.

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

	Year-end. 2024	Year-end. 2023
Within one year	95	92
Between one and five years	320	0
More than five years	0	0
	415	92

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

8. NON-CURRENT INVESTMENTS IN GROUP COMPANIES AND ASSOCIATES

The reconciliation of the carrying amounts of the Company's investments in Group companies at the beginning and end of 2024 and 2023 is as follows:

ITEM	Balance at 31/12/2022	Increases	Decreases	Transfers	Balance at 31/12/2023
Equity investments in group companies	1,859,384	0	(5,922)	0	1,853,462
Equity investments in associates	31,615	0	0	0	31,615
Provision for impairment	(14,569)	0	0	0	(14,569)
	1,876,430	**0**	**(5,922)**	**0**	**1,870,508**
Loans to group companies	0	0	0	0	0
TOTAL INVESTMENTS IN GROUP COMPANIES AND ASSOCIATES	**1,876,430**	**0**	**(5,922)**	**0**	**1,870,508**

ITEM	Balance at 31/12/2023	Increases	Decreases	Transfers	Balance at 31/12/2024
Equity investments in group companies	1,853,462	8,349	(134,590)	0	1,727,221
Equity investments in associates	31,615	0	0	0	31,615
Provision for impairment	(14,569)	0	0	0	(14,569)
	1,870,508	**8,349**	**(134,590)**	**0**	**1,744,267**
Loans to group companies	0	0	0	0	0
TOTAL INVESTMENTS IN GROUP COMPANIES AND ASSOCIATES	**1,870,508**	**8,349**	**(134,590)**	**0**	**1,744,267**

a) Equity instruments in Group companies:

The main changes in each year are as follows:

2024

1. In 2024, the Company's equity investment in Riviana Foods Inc. increased by 6,855 thousand euros. The original cost basis of the investment (acquisition cost) is 526,639 thousand euros. However, this financial asset is a designated hedged item; the hedging item, which is effective, is the loan taken on to fund the acquisition; accordingly, the changes in value arising between its original cost in US dollars and its euro equivalent give rise to adjustments in this cost basis.

   The corresponding adjustment in 2024 was an increase of 6,855 thousand euros, which was recognized as a gain in the statement of profit or loss; the accumulated net gain at year-end stood at 56,842 thousand euros (Note 9.2.c).

2. On June 20, 2024, Herba Ricemills, S.L.U., a wholly-owned subsidiary, agreed to reimburse equity contributions totalling 60,000 thousand euros to its sole shareholder, Ebro Foods, S.A., with a charge against the share premium account. Under prevailing accounting regulations, this reimbursement has been recognized at Ebro Foods, S.A. as dividend income in 2024 and not as a reduction in the carrying amount of the investment (as the total amount reimbursed by Herba Ricemills, S.L.U. was less than its accumulated reserves as of the date of the share premium reimbursement).

3. On April 30, 2024, Ebro Financial Corporate Foods, S.L.U., a wholly-owned subsidiary, agreed to reimburse equity contributions totalling 147,003 thousand euros to its sole shareholder, Ebro Foods, S.A., with a charge against the share premium account. Under prevailing accounting regulations, this reimbursement has been recognized at Ebro Foods, S.A. as dividend income in 2024 in the amount of 12,413 thousand euros (the balance of reserves accumulated at Ebro Financial Corporate Foods, S.L.U. as of April 30, 2024) and as a reduction in the carrying amount of the investment by 134,590 thousand euros (as in this instance the total amount reimbursed exceeded this subsidiary’s accumulated reserves of the date of the share premium reimbursement).

4. In December 2024, the Company’s wholly-owned French subsidiary, Lustucru Premium Foods, SAS, increased its share capital by 1,494 thousand euros, with Ebro Foods, S.A. subscribing and paying for all of the new shares.

2023

5. In 2023, the Company's equity investment in Riviana Foods Inc. decreased by 1,422 thousand euros. The original cost basis of the investment (acquisition cost) is 526,639 thousand euros. However, this financial asset is a designated hedged item; the hedging item, which is effective, is the loan taken on to fund the acquisition; accordingly, the changes in value arising between its original cost in US dollars and its euro equivalent give rise to adjustments in this cost basis.

The corresponding adjustment in 2023 was a decrease of 1,422 thousand euros, which was recognized as a loss in the statement of profit or loss; the accumulated net gain at year-end 2023 stood at 49,987 thousand euros.

6. The investment in Ebrofrost North America, Inc. (USA) decreased by 4,500 thousand euros due to the sale, for 54,299 thousand euros of 100% of its share capital to Riviana Foods, Inc. (USA), a wholly-owned subsidiary of Ebro Foods, S.A. The Company collected the sum of 12,634 thousand euros in cash and the remainder of the price was settled by forgiving a loan between Ebro Foods, S.A. and Riviana Foods, Inc. On January 3, 2024, Ebrofrost North America, Inc. was merged into Riviana Foods, Inc. This sale generated a pre-tax gain of 49,799 thousand euros for Ebro Foods, S.A.

b) Equity instruments in associates:

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

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

c) Non-current loans to group companies:

The Company had not extended any loans to group companies at December 31, 2024 or 2023.

d) Impairment losses:

There were no significant movements under this heading in 2024 or 2023.

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

(Thousands of euros)

The direct investments held by Ebro Foods, S.A. in Group companies and associates at December 31, 2024 (none of the group companies being listed other than Ebro Foods, S.A. itself) are:

SUBSIDIARIES AND ASSOCIATES	Investment	Impairment losses	% Share holding	Registered office	Business activity	(a) Capital & reserves	(a) Profit/(loss) 2024	Dividend paid in 2024	Total equity	Op. profit/ (loss)
Dosbio 2010, S.L.	22,297	(14,569)	100.00%	Madrid (Spain)	Flour production	8,177	250	-	8,427	1
Fincas e Inversiones Ebro, S.A.	4,926	-	100.00%	Madrid (Spain)	Agricultural holdco	7,523	74	-	7,597	76
Arotz Foods, S.A.	22,864	-	100.00%	Madrid (Spain)	Tinned vegetables	34,786	1,171	-	35,957	361
Herba Foods S.L.	59,695	-	100.00%	Madrid (Spain)	Investment management	164,720	17,699	-	182,419	266
Herba Ricemills S.L	153,451	-	100.00%	Madrid (Spain)	Production and sale of rice	265,123	18,636	(60,000)	223,759	26,845
Herba Nutrición S.L	526	-	100.00%	Madrid (Spain)	Production and sale of rice	15,135	2,281	-	17,416	2,483
Fundación Ebro	0	-	100.00%	Madrid (Spain)	Foundation	301	0	-	301	0
Ebro Financial Corporate Services, S.L.	15,413	-	100.00%	Madrid (Spain)	Financial and insurance management	28,427	2,045	(12,413)	18,059	(230)
Harinas Santa Rita, S.A.	4,778	-	52.00%	Guadalajara (Spain)	Production and sale of flour	9,967	721	(458)	10,230	942
Riceland, Kft. (*)	597	-	20.00%	Budapest (Hungary)	Production and sale of rice	2,847	290	(29)	3,108	464
Riviana Foods Inc. (Group) (**)	583,482	-	84.47%	Houston, Texas (USA)	Production and sale of rice and pasta	1,180,585	97,816	-	1,278,401	103,660
Lustucru Premiun, SAS (Group)	398,192	-	100.00%	Lyon (France)	Production and sale of fresh pasta	292,963	43,352	(33,000)	303,315	63,538
Ebro Foods, Gmbh (Group) (***)	87,078	-	68.90%	Germany	Production and sale of pasta and sauces	123,167	12,005	-	135,172	131
Ebro Foods Alimentación, S.A.	0	-	100.00%	Mexico	In liquidation	0	0	-	0	0
Pastificio Lucio Garofalo, S.r.l. (Group)	62,586	-	52.00%	Naples (Italy)	Production and sale of pasta and sauces	163,628	9,495	-	173,123	28,920
Geovita Functional Ingredients	20,000	-	52.00%	Vercelli (Italy)	Production and sale of pulses	38,116	616	(271)	38,461	1,317
Tilda Limited (Tilda)	282,736	-	100.00%	London (UK)	Production and sale of rice	370,298	8,719	-	379,017	11,842
Ebro Tilda Private Limited	860	-	100.00%	New Delhi (India)	Sale and marketing of rice	900	0	-	900	0
Ebro India Private Limited (****)	7,740	-	18.43%	New Delhi (India)	Production and sale of rice	48,989	5,216	-	54,205	7,724
Riso Scotti, S.p.a. (Group)	31,615	-	40.00%	Milan (Italy)	Production and sale of rice	102,858	7,500	(2,000)	108,358	16,326
TOTAL	**1,758,836**	**(14,569)**						**(108,171)**		

The direct investments held by Ebro Foods, S.A. in Group companies and associates at December 31, 2023 are itemised below:

(Thousands of euros)

SUBSIDIARIES AND ASSOCIATES	Investment	Impairment losses	% Share holding	Registered office	Business activity	(a) Capital & reserves	(a) Profit/(loss) 2023	Dividend paid in 2023	Total equity	Op. profit/ (loss)
Dosbio 2010, S.L.	22,297	(14,569)	100.00%	Madrid (Spain)	Flour production	7,965	212	-	8,177	(1)
Fincas e Inversiones Ebro, S.A.	4,926	-	100.00%	Madrid (Spain)	Agricultural holdco	7,480	43	-	7,523	44
Arotz Foods, S.A.	22,864	-	100.00%	Madrid (Spain)	Tinned vegetables	33,624	1,162	-	34,786	492
Herba Foods S.L.	59,695	-	100.00%	Madrid (Spain)	Investment management	145,683	19,040	-	164,723	6,856
Herba Ricemills S.L	153,451	-	100.00%	Madrid (Spain)	Production and sale of rice	245,701	19,250	-	264,951	27,083
Herba Nutrición S.L	526	-	100.00%	Madrid (Spain)	Production and sale of rice	12,078	3,057	-	15,135	3,669
Fundación Ebro	0	-	100.00%	Madrid (Spain)	Foundation	301	0	-	301	0
Ebro Financial Corporate Services, S.L.	150,003	-	100.00%	Madrid (Spain)	Financial and insurance management	158,556	4,462	-	163,018	(141)
Harinas Santa Rita, S.A.	4,778	-	52.00%	Guadalajara (Spain)	Production and sale of flour	10,063	558	(654)	9,967	754
Riceland, Kft. (*)	597	-	20.00%	Budapest (Hungary)	Production and sale of rice	2,984	244	(31)	3,197	313
Riviana Foods Inc. (Group) (**)	576,627	-	84.47%	Houston, Texas (USA)	Production and sale of rice and pasta	1,015,402	83,042	-	1,098,444	90,817
Lustucru Premiun, SAS (Group)	396,698	-	100.00%	Lyon (France)	Production and sale of fresh pasta	285,014	26,607	-	311,621	44,314
Ebro Foods, Gmbh (Group) (***)	87,078	-	68.90%	Germany	Production and sale of pasta and sauces	98,585	5,041	-	103,626	10,369
Ebro Foods Alimentación, S.A.	0	-	100.00%	Mexico	Sale and marketing of rice	133	(132)	-	1	(13)
Pastificio Lucio Garofalo, S.r.l. (Group)	62,586	-	52.00%	Naples (Italy)	Production and sale of pasta and sauces	143,643	21,543	-	165,186	23,877
Geovita Functional Ingredients	20,000	-	52.00%	Vercelli (Italy)	Production and sale of pulses	37,586	873	(81)	38,378	1,535
Tilda Limited (Tilda)	282,736	-	100.00%	London (UK)	Production and sale of rice	340,564	12,504	-	353,068	15,077
Ebro Tilda Private Limited	860	-	100.00%	New Delhi (India)	Sale and marketing of rice	900	0	-	900	0
Ebro India Private Limited (****)	7,740	-	18.43%	New Delhi (India)	Production and sale of rice	43,325	3,990	-	47,315	8,164
Riso Scotti, S.p.a. (Group)	31,615	-	40.00%	Milan (Italy)	Production and sale of rice	85,858	10,125	(400)	95,583	17,892
TOTAL	**1,885,077**	**(14,569)**						**(1,166)**		

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

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

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

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

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

(Thousands of euros)

9. FINANCIAL INSTRUMENTS

9.1 Financial assets

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

NON-CURRENT FINANCIAL INSTRUMENTS (assets)	Equity instruments	Debt securities		Loans, receivables & derivatives		TOTAL	
Categories	31.12.2024	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Assets at fair value through profit or loss:							
a) Held for trading						0	0
b) Other						0	0
Held-to-maturity investments						0	0
Loans and receivables				134	146	134	146
Available-for-sale financial assets:							
a) Measured at fair value	0					0	0
b) Measured at cost						0	0
Hedging derivatives						0	0
TOTAL	**0**	**0**	**0**	**134**	**146**	**134**	**146**

CURRENT FINANCIAL INSTRUMENTS (assets)	Equity instruments	Debt securities		Loans, receivables & derivatives		TOTAL	
Categories	31.12.2024	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Assets at fair value through profit or loss:							
a) Held for trading						0	0
b) Other				0	0	0	0
Held-to-maturity investments						0	0
Loans and receivables				13,852	12,879	13,852	12,879
Available-for-sale financial assets:							
a) Measured at fair value						0	0
b) Measured at cost						0	0
Hedging derivatives						0	0
TOTAL	**0**	**0**	**0**	**13,852**	**12,879**	**13,852**	**12,879**

Loans and receivables

	31.12.2024	31.12.2023
Non-current financial instruments		
Loans to group companies (Notes 8 & 17)	0	0
Long-term deposits	134	146
	134	146
Current financial instruments		
Loans to group companies (Notes 8 & 17)	0	0
Trade and other receivables (Note 10)	13,852	12,879
	13,852	12,879
TOTAL	**13,986**	**13,025**

Exchange differences recognized in profit or loss for the year

The exchange differences recognized in profit or loss in 2024 and 2023 for each financial asset category are broken down below:

Exchange differences recognized in profit or loss	**Loans and receivables**		**Equity investments in group companies**		**Loans and payables**		**TOTAL**	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
- For transactions settled during the year	160	(19)	0	0	(7)	(20)	153	(39)
- For transactions pending settlement at year-end	0	0	0	0	(2,765)	(1,368)	(2,765)	(1,368)
- For foreign exchange hedges	0	0	6,855	(1,422)	(6,855)	1,422	0	0
Total (expense)/income recognized in profit or loss for the year	**160**	**(19)**	**6,855**	**(1,422)**	**(9,627)**	**34**	**(2,612)**	**(1,407)**

9.2 Financial liabilities

The breakdown of the Group's financial liabilities at December 31, 2024 and 2023 is as follows:

NON-CURRENT FINANCIAL INSTRUMENTS (liabilities)	**Bank borrowings**		**Bonds and other marketable securities**		**Derivatives and other accounts payable**		**TOTAL**	
Categories	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
Debts and payables	60,000	0			0	12	60,000	12
Liabilities at fair value through profit or loss								
a) Held for trading							0	0
b) Other					1,222	1,345	1,222	1,345
Hedging derivatives							0	0
Total	**60,000**	**0**	**0**	**0**	**1,222**	**1,357**	**61,222**	**1,357**

CURRENT FINANCIAL INSTRUMENTS (liabilities)	**Bank borrowings**		**Bonds and other marketable securities**		**Derivatives and other accounts payable**		**TOTAL**	
Categories	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**	**31.12.2024**	**31.12.2023**
Debts and payables	127,485	375,634			5,511	8,778	132,996	384,412
Liabilities at fair value through profit or loss								
a) Held for trading							0	0
b) Other							0	0
Hedging derivatives							0	0
Total	**127,485**	**375,634**	**0**	**0**	**5,511**	**8,778**	**132,996**	**384,412**

a) Bank borrowings. Refer to Note 13.

b) Derivatives and other accounts payable

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

Thousands of euros	**31.12.2024**	**31.12.2023**
Non-current		
Derivatives	1,222	1,345
Security deposits	0	12
	1,222	**1,357**
Current		
Trade and other payables	5,511	8,778
Other financial liabilities	0	0
	5,511	**8,778**

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

- Call-put option over 48% of Santa Rita Harinas, S.L. – the value ascribed to this derivative is 473 thousand euros (year-end 2023: 414 thousand euros). When acquiring 52% of this entity, the Company arranged two options with the other shareholder over the remaining 48%, granting the seller a put option (exercisable from August 2019 with no expiry date) and the Ebro Group a call option (exercisable from August 2026 with no expiry date). The acquisition price in the event the options are exercised will be determined as a function of the targets' average earnings metrics over a series of years, as well as other terms and conditions customary in arrangements of this nature. This option contractually gives rise to a financial derivative for the period until the call or put is exercised, due to the existence of a minimum guaranteed price; this derivative contract has been recognized as a non-current financial liability.

- Call-put option over 48% of Geovita Functional, S.r.l. – the value ascribed to this derivative is 744 thousand euros (year-end 2023: 819 thousand euros). When acquiring 52% of this entity, the Company granted the other shareholder a put option over the remaining 48% (exercisable over a 10-year period from July 2021). The acquisition price in the event this option is exercised will be determined as a function of the target's average earnings metrics over a series of years, as well as other terms and conditions customary in arrangements of this nature. This option contractually gives rise to a financial derivative for the period until the put is exercised, due to the existence of a minimum guaranteed price; this derivative contract has been recognized as a non-current financial liability.

- A vendor put option over 48% of the Italian pasta group, Garofalo – the value ascribed to this derivative is 5 thousand euros (year-end 2023: 112 thousand euros). When the Company acquired a 52% interest in this entity in 2014, it wrote a put option with the other shareholder over the remaining 48% (exercisable until May 2024) and wrote a call option (exercisable from June 2024 to May 2026). The original agreement was amended in 2019 such that the term of the vendor put option has been extended until December 31, 2029 and the term of the call option held by the Ebro Group has been extended to 2030 (between January 1, and December 31,).

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

c) Nature and extent of risks arising from financial instruments

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

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

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

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

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

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

Ebro Foods, S.A. is the parent of a consolidated group comprising it and its subsidiaries and associates (the Ebro Group) with which it separately presents consolidated financial statements. This fact should be taken into consideration in assessing the working capital position typical of year-end (which at year-end 2024 was, actually, negative) in the separate annual financial statements of Ebro Foods, S.A., which, as the Group's parent company, has the option of financing itself via dividends and additional bank or Group financing, among other alternatives.

10. TRADE AND OTHER RECEIVABLES

The breakdown of trade and other receivables at year-end 2024 and 2023 is as follows:

Thousands of euros	31.12.2024	31.12.2023
Trade receivables	29	121
Trade receivables, group companies and associates (note 17)	13,631	12,566
Sundry receivables	3	1
Receivable from employees	189	191
	13,852	**12,879**

Impairment allowances: The “Trade receivables” balance in the table above is presented net of impairment losses. The Company did not recognize any new impairment losses against its trade receivables in 2024 or 2023. The accumulated balance of impairment allowances was nil at both year-ends. All of the balances recognized under trade receivables are denominated in euros.

(Thousands of euros)

11. CASH AND CASH EQUIVALENTS

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

12. CAPITAL AND RESERVES

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

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 the Company from its shareholders as part of the process of preparing its annual financial statements.

Based on that information, the Company's significant shareholders and their shareholdings at year-end are as follows:

Significant shareholder	2024					2023				
	% of voting rights attributed to the shares			% voting rights held through financial instruments	% of total voting rights	% of voting rights attributed to the shares			% voting rights held through financial instruments	% of total voting rights
	Direct	Indirect	Total			Direct	Indirect	Total		
Corporación Financiera Alba, S.A.	14.522	0	14.522	0	14.522	14.52	0	14.52	0	14.522
Sociedad Anónima Damm (via Corporación Económica Delta, S.A.)	0	11.733	11.733	0	11.733	0	11.686	11.69	0	11.686
Sociedad Estatal de Participaciones Industriales (via Alimentos y Aceites, S.A.)	10.36	0	10.36	0	10.36	0	10.36	10.36	0	10.36
Hercalianz Investing Group, S.L.	9.705	0	9.705	0	9.705	9.073	0	9.073	0	9.073
Grupo Tradifín, S.L.	8.289	0	8.289	0	8.289	7.961	0	7.961	0	7.961
Empresas Comerciales e Industriales Valencianas, S.L.	7.827	0	7.827	0	7.827	7.827	0	7.827	0	7.827
José Ignacio Comenge Sánchez-Real (through Mendibea 2002, S.L.)	0.002	5.524	5.526	0	5.526	0.002	5.381	5.383	0	5.383
Artemis Investment Management, LLP	0	3.657	3.657	0	3.657	0	4.082	4.082	0	4.082

b) Share premium: The Consolidated Text of the Spanish Corporate Enterprises Act permits the use of the share premium account balance to increase share capital and provides no specific limitation with respect to its availability.

c) Legal reserve: The companies that generate a profit are required to earmark 10% of net profit for the year to a legal reserve until such reserve is equivalent to 20% of share capital.

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

d) Voluntary reserves: This reserve is unrestricted other than the limitations imposed under prevailing company law.

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

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

f) Own shares: In 2024, 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 2024, under the scope of the employee share plan, it bought back 44,000 shares, sold 1,475 and delivered 42,525 own shares to employees. The Company did not hold any own shares at December 31, 2024.

In 2023, the Parent was likewise empowered to buy back and sell own shares under the scope of the authorization granted at the Annual General Meeting held on July 29, 2020 for a period of five years (and duly notified to the CNMV in keeping with prevailing legislation). In 2023, under the scope of the employee share plan, it bought back 41,000 shares, sold 1,187 and delivered 39,813 own shares to employees. The Company did not hold any own shares at December 31, 2023.

g) Dividends paid in 2024:

Ordinary dividend - Distribution of the dividend approved at the Annual General Meeting held on June 5, 2024 at which the Parent's shareholders ratified the motion to pay a cash dividend with a charge against 2023 profit and unrestricted reserves of 0.66 euros per share (before withholding tax), payable in the course of 2024, for a total outlay of 101,551 thousand euros. The dividend was paid out in three equal instalments of 0.22 euros per share (before withholding tax) on April 2, June 28 and October 1, 2024.

13. BANK BORROWINGS

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

	2024	2024	2023	2023
	Non-current	**Current**	**Non-current**	**Current**
Bank loans arranged in euros	60,000	125,000	-	350,000
Credit facilities arranged in euros	-	2,058	-	25,420
Interest accrued but not due	-	427	-	214
TOTAL	**60,000**	**127,485**	**-**	**375,634**

At December 31, 2023, the Company recognized four current loans in a total amount of 350 million euros. Those four loans, all of which arranged at the end of 2021, matured (single bullet payment) between November and December 2024. Those loans were repaid and discharged at maturity, using 175 million euros of cash held by the Ebro Group and 175 million euros raised by arranging three new loans: a non-current (3-year) 50 million euros loan carrying interest at 2.40%; and two current (12-month) loans totalling 125 million euros carrying interest at an average rate of Euribor plus 0.25%. In July 2024, the Company also arranged a non-current loan in the amount of 10 million euros which matures in two years and carries interest at a fixed rate of 3%.

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

In addition, at year-end 2024, the Company had arranged and guaranteed credit facilities with an aggregate limit of 60 million euros (year-end 2023: 30 million euros), which were drawn down by 2 million euros (year-end 2023: 25.4 million euros). The annual rate of interest on these borrowings, excluding the long-term loans, is 1-month Euribor plus a market spread of 0.560% (2023: 0.625%) on average.

In addition, the Company has extended sureties and other guarantees to third parties via banks totalling 108,684 thousand euros at year-end 2024 (100,372 thousand euros at year-end 2023) (Note 16).

The maturity schedule for bank borrowings (at December 31, 2024):

Due 2025	125,000 thousand euros
Due 2026	10,000 thousand euros
Due 2027	50,000 thousand euros

14. NON-CURRENT PROVISIONS

The reconciliation of the Company's provisions at the beginning and end of 2024 and 2023 is as follows:

NON-CURRENT PROVISIONS	Employee benefit obligations			Other provisions for contingencies			
Thousands of euros	Long-service bonuses	Non-current remuneration	Total	Business sale reps & warranties	Tax assessments	Total	Total
Closing balance: December 31, 2022	238	3,762	**4,000**	11,240	802	**12,042**	**16,042**
- Additions (reversal of provisions)	13	1,204	1,217	0	0	0	1,217
- Amounts used	-61	-2,291	-2,352	0	-264	-264	-2,616
Closing balance: December 31, 2023	190	2,675	**2,865**	11,240	538	**11,778**	**14,643**
- Additions (reversal of provisions)	22	2,665	2,687	0	0	0	2,687
- Amounts used	0	-1,336	-1,336	0	0	0	-1,336
Closing balance: December 31, 2024	212	4,004	**4,216**	11,240	538	**11,778**	**15,994**

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

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

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

A new lawsuit was brought in August 2014 when Grupo Lactalis Iberia, S.A. passed the proposed ruling in respect of the disciplinary proceedings initiated by the investigative unit of Spain's anti-trust authority, the CNMC, against Spain's leading dairy transformation companies, including Puleva Food, S.L., in connection with alleged anti-competitive practices between 2001 and 2013, on to Ebro Foods, S.A. Ebro Foods, S.A. sold Puleva Food, S.L. to Grupo Lactalis Iberia, S.A. in 2010; the related share purchase agreement (the "SPA") included a liability regime covering future contingencies.

Under that regime, Ebro Foods, S.A., as seller, could be held liable to the buyer for any fine imposed on Puleva Food, S.L. with respect to developments taking place prior to the sale.

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

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

In a ruling issued on October 25, 2018, the High Court annulled the 2015 Disciplinary Ruling on account of formal defects, ordering the rewinding of the procedure corresponding to disciplinary investigation S/0425/12, which originally gave rise to the 2015 Disciplinary Ruling, to the moment immediately preceding the procedural infraction that gave rise to the annulment. In keeping with the High Court's ruling, in November 2018, the CNMC agreed and notified Puleva Food, S.L. of the resumption of the disciplinary investigation, specifically the resumption of the pertinent proceedings rewound to immediately prior to April 24, 2014.

In the wake of the resumption by the CNMC on December 21, 2018 of the disciplinary proceedings, with retroactive effect, the CNMC issued a new disciplinary ruling on July 11, 2019 (the 2019 Disciplinary Ruling). In the 2019 Disciplinary 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 continued to believe it had substantive arguments against the 2019 Disciplinary Ruling, the Company's directors decided that the provision recognized to cover this lawsuit should be maintained.

The 2019 Disciplinary Ruling was appealed before the High Court. On February 21, 2024, the High Court notified its ruling of February 13, 2024 with respect to that appeal. In that new ruling, the High Court partially upheld the appeal presented by Puleva Food, S.L.: (i) ruling that some of the conduct attributed to the latter has prescribed, and (ii) finding that its participation in the practices at the heart of the matter was only substantiated in two out of the three practices contemplated by the CNMC in its 2019 Disciplinary Ruling. On the basis of those findings, the High Court asked CNMC to recalculate the fine in light of the outcome of the appeal.

Ebro Foods, S.A. proceeded to assess the new situation and which additional measures to take with respect to the 2024 High Court ruling with its legal counsel and on September 27, 2024, lodged an appeal before the Supreme Court. The CNMC has also lodged an appeal.

Although the Company's directors believe that the latest appeal could prosper and that, in the event it does not, the fine recalculation ordered by the High Court should reduce its amount, given the uncertainty surrounding the outcome of the appeal, the length of time it could take the CNMC to recalculate the fine and the potential fine amount, they have decided to continue to recognize the provision recognized in 2014.

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

Provision for contingencies – Tax assessments

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 were 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 was not provided for as the assessments were appealed and the likelihood of winning the claim was 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. Between 2021 and 2024, rulings were handed down on the seven lawsuits comprising this part of the assessments (friendly agreements between Spain and other countries in order to avoid double taxation), which have not given rise to significant outflows of resources for Ebro Foods, S.A.

The assessments related with the Company's VAT returns for 2012 to 2015 were dealt with in 2023, after some of the Company's pleas were upheld, with the Company agreeing to settle the remainder, a development that did not have a material impact. As for the other assessments for 2012 to 2015, there were no significant changes in the status of the lawsuits in 2024.

Provision for long-service bonuses

Some of the Company's employees are entitled to receive long-service bonuses after 25 to 40 years' service from a fund managed internally by the Company. The provision recognized for long-service bonuses at year-end 2024 in the amount of 212 thousand euros (year-end 2023: 190 thousand euros) represents the present value, calculated using actuarial studies performed by independent experts, of the potential future payments to these employees.

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

a) A discount rate of 3.15% (2023: 3.63%)
b) Wage increases: compound annual growth of 3% (2023: 3%)
c) Mortality and survival tables: PERM/F 20 ORD1 tables (new policies)

Provision for long-term remuneration to executives

See Note 18. The amounts used and recognized in 2024 and 2023 correspond to the 2019-2021 Plan (settled between 2021 and 2024) and the 2022-2024 Plan (to be settled between 2024 and 2026); specifically, the amounts utilized in 2024 relate to the payments for year one the 2022-2024 Plan (the amounts utilized in 2023 related to the payments for year three of the 2019-2021 Plan), while the amounts recognized in 2024 correspond to the expenses accrued for year three of the 2022-2024 Plan (the amounts recognized in 2023 reflected the expenses accrued in year two of the 2022-2024 Plan).

15. TAX MATTERS

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

Thousands of euros	**31.12.24**	**31.12.23**
Current		
Current tax assets	85	2,723
Other tax receivables	1,332	1,328
Current tax liabilities	-1,084	0
Other taxes payables	-280	-277
	53	3,774
Non-current		
Deferred tax assets	7,154	6,530
Deferred tax liabilities	-36,829	-33,227
	-29,675	-26,697

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

The Company has its books open to inspection since 2016 in respect of income tax and since 2021 for all other applicable taxes. The Company's directors believe there is no need to provide for potential additional tax liabilities that could arise from differing interpretations of tax regulations in respect of the years open to inspection.

15.1. The Tax Group that files its return under the consolidated tax regime is made up of: Ebro Foods, S.A. (parent of the tax group), Ebro Financial Corporate Services, S.L., Fincas e Inversiones Ebro, S.A., Dosbio 2010, S.L., Arotz Foods, S.A., Herba Foods, S.L., Herba Ricemills, S.L and its subsidiaries, Herba Nutrición, S.L. and Fallera Nutrición, S.L.

15.2 The reconciliation of net income and expense for both reporting periods to taxable income/(tax loss) is set forth below:

Income tax	**2024**		**2023**	
Thousands of euros	**Accounting**	**Tax**	**Accounting**	**Tax**
Profit before tax from continuing operations	**75,045**	75,045	**27,023**	27,023
Permanent differences	(101,891)	(101,891)	(48,403)	(48,403)
Permanent differences arising from tax consolidation adjustments	0	0	0	0
Unused tax losses - Company	17,749	17,749	16,297	16,297
Unused tax losses - Tax Group	(2,577)	(2,577)	(18,432)	(18,432)
Accounting profit adjusted for permanent differences	**(11,674)**	**(11,674)**	**(23,515)**	**(23,515)**
Temporary differences		(11,911)		(11,214)
Tax group tax losses for offset		0		0
Taxable income (tax loss) of the Company	**(11,674)**	**(23,585)**	**(23,515)**	**(34,729)**
Tax calculated at statutory rate: 25%	(2,919)	(5,896)	(5,879)	(8,682)
Tax credits	(773)	(773)	(744)	(805)
Tax expense/(income) for the year	**(3,692)**	**(6,669)**	**(6,623)**	**(9,487)**
Restatement of prior-year's income tax	74	0	(1)	0
Tax assessments	25		86	
TOTAL INCOME TAX: Expense (income)	**(3,593)**	**(6,669)**	**(6,538)**	**(9,487)**

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

	2024	**2023**
Tax payable (refundable) corresponding to Ebro Foods, S.A.	(6,669)	(9,487)
Payments made on account during the year	0	(3,839)
Tax withholdings	(141)	(21)
Tax payable (refundable) corresponding to the other companies in the tax group	7,809	10,624
Tax Group tax payable (receivable)	**999**	**(2,723)**

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

Thousands of euros	Statement of profit or loss	
	2024	**2023**
Profit before tax from continuing operations	75,045	27,023
Statutory tax rate	25%	25%
Theoretical tax expense	**18,761**	**6,756**
Effect of:		
Non-deductible expenses	245	183
Non-taxable income	(28)	(11,854)
Unused tax losses	3,793	(534)
Dividends between tax group companies	(17,197)	0
Dividends within parent company group	(8,492)	(430)
Unused tax credits	(773)	(744)
	(3,691)	**(6,623)**
Breakdown of tax expense (income)		
Current	(6,669)	(9,487)
Deferred	2,978	2,864
Effective tax expense (income)	**(3,691)**	**(6,623)**

15.4 The breakdown of the temporary differences arising at the Company in 2024 and 2023 is as follows:

TEMPORARY DIFFERENCES - Additions	**2024**	**2023**
Additions to provision for long-term remuneration obligations	2,844	1,347
Additions to provision for long-service bonuses	22	13
Amortization of trademarks for tax purposes	966	969
Total additions	**3,832**	**2,329**
TEMPORARY DIFFERENCES - Decreases	**2024**	**2023**
Goodwill amortization charges	0	401
Provisions for long-term remuneration obligations used	1,335	2,352
Temporary difference on account of goodwill amortization	10,788	10,790
Difference in investments for accounting versus tax purposes	3,620	0
Total decreases	**15,743**	**13,543**
Total net additions (decreases)	**(11,911)**	**(11,214)**

15.5 The breakdown of the permanent differences arising at the Company in 2024 and 2023 is as follows:

PERMANENT DIFFERENCES - Additions	**2024**	**2023**
Additions:		
Donations	905	680
Other non-deductible expenses	76	52
Total additions	**981**	**732**
PERMANENT DIFFERENCES - Decreases		
Adjustments for dividends from Tax Group subsidiaries	68,792	0
Adjustments for 95% of dividends from other group companies	33,970	1,718
Amortization of goodwill for tax purposes	110	108
95% of gain on sale of investments in group companies	0	47,309
Total decreases	**102,872**	**49,135**
Total net additions (decreases)	**(101,891)**	**(48,403)**

15.6 In 2024, Ebro Foods, S.A. generated 360 thousand euros of tax credits, mainly corresponding to donations, and it utilized 773 thousand euros of tax credits in determining income tax payable for 2024. At December 31, 2024, the Company still had 2.9 million euros of unused tax credits (not capitalized as deferred tax assets), of which 2.6 million euros correspond to unused tax relief generated in prior years (mainly deductions generated by the reinvestment of extraordinary gains). In 2023, the Company utilized 805 thousand euros of tax credits.

The amounts of reinvestments made by the Spanish tax group, which entitle it to tax deductions for reinvestment, in prior years were: in 2013 a total of 33.1 million euros in investments and 5.0, 115.3, 57.3, 1.5, 16.2, 11.2, and 76.3 million euros, respectively, from 2012 to 2006, amounts that were reinvested by the tax group in each of the mentioned years. Furthermore, all other requirements to apply these deductions for tax purposes have been met.

As for unused tax losses, at December 31, 2024:

- Ebro Foods, S.A. had 34,046 thousand euros of unused tax losses, of which 19,379 thousand euros were generated in 2024 and 14,667 thousand euros correspond to 90% of the losses generated in 2023 (under new tax laws, which limit the volume of tax losses that can be contributed to a tax group to 50% in 2023, 2024 and 2025), which it will revert on a straight-line basis over the next 10 years.

- In addition, the Ebro Tax Group has 16,277 thousand euros of unused tax losses.

Of the total volume of unused tax losses, at December 31, 2024, 1,838 thousand euros of deferred tax assets had been recognized for accounting purposes (25% of 7,351 thousand euros of the total).

15.7 A reconciliation of the Company's deferred tax assets and liabilities at the beginning and end of 2024 and 2023 is provided below:

Thousands of euros	31-12-2022	Additions	Amounts derecognized	Restatements and other additions/ derecognitions	31-12-23	Additions	Amounts derecognized	Restatements and other additions/ derecognitions	31-12-24
Deferred tax assets									
- Goodwill	101		-101		0				0
- Intangible assets: Trademarks	3,006	243			3,249	241			3,490
- Property, plant and equipment: Land	108				108				108
- Property, plant and equipment: Depreciation/amortization	9				9				9
- Long-term remuneration obligations	1,204	337	-573		968	711	-334		1,345
- Provisions for contingencies	310			1	311				311
- Provisions for long-service bonuses	61	3	-15	-2	47	6			53
- Unused tax losses	1,729			109	1,838				1,838
	6,528	**583**	**-689**	**108**	**6,530**	**958**	**-334**	**0**	**7,154**
Deferred tax liabilities									
- Amortization of goodwill for tax purposes	-30,199	-2,697			-32,896	-2,697			-35,593
- Deferral of gains by tax group	-331				-331				-331
- Difference in investments for accounting versus tax purposes	0				0	-905			-905
	-30,530	**-2,697**	**0**	**0**	**-33,227**	**-3,602**	**0**	**0**	**-36,829**
Total deferred taxes, net	**-24,002**	**-2,114**	**-689**	**108**	**-26,697**	**-2,644**	**-334**	**0**	**-29,675**

15.8 International Tax Reform - Pillar Two Model Rules

In December 2022, the European Union adopted Council Directive (EU) 2022/2523 on ensuring a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups in the Union, whose transposition into Spanish law took effect on January 1, 2024. The Directive implements the OECD’s Inclusive Framework on Base Erosion and Profit Shifting Global Anti-Base Erosion Model Rules (Pillar Two model rules) in the European Union. The Pillar Two rules apply to multinational enterprises with annual revenue of over 750 million euros and imply a minimum tax rate of 15% calculated over accounting profit adjusted jurisdiction by jurisdiction.

The law transposing the European Directive into Spanish law was published on December 21, 2024 and establishes a minimum global tax rate of 15% for multinational enterprises and large-scale domestic groups. That law took effect on January 1, 2024. The majority of EU member states have likewise enacted or are in the process of enacting Pillar Two legislation.

The Ebro Group falls within the scope of this legislation and has assessed its exposure to the Pillar Two rules considering the transitional safe harbour relief. Following enactment of the legislation in Spain, Ebro Foods, S.A. is the ultimate parent obliged to pay any top-up tax for subsidiaries located in jurisdictions with effective tax rates of less than 15%. The Group companies will also be subject to tax in the countries that enact minimum domestic tax rates in accordance with the Pillar Two rules.

Specifically, the assessment of potential exposure to the Pillar Two rules is based on the most recent tax returns, country-by-country tax reports and the financial statements for 2024 of the entities constituting the Group. Based on that assessment, the Group has identified its potential exposure to Pillar Two rules in respect of the earnings obtained in Thailand and the United Arab Emirates. Its potential exposure originates from the Group's two subsidiaries in those jurisdictions, in which the effective tax rate under Pillar Two rules is under 15%. The effective Pillar Two rate in those jurisdictions is below the 15% threshold on account of certain 'tax holidays' and other tax credits received by both subsidiaries. However, the earnings generated in those countries are not material with respect to the consolidated total and the potential expense for top-up tax is estimated at 750 thousand euros for 2024.

That top-up tax, if any, will be paid by Ebro Foods, S.A. and passed through to the affected subsidiaries.

15.9 Annulment of Royal Decree-Law 3/2016

In January 2024, Spain's Constitutional Court ruled that some of the measures enacted via Royal Decree-Law 3/2016, of December 2, 2016, specifically those amending the Corporate Income Tax Act, were unconstitutional.

Royal Decree-Law 3/2016 modified several aspects of Spain's corporate income tax regime by eliminating some tax credits. The Constitutional Court ruled that three of those modifications are unconstitutional:

- The ceiling on the utilization of tax losses by companies with annual revenue in excess of 20 million euros.
- The limit on relief for double taxation.
- The obligation to include in taxable income the amount of deductible impairment losses on equity investments in fifths over a period of five years.

New legislation was enacted in December 2024 reinstating the concepts annulled by the Constitutional Court with similar consequences for years beginning on or after January 1, 2024.

Ebro Foods, S.A., as the parent of the Spanish Tax Group, had and has appealed its tax returns for 2016 to 2020 (both inclusive), alleging the unconstitutionality of Royal Decree-Law 3/2016, although the amounts involved in those years are not material with respect to the financial statements of the Company as a whole, so that it did not recognize any impact in the financial statements for 2023 or 2024. There were no significant developments or notifications with respect to these appeals in 2024.

(Thousands of euros)

16. GUARANTEES EXTENDED

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

	2024	2023
Guarantees extended via banks		
Provided to courts and other bodies in relation to claims and tax deferrals	16,096	16,096
Provided to third parties to guarantee fulfilment of obligations arising in the ordinary course of business	360	360
Guarantees awarded directly by Ebro Foods, S.A.		
Guarantees given to banks to secure other companies' obligations	92,228	83,916

The bank sureties mainly correspond to guarantees given by Ebro Foods, S.A. to its subsidiaries Ebro India, Ltda. (100%-indirectly owned), Herba Bangkok, Ltd (100%-indirectly owned), Pastificio Lucio Garofalo, S.r.l. (52%-indirectly owned), Mundiriz, S.A. (100%-owned) and Lustucru Premium, SAS (100%-directly owned) to secure their short- and medium-term credit facilities.

17. BALANCES WITH GROUP COMPANIES AND ASSOCIATES

Note 8 lists the Company's subsidiaries and associates. Transactions with associates did not result in material balances at either year-end.

The main transactions performed by the Company with Group companies and associates in 2024 and 2023 are shown below:

	2024		2023	
	Group companies	Associates	Group companies	Associates
External services	(1,235)	0	(821)	0
Employee benefits expense	0	0	0	0
Finance costs	(7,714)	0	(8,499)	0
Total purchases and expenses	**(8,949)**	**0**	**(9,320)**	**0**
Services rendered and other income	9,086	0	8,425	0
Finance income	213	0	261	0
Dividend income received	106,171	2,000	1,166	0
Total revenue and income	**115,470**	**2,000**	**9,852**	**0**

(Thousands of euros)

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

DECEMBER 31, 2024						
BALANCES WITH SUBSIDIARIES AND ASSOCIATES	Non-current loans	Due from companies	Current loans	Balances payable		Due to suppliers
				Non-current	Current	
Ebro Premiun Food, SAS (formerly, LTL)		811				(25)
Herba Foods, S.L.		208				
Arotz Foods, S.A.		409		(27,973)		
Ebro de Costa Rica, S.L.				(22,838)		
Ebro Riviana de Guatemala, S.L.				(12,460)		
Herba Ricemills, S.L.		7,869				(14)
Riviana Foods (Group)		1,701		(170,394)		(319)
Ebro Financial Corporate Services, S.L.		677		(16,697)		
Lassie Group (Netherlands)		374				
Fundación Ebro Foods				(550)		
Other companies (minor balances)		1,582				(1)
	0	**13,631**	**0**	**(250,912)**	**0**	**(359)**

DECEMBER 31, 2023						
BALANCES WITH SUBSIDIARIES AND ASSOCIATES	Non-current loans	Due from companies	Current loans	Balances payable		Due to suppliers
				Non-current	Current	
Ebro Premiun Food, SAS (formerly, LTL)		648				
Herba Foods, S.L.		396				
Arotz Foods, S.A.		403		(27,946)		
Ebro de Costa Rica, S.L.				(19,787)		
Ebro Riviana de Guatemala, S.L.				(11,047)		
Herba Ricemills, S.L.		6,587				
Riviana Foods (Group)		1,494				(235)
Ebro Financial Corporate Services, S.L.		1,524		(125,300)		(3,612)
Lassie Group (Netherlands)		361				
Fundación Ebro Foods		403		(297)		
Riso Scotti, S.p.a.						
Other companies (minor balances)	0	750	0	(500)	0	(13)
	0	**12,566**	**0**	**(184,877)**	**0**	**(3,860)**

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

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

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

18. RELATED PARTY TRANSACTIONS

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

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

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

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

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

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

Ebro Foods, S.A. realized the following transactions with one of its directors in 2024 and 2023 outside the scope of the dividend and remuneration transactions disclosed in Notes 18.3 and 18.7 (thousands of euros):

Director (and his related party)	Relationship between the director and their related party	Type of transaction	2024 Amount	2023 Amount
Antonio Hernández Callejas (Luis Hernández González)	Relative	Lease (expense)	49	47
Antonio Hernández Callejas (Imirton, S.L.)	Company	Sale of goods (finished and in-progress)	0	1

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

Framed by Ebro Foods, S.A.'s general dividend policy, the following dividends (before withholding tax) were paid in 2024 (2023) (thousands of euros):

- Dividends paid to significant shareholders, other than those who were members of the Board of Directors as of December 31, 2024: 43,966 (22,721)
- Dividends paid to directors and officers: 28,524 (40,661)
- Dividends paid to other related parties: 0 (0)

The dividends paid to directors and officers include the dividends paid to the direct holders of the shareholdings reported as indirect by certain directors.

18.4 Transactions with other related parties

Ebro Foods, S.A. did not transact with “other related parties” in 2024 or 2023.

18.5 Other disclosures

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

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

The transactions performed between Ebro Foods, S.A. and Riso Scotti S.p.A. (an associate that is not fully consolidated by the Ebro Group) in 2024 and 2023 (thousands of euros):

Type of transaction	2024 Amount	2023 Amount
Services rendered (income)	18	6
Dividends received	2,000	400

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

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

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

- Mr. Antonio Hernández Callejas holds an indirect interest of 14.33% in Instituto Hispánico del Arroz, S.A. through the 28.67% 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.

- Mr. Félix Hernández Callejas holds an indirect interest of 14.33% in Instituto Hispánico del Arroz, S.A. through the 28.67% interest he holds directly in Hercalianz Investing Group, S.L., where he does not hold any position. Mr. Félix Hernández Callejas is the Chairman and CEO of Instituto Hispánico del Arroz, S.A.

- Ms. Blanca Hernández Rodríguez holds an indirect interest of 16.63% in Instituto Hispánico del Arroz, S.A. and of 33.25% in Arrozales Los Moriscos, S.L. through her direct shareholding of 33.25% in Grupo Tradifín, S.L., where she serves as chief executive officer. Ms. Blanca Hernández Rodríguez does not hold any positions at either Instituto Hispánico del Arroz, S.A. or Arrozales Los Moriscos S.L.

Note that Hercalianz Investing Group, S.L. and Grupo Tradifín, S.L. (directors until November 27, 2024 and significant shareholders) each holds a direct interest of 50% in Instituto Hispánico del Arroz, S.A., an entity at which they are both the chief executives.

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

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

18.7 Changes in the Board of Directors

Below is a list of the changes in the composition of the Board of Directors and its committees between December 1, 2024 and December 31, 2024:

- On January 31, 2024, the Board of Directors, at the recommendation of the Nomination and Remuneration Committee and of the Board itself, agreed to use its co-option powers to appoint Ms. Elena Segura Quijada to fill the vacancy left by Mr. Fernando Castelló Clemente, who presented his resignation on December 10, 2023 with effect from December 31, 2023. Ms. Segura Quijada qualifies as an independent director. Elena Segura Quijada was also appointed a member of the Audit, Control and Sustainability Committee and of the Nomination and Remuneration Committee to fill the vacancies created on both by the resignation of Mr. Castelló Clemente. The appointment of Ms. Segura Quijada as director and member of the Audit, Control and Sustainability Committee and of the Nomination and Remuneration Committee was ratified at the Annual General Meeting held on June 5, 2024 and, after that shareholder meeting finished, by the Board of Directors.

- On April 24, 2024, the Board of Directors, at the recommendation of the Nomination and Remuneration Committee, agreed to appoint Mr. Jordi Xuclà Costa as member of the Audit, Control and Sustainability Committee to fill the vacancy created by the resignation from that committee, presented that same date, by the director at the time, Grupo Tradifín, S.L. (represented by Ms. Blanca Hernández Rodríguez).

- On November 27, 2024, Grupo Tradifín, S.L. and Hercalianz Investing Group, S.L. both tendered their resignation from the Board of Directors with the aim of being replaced by the natural persons that had been representing them until then, specifically Mr. Félix Hernández Callejas and Ms. Blanca Hernández Rodríguez, respectively. On that same date, the Board of Directors, on the basis of the required reports from the Nomination and Remuneration Committee and the Board of Directors itself, agreed to appoint, via co-option, Ms. Blanca Hernández Rodríguez as proprietary director and Mr. Félix Hernández Callejas as executive director to fill the vacancies created by the above-mentioned resignations by Grupo Tradifín, S.L. and Hercalianz, Investing Group, S.L.

The changes in the composition of the Board of Directors and its committees taking place subsequent to the end of the reporting period (i.e., between January 1,2025 and March 26, 2025, which is when the 2024 financial statements were authorized for issue):

- On January 28, 2025, the Board of Directors took stock of the resignation from the Board of Directors (and by extension from the Executive Committee and from the Audit, Control and Sustainability Committee, which he chaired) presented by Marc T. Murta Millar on January 23, 2025 with effect from January 27, 2025.

- At that same meeting on January 28, 2025, the Board of Directors, on the basis of a report from the Nomination and Remuneration Committee, agreed to name Elena Segura Quijada as Chairwoman of the Audit, Control and Sustainability Committee and to appoint Belén Barreiro Pérez-Pardo as member of that same committee.

Following the above-listed changes, the composition of the Board of Directors, Executive Committee, Audit, Control and Sustainability Committee and Nomination and Remuneration Committee was as follows:

BOARD OF DIRECTORS		
Antonio Hernández Callejas	Chairman	Executive
Demetrio Carceller Arce	Vice-Chairman	Proprietary
Belén Barreiro Pérez-Pardo	Member	Independent
María Carceller Arce	Member	Proprietary
José Ignacio Comenge Sánchez-Real	Member	Proprietary
Corporación Financiera Alba, S.A. (Alejandra Olarra Icaza)	Member	Proprietary
Mercedes Costa García	Member	Independent
Empresas Comerciales e Industriales Valencianas, S.L. (Javier Gómez-Trenor Vergés)	Member	Proprietary
Javier Fernández Alonso	Member	Proprietary
Félix Hernández Callejas	Member	Executive
Blanca Hernández Rodríguez	Member	Proprietary
Elena Segura Quijada	Member	Independent
Jordi Xuclà Costa	Member	Proprietary

Executive Committee	Audit, Control and Sustainability Committee	Nomination and Remuneration Committee
Antonio Hernández Callejas Chairman	Elena Segura Quijada Chairwoman	Mercedes Costa García Chairwoman
Demetrio Carceller Arce	Belén Barreiro Pérez-Pardo	Belén Barreiro Pérez-Pardo
Javier Fernández Alonso	Mercedes Costa García	Demetrio Carceller Arce
	Javier Fernández Alonso	Blanca Hernández Rodríguez
	Jordi Xuclà Costa	Elena Segura Quijada

18.8 Director and executive remuneration

Director remuneration. - The remuneration earned by the members of the Board of Directors of Ebro Foods, S.A. totalled 7,469 thousand euros in 2024 (2023: 8,080 thousand euros), broken down as follows (pre-tax amounts in thousands of euros):

DIRECTOR REMUNERATION AND OTHER BENEFITS	2024	2023
TYPE OF REMUNERATION		
Attendance fees	341	324
Fixed remuneration received in their capacity as directors	3,000	2,850
Total director remuneration	**3,341**	**3,174**
Wages, salaries and professional fees	4,128	4,906
Termination and other benefits	0	0
Total executive director remuneration	**4,128**	**4,906**
TOTAL REMUNERATION	**7,469**	**8,080**
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 25, 2025, 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 3,000 thousand euros of fixed remuneration in respect of 2024 at the upcoming 2025 Annual General Meeting; and

(ii) to leave pre-tax attendance fees at 1,600 euros per meeting of the Board of Directors and at 800 euros (before tax) per meeting of its various committees, with the exception of the Audit, Control and Sustainability Committee, for which a motion to pay an attendance fee of 1,000 euros (before tax) per meeting will be put forward.

The individual breakdown of pre-tax director remuneration for 2024 is provided below (thousands of euros):

Director	Fixed remuneration	Attendance fees	Fixed remuneration for performance of executive duties	Variable remuneration for performance of executive duties	Total
Hernández Callejas, Antonio	416	23	1,503	2,625	**4,567**
Comenge Sánchez-Real, José Ignacio	156	20	0	0	**176**
Carceller Arce, Demetrio	385	30	0	0	**415**
Empresas Comerciales e Industriales Valencianas, S.L.	130	19	0	0	**149**
Costa García, Mercedes	200	30	0	0	**230**
Hercalianz Investing Group, S.L. (Director until November 27, 2024)	130	17	0	0	**147**
Hernández Callejas, Félix (*) (Director since November 27, 2024)	26	3	0	0	**29**
Grupo Tradifín, S.L. (Director until November 27, 2024)	153	25	0	0	**178**
Hernández Rodríguez, Blanca (Director since November 27, 2024)	22	3	0	0	**25**
Corporación Financiera Alba, S.A.	130	19	0	0	**149**
Barreiro Pérez-Pardo, Belén	163	26	0	0	**189**
Carceller Arce, María	130	19	0	0	**149**
Fernández Alonso, Javier	319	28	0	0	**347**
Murtra Millar, Marc Thomas	296	27	0	0	**323**
Xuclà Costa, Jordi	151	22	0	0	**173**
Segura Quijada, Elena	191	30	0	0	**221**
TOTAL (**)	**2,998**	**341**	**1,503**	**2,625**	**7,467**

(*) Félix Hernández Callejas was appointed director at the proposal of Hercalianz Investing Group, S.L. He qualifies as an executive director on account of the fact that he is an executive at one Group subsidiary and sits on the board of another. He has not been tasked with any executive duties at the Company, which is why he does not receive any remuneration in this respect but rather collects remuneration under his employment agreement with a Group subsidiary.

(**) The total amount of director remuneration accrued at the Company in 2024 was 7,468,470 euros (before tax), which rounds to 7,469 thousand euros. That sum differs from the total provided in the table above as a result of the rounding, to the nearest thousandth, of each director's individual remuneration.

- The amounts disclosed in this Note include:

(i) the remuneration corresponding to Hercalianz Investing Group, S.L. and Grupo Tradifín, S.L. in their capacity as directors from January 1, 2024 to November 27, 2024;

(ii) the remuneration corresponding to Félix Hernández Callejas and Blanca Hernández Rodríguez in their capacity as directors from November 27, 2024 to December 31, 2024.

- In addition to the above amounts, note that between November 27, 2024 and December 31, 2024, Mr. Félix Hernández Callejas, executive director due to his executive role at Herba Ricemills, S.L.U., a subsidiary of Ebro Foods, S.A., received from that subsidiary remuneration by way of salary of 142 thousand euros (pre-tax), an amount that includes his fixed remuneration, annual bonus and long-term incentive with respect to that period.

- Of the total variable remuneration earned by the Executive Chairman of the Board of Directors for performance of his executive duties at the Company in 2024, 1,125 thousand euros, before tax, corresponded to the long-term incentive plan tied to the Group's 2022-2024 Business Plan in respect of 2022, year one of that plan, a figure representing 25% of the bonuses to be accrued under that three-year scheme. That sum was provided for in the 2022 financial statements and paid in 2024.

- Elsewhere, in relation to the total remuneration earned by the Executive Chairman of the Board of Directors for the performance of his executive duties at the Company in 2024, the 2024 financial statements recognize a provision of 2,250 thousand euros in respect of the provisional estimate of the amount corresponding to 2024 under the long-term incentive plan tied to the Group's 2022-2024 Business Plan, which represents 50% of the bonus expected to be accrued during the three-year period. That sum will be paid in 2026.

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

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

Officer remuneration. - Note in relation to the remuneration disclosures provided in this section, the term "officer" refers to the Chief Operating Officer (COO) 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 on “senior management” employment agreements.

A total of 10 people were considered officers of Ebro Foods, S.A. at year-end 2024 (year-end 2023: 10); in 2024, those executives accrued total remuneration (fixed wages and salaries, annual bonuses and, as applicable, long-term incentives) of 2,797 thousand euros (2023: 2,874 thousand euros).

In 2024, the team of officers (excluding the Executive Chairman of the Board of Directors) of Ebro Foods, S.A. covered by the long-term incentive plan tied to the Group's 2022-2024 Business Plan were paid 178 thousand euros, before tax, corresponding to 2022 (year one of the Plan), a figure representing 25% of the bonuses to be earned during the three-year term of the scheme that had been provided for in the 2022 financial statements.

Meanwhile, in relation to the team of officers (excluding the Executive Chairman of the Board of Directors) of Ebro Foods, S.A. covered by the long-term incentive plan tied to the Group's 2022-2024 Business Plan, the 2024 financial statements recognize a provision of 356 thousand euros in respect of the provisional estimate of the amount corresponding to 2024 under the scheme, which represents 50% of the deferred bonus entitlement expected to be accrued during the three-year period. That sum will be paid in 2026, in keeping with the LTIP 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 176 thousand euros in 2024 (175 thousand euros in 2023), are effective until April 30, 2025 and are currently in the process of being renewed.

19. OTHER DISCLOSURES

a) Foreign-currency transactions

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

b) Headcount disclosures

2024	At year-end		Average
	Men	Women	Total
Officers	6	4	10
Middle managers	22	12	37
Clerical staff	5	7	12
	33	23	59

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

2023	At year-end		Average
	Men	Women	Total
Officers	6	4	10
Middle managers	26	12	38
Clerical staff	5	7	12
	37	23	60

c) Audit fees

The fees paid for account auditing and other services to the Company’s auditor, Ernst & Young, S.L., and entities related to the latter by means of control, joint ownership or joint management, in 2024 and 2023 were as follows (thousands of euros):

- The fees corresponding to audit services provided in 2024 amounted to 341 thousand euros (2023: 274 thousand euros); those corresponding to other assurance services amounted to 82 thousand euros (2023: 82 thousand euros).

- The fees for tax advisory and/other services totalled 168 thousand euros (2023: 111 thousand euros).

d) Environmental disclosures

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

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

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

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

e) Disclosures regarding the average supplier payment term

The Company paid its suppliers at 19 days on average in 2024 (2023: 28 days).

	2024	2023
	Days	**Days**
Average supplier payment term	19	28
Paid transactions ratio	19	28
Outstanding transactions ratio	10	30
	Amount (thousands of euros)	**Amount (thousands of euros)**
Total payments made	11,931	12,756
Total payments outstanding	108	209
No. of invoices received during the year	1,382	1,374
	%	**%**
Payments settled within deadline	86.74	76.3
Invoices settled within deadline	88.4	84.2

For the purposes of calculating the average payment period, the 2024 figures in the table above do not include the sum of 5,284 thousand euros invoiced by an IT system provider as its invoices took 119 days to formally approve and document such that the payment was delayed by those 119 days.

(Thousands of euros)

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

COMPANY	ACCOUNT ID CODE	BIC CODE	ACCOUNT CODE	BANK	BRANCH	COUNTRY OF LOCATION OF BANK	DATE OPENED	BALANCE AT DEC. 31, 2024 (€)	AVERAGE BALANCE 4Q24 (€)	% INTEREST	CURRENCY
Semola, S.r.l.	IBAN	BCABIT21XXX	IT39D0350003205000000037267	CREDITO EMILIANO SPA	Naples	Italy	April-21	18,314.11	32,926.11	100%	EUR
	IBAN	CITIITMXXXX	IT31V0356601600000136084453	CITIBANK	Milan	Italy	December-23	0.00	0.00	100%	EUR
Ebro Costa Rica S.L.	IBAN	BSNJCRSJXXX	CR11010200009024954723	BAC San Jose	San José	Costa Rica	August-06	11,223.84	16,147.93	100%	USD
Ebro Riviana Guatemala SL	Other	CITIGTGCXXX	0002058006	CITIBANK	Guatemala City	Guatemala	March-21	24,131.66	27,047.68	100%	GTQ
EF Alimentación, S de R.L de CV.	CLABE	BCMRMXMM	187408390	BBVA BANCOMER, S.A.	Mexico City	Mexico	August-11	20,785.53	14,777.10	100%	MXP
	CLABE	BCMRMXMM	187409842	BBVA BANCOMER, S.A.	Mexico City	Mexico	August-11	0.00	0.00	100%	USD
Mundiriz	Other	BMCEMAMCXXX	0117350000032100060709.08	BANK OF AFRICA	Larache	Morocco	2001	699,884.89	533,991.69	100%	MAD
	Other	BCMAMAMCXXX	007 640 0013709000000131 39	Attijariwafa Bank	TANGIER	Morocco	2002	159,305.43	187,389.38	100%	MAD
	Other	BMCEMAMCXXX	011 735 0000 03 66600 60709 24	BANK OF AFRICA	Larache	Morocco	2009	390.40	390.40	100%	MAD
	Other	BMCEMAMCXXX	011 735 000 503 66500 12519 27	BANK OF AFRICA	Larache	Morocco	2015	21,378.43	29,032.77	100%	EUR
	Other	CDMAMAMCXXX	021 735 0000 080 030 167465 07	Crédit du Maroc	Larache	Morocco	March-18	134.72	17,313.19	100%	MAD
	Other	CAIXAMAMCXXX	003 640 64000000011 70167 55	CaixaBank - Tangier	TANGIER	Morocco	September-21	6,452.47	6,468.15	100%	MAD
Agromeruan	Other	BMCEMAMCXXX	0117350000032100006819.76	BANK OF AFRICA	Larache	Morocco	2007	17,576.87	11,047.93	100%	MAD
	Other	CDMAMAMCXXX	021 735 0000 080 030 183549 61	Crédit du Maroc	Larache	Morocco	October-21	1,833.41	1,833.41	100%	MAD
	Other	CAIXAMAMCXXX	003 640 64000000011 70268 43	CaixaBank - Tangier	TANGIER	Morocco	September-21	-1,430,792.21	-1,093,779.77	100%	MAD
Rivera del Arroz, S.A.	Other	BMCEMAMCXXX	0117350000032100060728.48	BANK OF AFRICA	Larache	Morocco	2002	2,707.66	1,728.27	100%	MAD
Katania	Other	BMCEMAMCXXX	011 735 0000 03 210 00 13562 23	BANK OF AFRICA	Larache	Morocco	February-17	9,801.41	9,801.41	100%	MAD

20. EVENTS AFTER THE REPORTING PERIOD

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