

Ebro

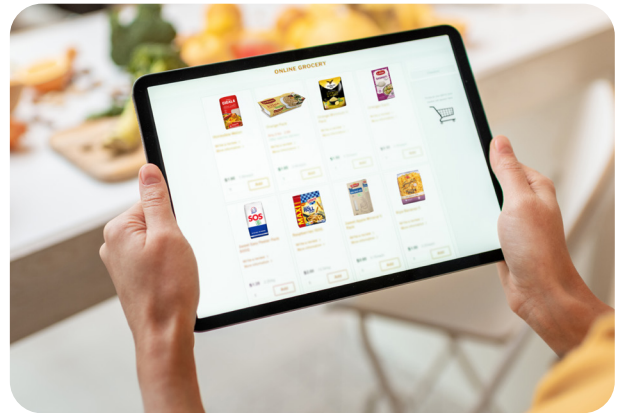


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01.

The Company

□ Mission, vision and values

The mission of the Ebro Foods Group is to research, create, produce and distribute high value-added foods, which enhance people's health and well-being while meeting their nutritional needs.

Our vision is to grow sustainably, ensuring ethical conduct and professional and personal integrity in the performance of our business activities, creating value for our shareholders, minimising the environmental impact of our operations, guaranteeing the personal and career development of our employees, improving the quality of life in society and meeting the needs of our customers and consumers.

The Group's conduct is guided by the following values:

- Leadership
- Transparency
- Honesty
- Responsibility
- Integrity
- Culture of effort
- Ambition to generate value
- Environmental responsibility
- Service vocation
- Focus on people
- Innovation
- Long-term sustainability
- Strict compliance with the law

□ Ethics and Integrity

The company is governed by the Ebro Foods Group Code of Conduct and the Internal Code of Market Conduct.

EBRO FOODS GROUP CODE OF CONDUCT

Approved by the Board of Directors of Ebro Foods, S.A., the Group's Code of Conduct (hereinafter COC) provides guidance on how to act in the internal and external relationships of the people and companies making up the group headed by Ebro Foods, strengthening our hallmark values and establishing a basic reference to be followed by the people and companies of the Ebro Foods Group.

The COC is a key element within the crime prevention model implemented in the Ebro Foods Group, so it is important that it be known and observed by all those persons within its scope.

The COC also lays down the guidelines for relations with the Group's stakeholders: shareholders, professionals, consumers, customers, suppliers, competitors, authorities and markets in general.

All those falling within the scope of application of the Code, as per point 4 thereof, are bound to comply and contribute towards compliance with it. Nobody, regardless of their position within the Group, is authorised to require a person bound by the Code to breach its provisions. No relevant person may justify any malpractice or conduct infringing the COC alleging an order from a superior or ignorance of its contents.

In this regard, any person bound by the Code may report any default or infringement of any of its principles, under a guarantee of absolute confidentiality.

A reporting channel is established for this purpose, as follows:

- Reports or complaints may be sent by e-mail to canaldedenuncias@ebrofoods.es
- Access to that e-mail account, technologically protected to prevent any unauthorised access, is limited exclusively to the Chairman of the Audit, Control and Sustainability Committee who, as an independent director, has no relationship with the Group management.
- According to the contents of the report, the Chairman Audit, Control and Sustainability Committee may obtain the appropriate information and make the necessary consultations to clarify the issue, guaranteeing at all times the absolute confidentiality of the reporter and not informing the reported person or persons until the investigation has concluded.
- The Chairman of the Audit, Control and Sustainability Committee will keep in touch with the reporter, informing them of the enquiries made and the final outcome and consequences.
- The Chairman of the Audit, Control and Sustainability Committee will in all cases establish the order of priority and process, investigate and resolve reports according to their importance and nature, paying special attention to those concerning a possible financial or accounting fraud and possible fraudulent activities.

The full text of the Code of Conduct and the guidelines laid down for its implementation and application are available for consultation by any of our stakeholders through the corporate Intranet and the Group's website, within the Corporate Social Responsibility section: <https://www.ebrofoods.es/en/information-for-shareholders-and-investors/code-of-coduct/>.

The COC has been translated into the languages of all the countries in which the Group operates and has been signed by all the company's employees.

The Ebro Group is developing a multi-year ethical audit plan as a mechanism for monitoring and assessment of compliance. These audits will be made by an independent third party at both Group workplaces and at a sample of suppliers.

INTERNAL CODE OF MARKET CONDUCT

Approved by the Board of Directors of Ebro Foods, S.A., the Code is included in a process of actions taken by the Company within the framework of constant review of its internal regulations to adjust them to the legal provisions and CNMV criteria in place from time to time.

Its purpose is to establish a set of rules conforming to the laws and regulations in place from time to time, governing the conduct by the Company and the Relevant Persons in the different areas regulated in the Code, all relating to their actions in the security markets.

In this regard, Relevant Persons are:

- (i) Directors and Senior Executives, as well as the Secretary and Vice-Secretary of the Board
- (ii) External Advisers insofar as they are considered Insiders
- (iii) Members of the Compliance Unit
- (iv) Any person other than the former whenever so decided in specific cases by the Compliance Unit contemplated in the Code, in view of the prevailing circumstances in each case.

The Code is applicable to the following subject matter:

- (i) Trading in relevant securities
- (ii) Insider information and price-sensitive information
- (iii) Treasury stock
- (iv) Conflicts of interest

The full text of this Code is available for consultation by any of our stakeholders through the corporate Intranet and the Group's website, within the Corporate Governance section: <https://www.ebrofoods.es/en/information-for-shareholders-and-investors/corporate-governance/rules-of-conduct-on-stock-markets/>.



□ Operating companies

As at the closing date of this Report (31/03/2023), the core businesses are performed by the following subsidiaries, reporting to Ebro Foods, S.A.:

COMPANY	COUNTRY	BUSINESS AREA
Agomeruan, S.A.R.L. AU	Morocco	Rice
Arotz Foods, S.A.	Spain	Others
Arrozeiras Mundiarroz, S.A.	Portugal	Rice
Bertagni 1882, S.P.A.	Italy	Pasta
Ebro Foods, S.A.	Spain	Holding
Ebro Foods Belgium, N.V.	Belgium	Rice
Ebro Foods Netherlands, B.V.	Netherlands	Rice
Ebro India, Private Ltd.	India	Rice
Ebro Ingredients, B.V.	Netherlands & Belgium	Ingredients
Ebro Premium Food, S.A.S.	France	Rice and pasta
Ebrofrost Denmark, A/S	Denmark	Rice and pasta
Ebrofrost Germany, Gmbh	Germany	Rice and pasta
Ebrofrost UK, Ltd	United Kingdom	Rice and pasta
Ebrofrost North America	United States	Rice and pasta
Euryza, Gmbh	Germany	Rice
Geovita Functional Ingredients, S.R.L.	Italy	Ingredients
Herba Bangkok, S.L.	Thailand	Rice
Herba Cambodia, Co. Ltd	Cambodia	Rice
Herba Ricemills, S.L.U.	Spain	Rice
Indo European Foods Limited	United Kingdom	Rice
La Loma Alimentos, S.A.	Argentina	Rice
Lustucru Frais, S.A.S.	France	Fresh pasta
Lustucru Riz, S.A.S.	France	Rice
Mundi Riso, S.R.L.	Italy	Rice
Mundi Riz, S.A.	Morocco	Rice
Neofarms Bio, S.A.	Argentina	Rice
Pastificio Lucio Garofalo, Spa	Italy	Pasta
Riceland Magyarorzag, Kft	Hungary	Rice
Riviana Foods, Inc.	United States	Rice
Riviana Foods Canada Corporation	Canada	Fresh pasta
Santa Rita Harinas, S.L.U.	Spain	Others
S&B Herba Foods, Ltd.	United Kingdom	Rice
Tilda, Ltd.	United Kingdom	Rice
Transimpex, Gmbh	Germany	Rice

□ Industrial infrastructure

As at the closing date of this Report, the Ebro Group has, through its subsidiaries, 78 facilities (57 production plants, 12 offices and 9 warehouses) in 16 different countries.

COMPANY	COUNTRY	WORKPLACE	TYPE OF FACILITY
Arotz Foods, S.A.	Spain	Navaleno	Industrial
Arrozeiras Mundiarroz	Portugal	Coruche	Industrial
		Lisbon	Office (lease)
Bertagni 1882, S.P.A.	Italy	Vicenza	Industrial
		Avio	Industrial
		Avio (ex Le Cont)	Warehouses
		Avio (ex Ginos)	
		Arcugnano (ex Campagnolo)	
		Arcugnano (via Fermi)	
Ebro Foods Belgium, N.V.	Belgium	Merksem (plant A)	Industrial
Ebro Foods, S.A.	Spain	Madrid	Office (lease)
		Barcelona	
		Granada	
Ebro Foods Netherlands, BV	Netherlands	Wormer	Industrial
Ebro India, Private Ltd.	India	Taraori	Industrial
Ebrofrost Denmark, A/S	Denmark	Orbaek	Industrial
Ebrofrost Germany, GmbH	Germany	Offingen	Industrial
Ebrofrost North America	United States	Memphis	Industrial
Ebrofrost UK, Ltd	United Kingdom	Beckley	Industrial
Euryza, GmbH	Germany	Hamburgo	Office (lease)
Geovita Functional Ingredients, S.R.L.	Italy	Bruno	Industrial
		Nizza Monferrato	Industrial
		Verona	Industrial
		Villanova Monferrato	Industrial
Herba Bangkok, S.L.	Thailand	Nong Khae	Industrial
Herba Cambodia, Co. Ltd	Cambodia	Phnom Phen	Industrial
Ebro Ingredients, B.V.	Belgium	Plant B	Industrial
		Plant F	Industrial
		Plant C	Industrial
		Planta E	Warehouses
		Beernem	Office (lease)
	Netherlands	Plant D	Industrial

COMPANY	COUNTRY	WORKPLACE	TYPE OF FACILITY
Herba Ricemills, S.L.U.	Spain	San Juan de Aznalfarache	Industrial
		Jerez de la Frontera	Industrial
		Coria del Río	Industrial
		Isla Mayor	Industrial
		Silla	Industrial
		Algemesí	Industrial
		L'Aldea	Industrial
		La Rinconada	Industrial
		Los Palacios	Industrial
		Cotemsa	Warehouses
		Raza	
Ecorub			
Indo European Foods Ltd.	United Kingdom	Felixstowe	Industrial
La Loma Alimentos, S.A.	Argentina	Los Charrúas	Industrial
		Chajarí	Industrial
		Los Conquistadores	Industrial
		Buenos Aires	Office (lease)
Lustucru Frais, S.A.S.	France	St Genis Laval	Industrial
		Lorette	Industrial
		Communay	Industrial
		Communay	Warehouses
Ebro Premium	France	Lyon	Office (owned)
Mundi Riz, S.A.	Morocco	Larache	Industrial
Mundi Riso, S.R.L.	Italy	Vercelli	Industrial
Neofarms BIO, S.A.	Argentina	Concordia	Office (lease)
Pastificio Lucio Garofalo, Spa	Italy	Gragnano	Industrial
Riceland Magyarorzag, Kft	Hungary	Budapest	Office (lease)
Riviana Foods Canada	Canada	Delta	Industrial
		Hamilton	Industrial
Riviana Foods	United States	Memphis	Industrial
		Carlisle	Industrial
		Brinkley	Industrial
		Hazen	Industrial
		Clearbrook	Industrial
		Freeport	Industrial
		Alvin	Industrial
		Colusa	Industrial
Woodland	Industrial		
S&B Herba Foods, Ltd.	United Kingdom	Fullbourn	Industrial
		Regent	Industrial
		Orpington	Office (lease)
Santa Rita Harinas, S.L.U.	Spain	Loranca de Tajuña	Industrial
Tilda, Ltd.	United Kingdom	Classic	Industrial
		Jazz	Industrial
Transimpex, GmbH	Germany	Lambsheim	Industrial
		Lambsheim	Office (owned)

□ Membership of sectoral organisations and associations

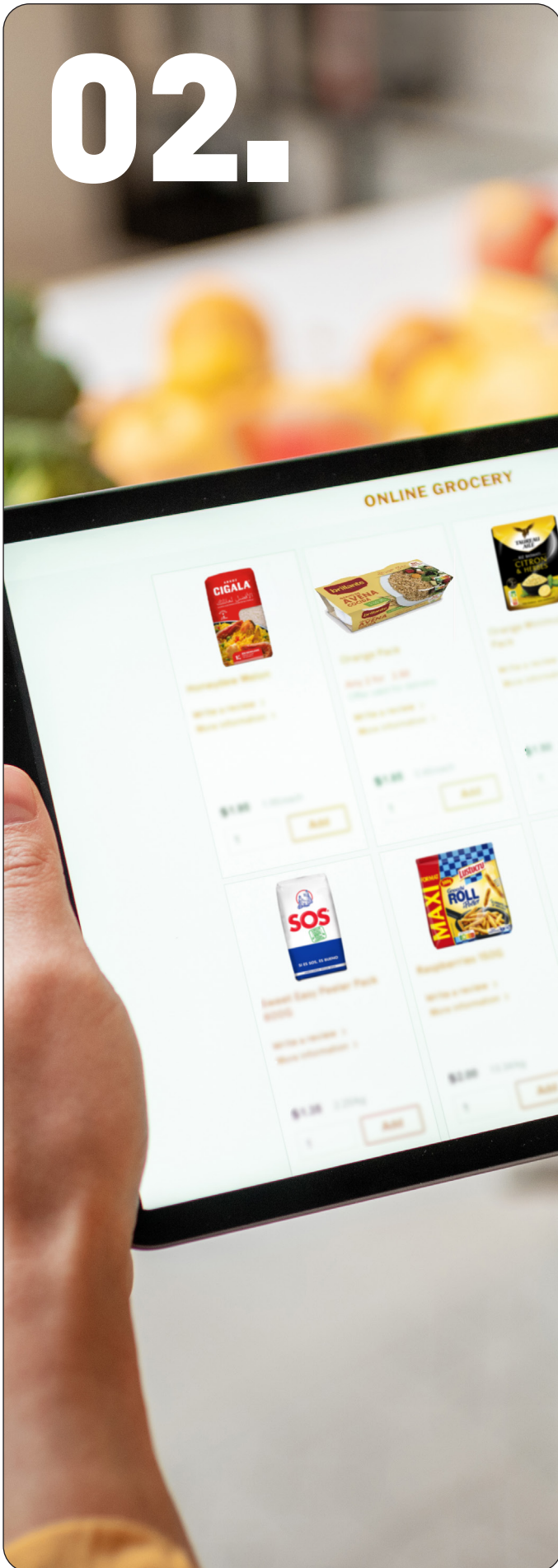
We list below the Group companies that are members of sectoral organisations and associations:

COMPANY	ASSOCIATION
Ebro Foods Netherlands	European Rice Association
	Dutch Rice Association
Ebro Ingredients	European Rice Association
Herba Ricemills	Federación de Molineros Europeos de Arroz (FERM)
	Asociación Española de Codificación Comercial (AECOC)
	Confederación de Empresarios de Andalucía (CEA)
	Asociación de Industrias Arroceras Españolas (UNIADE)
Indo European	UK Rice Association
Lustucru Frais	Institut de liaisons et d'études des industries de consommation (ILEC)
	Association Des Entreprises de Produits Alimentaires Élaborés (ADEPALE)
	Association Nationale des Industries Alimentaires (ANIA)
Mundi Riso	Italian Rice Miller Association (AIRI)
Riviana Foods	U.S. Rice Federation
	Greater Memphis Chamber of Commerce
Riviana Foods Canada	Food, Health & Consumer Products of Canada
S&B Herba Foods	UK Rice Association
	UK Rice Association
Tilda	Food and Drink Federation
	British Brands Group
	Flexible Plastic Fund (ECOSURITY)
	On Pack Recycle Labelling (OPRL)
	Waste and Resources Action Programme (WRAP)
Transimpex	Membership in federation VGMS



02.

Governance Model



Governance bodies

The governance bodies of Ebro Foods, S.A. are the General Meeting of Shareholders and the Board of Directors.

The General Meeting is the Company's sovereign body. It is competent to discuss and adopt resolutions on all business reserved in law or the Articles of Association for decision by this body and, in general, on any business submitted to it by the Board of Directors or the shareholders within its legal remit.

Save in any matters reserved by law, regulations or the Articles of Association to the General Meeting, the Board of Directors is the highest body of governance and administration of the company, with full powers to direct, administer and represent the company in the activities comprising its objects. The Board of Directors entrusts the day-to-day management of the company to its executive members and the senior officers, so that it can focus on oversight and certain general duties including, among others, those corresponding to it by law, those established in the Regulations of the Board and any that may be delegated to it by the General Meeting of Shareholders as stipulated in law.

There are also four Committees, which guarantee fulfilment of the Board's duties and perform the powers vested in them by law, the Articles of Association and the Regulations of the Board:

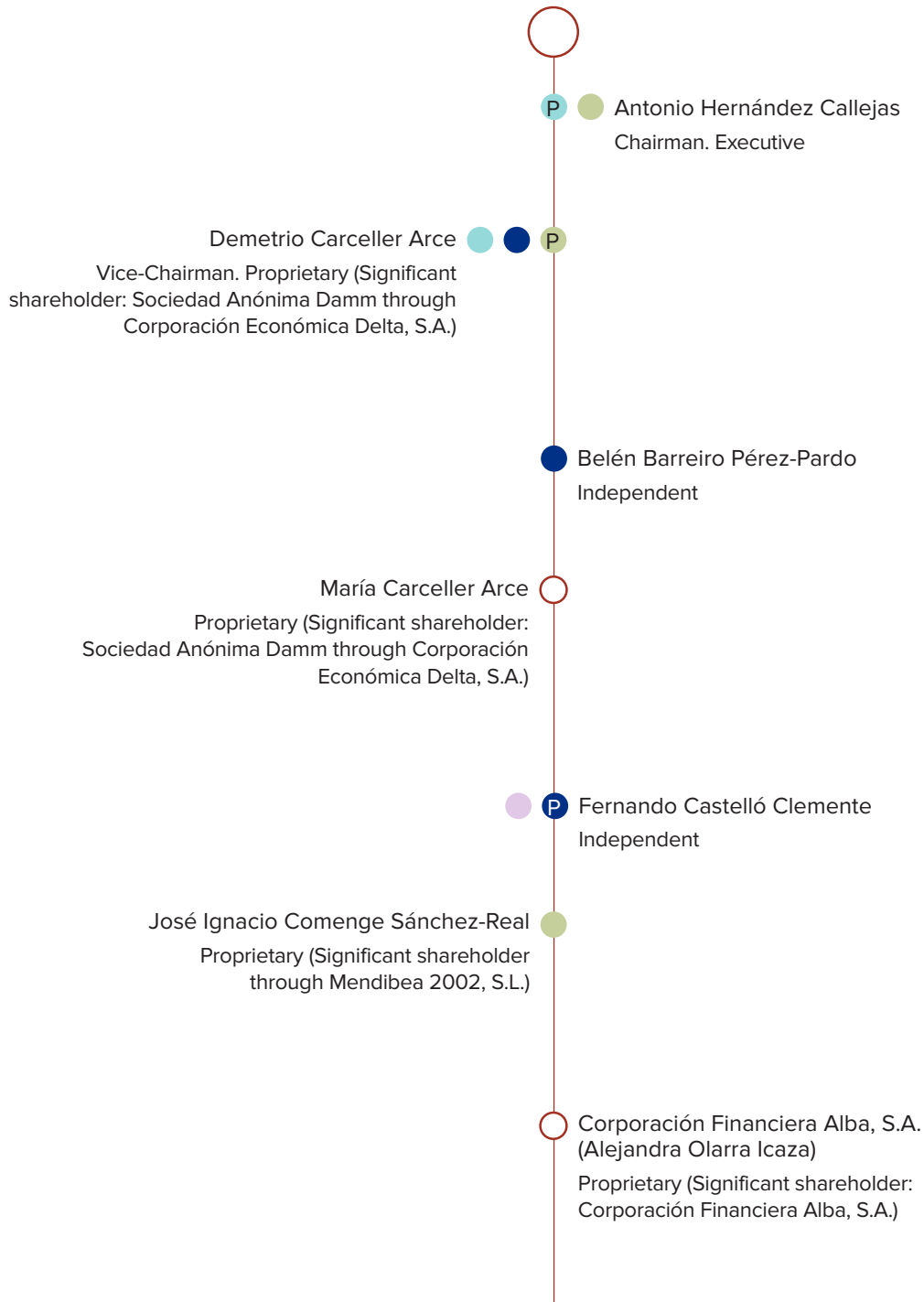
- Executive Committee
- Audit, Control and Sustainability Committee
- Nomination and Remuneration Committee
- Strategy and Investment Committee






Analysis of the composition of the Board of Directors

The Board of Directors is made up of fourteen (14) members, in accordance with the number set at the Annual General Meeting held on 29 July 2020. In the opinion of the Nomination and Remuneration Committee, this size gives the Board: (i) an adequate size to ensure efficient functioning, participation of all directors and agile decision-making; (ii) adequate diversity of expertise, experience and gender in its composition; and (iii) an adequate balance between the representation of significant shareholders and minority shareholders on the Board.

With regard to the composition of the Board from the point of view of categories of directors and the presence of women (as the gender least represented on the Board), of the fourteen (14) directors, two (2) are classified as executive, eight (8) as proprietary and four (4) as independent; and there are five (5) female directors (6 prior to the retirement of Alimentos y Aceites, S.A., as its representative on the Board was a woman).

□ Composition of the Board of Directors, categories of Directors and Committee memberships (information as at 31.12.2022)



-  President of the Comission
-  Executive Committee
-  Audit, Control and Sustainability Committee
-  Nomination and Remuneration Committee
-  Strategy and Investment Committee



(1) The director Heralianz Investing Group, S.L. does not perform management duties in Ebro Foods, S.A. or in the Group. It is nonetheless classified as an Executive Director by virtue of the fact that the individual representing it on the Board, Félix Hernández Callejas, is a senior executive and director in several of the Group companies.

- P President of the Commission
- Executive Committee
- Audit, Control and Sustainability Committee
- Nomination and Remuneration Committee
- Strategy and Investment Committee

□ Details of changes on the Board and its Committees between 01.01.2022 and 31.03.2023

- On 31 January 2022, the Board of Directors resolved to appoint Marc Thomas Murtra Millar director, by co-optation, to fill the vacancy produced as a result of the resignation tendered by Pedro Antonio Zorrero Camas. Mr Murtra Millar was also appointed member of the Executive Committee and the Audit, Control and Sustainability Committee. He is classified as an independent director.

The appointment by co-optation of Marc Thomas Murtra Millar as director was ratified at the Annual General Meeting of Shareholders held on 29 June 2022. At a meeting also held on 29 June 2002, the Board resolved to ratify Marc T. Murtra Millar as member of the Executive Committee and the Audit, Control and Sustainability Committee.

Further to a favourable report by the Nomination and Remuneration Committee, the Board resolved on 23 November 2022 to appoint Marc Thomas Murtra Millar Chair of the Audit, Control and Sustainability Committee, taking over from Mercedes Costa García upon expiry of her term of office as Chair of that Committee, pursuant to section 529.4 of the Corporate Enterprises Act. Mr Murtra Millar was appointed Chair of the Audit, Control and Sustainability Committee on 23 November 2022.

Mr Murtra Millar was appointed director for the remaining term corresponding to Mr Zorrero Camas.

- On 24 March 2022, the proprietary director and core shareholder Alimentos y Aceites, S.A. tendered its resignation from the Board with effect from 29 March 2022.

On 30 March 2022, the Board resolved to appoint Jordi Xuclà Costa director, by co-optation, to fill the vacancy produced as a result of the resignation tendered by Alimentos y Aceites, S.A. Mr Xuclà Costa is classified as a proprietary director nominated by Alimentos y Aceites, S.A.

The appointment by co-optation of Jordi Xuclà Costa as director was ratified at the Annual General Meeting of Shareholders held on 29 June 2022.

Mr Xuclà Costa was appointed director for the remaining term corresponding to Alimentos y Aceites, S.A.

- Finally, on 21 December 2022, the Board of Directors unanimously resolved to rename the Audit and Compliance Committee, which is thereafter named the Audit, Control and Sustainability Committee, to reflect the increasing importance attached by the company to sustainability and corporate social responsibility and the important remit of this Committee in that area.

□ Analysis by the Nomination and Remuneration Committee of the composition of the Board of Directors

Throughout 2022, every time a possible appointment, re-election or ratification of a director was proposed, the Nomination and Remuneration Committee analysed the composition of the Board from the point of view of director categories, the presence of women, the size of the Board and the diversity of expertise and profiles.

INDEPENDENT DIRECTORS

The number of independent directors (4) is just below one-third (4.666) of the total number of Board members (14) recommended for non-large cap companies.

The company considers it necessary to continue working to increase the number of independent directors until it reaches at least the recommended one-third, although it should be borne in mind that 68.38% of the company's total capital is represented on the Board.

PROPRIETARY DIRECTORS

The number of proprietary directors (8) represents 57.14% of the total number of Board members (14) and 66.67% of the total non-executive directors.

The percentage of proprietary directors in the total non-executive directors (66.67%) is greater than the proportion of the company's capital represented by those directors in respect of the remaining capital (57.87%). In this regard, it should be borne in mind that: (i) the significant shareholders represented on the Board are not related to one another; (ii) 68.38% of the company's capital is represented on the Board; and (iii) the company has a non-free float of 71.54%.

FEMALE DIRECTORS

With regard to the presence of women on the Board of Directors, the Policy for the Selection of Directors and Diversity in the composition of the Board of Directors of Ebro Foods, S.A. establishes the target for the gender least represented on the Board to account for no less than 40% of all the Board members by the end of 2022 and thereafter.

Prior to the resignation of Alimentos y Aceites, S.A., which had been represented on the Board by a woman, there were 6 women on the Board of Directors, which was 42.86% of the total number of Board members set by the General Meeting (14), so the Company had reached and exceeded the target recommended by the Code of Good Governance and established in the Policy for the Selection of Directors and Diversity in the composition of the Board of Directors.

Following the resignation from the Board of Alimentos y Aceites, S.A. and the incorporation of a male director, the number of women on the Board fell from 6 to 5 and the number of men rose from 8 to 9, taking the percentage of women in the total number of Board members (14) to 35.71%, which is below the 40% target.

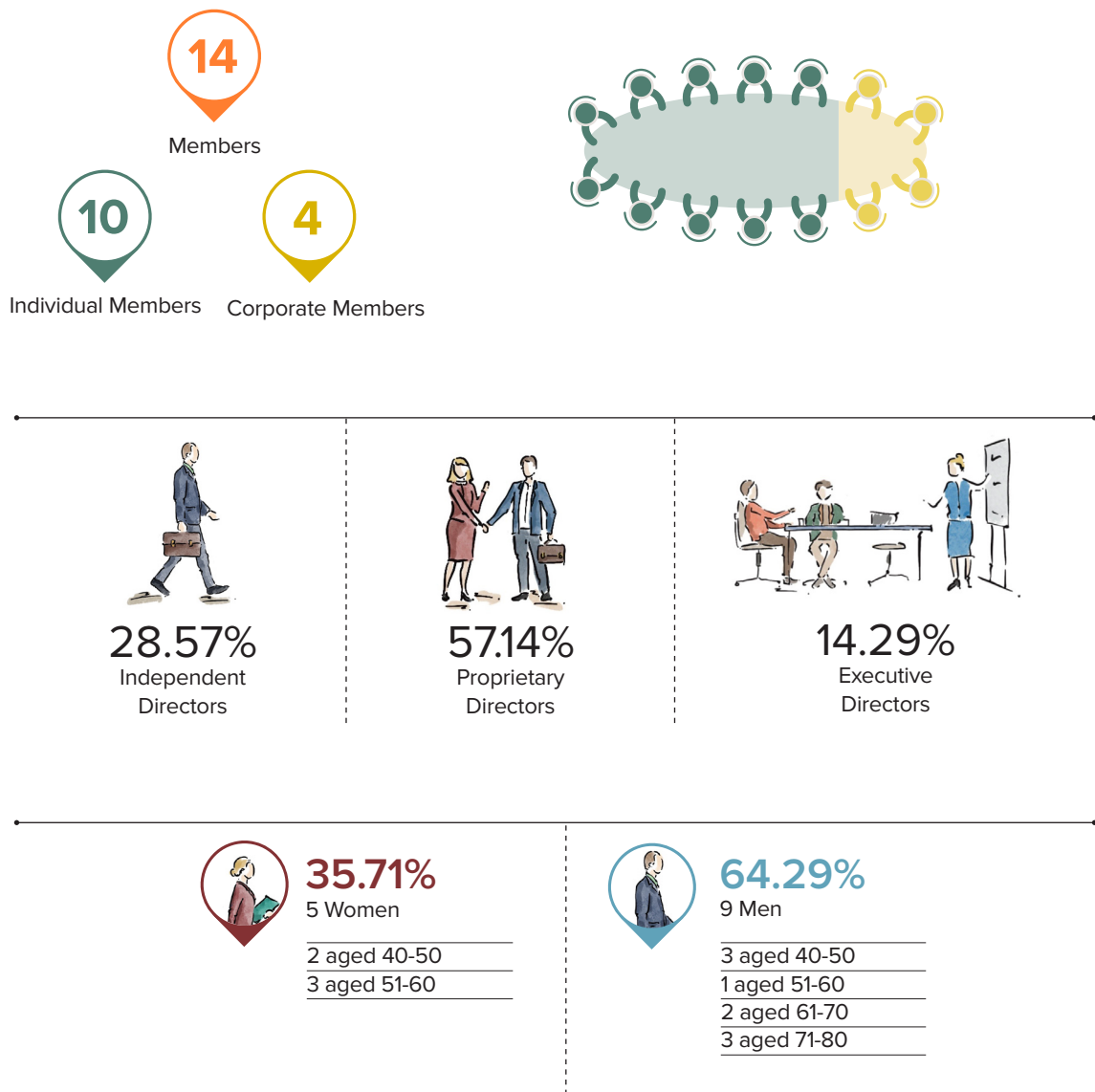
The Company is aware of the need to increase the number of women on the Board to restore the proportion that had been reached prior to the departure of Alimentos y Aceites, S.A. and we will strive to return to the 40% target recommended by the Code of Good Governance and established in the Policy for the Selection of Directors and Diversity in the composition of the Board of Directors.

DIVERSITY OF DIRECTOR PROFILES

Finally, we highlight the fact that all the present directors were appointed on account of their expertise, skills, professional experience, availability and suitability, which were considered adequate for the duties they were to perform.

In view of the diversity of professional profiles of the directors (all specialists in sectors that are both varied and complementary, such as economic, financial, legal, industrial, consumer and distribution markets, beverages, rice and pasta) and taking into account the extensive knowledge that some of them have of the Group overall, the Company considers that the composition of the Board of Directors has adequate diversity of expertise and professional experience to serve the interests of the company and the group.

□ **Graph summarising the composition of the Board of Directors**



□ Significant shareholders and their interests in the capital

The information that Ebro Foods, S.A. has on its significant shareholders and their interests in the capital is obtained from the information they report directly to the Company or publish in accordance with the prevailing laws and regulations on significant holdings, as well as the information that the Company obtains from those shareholders when drawing up its Annual Financial Statements.

According to that information, the interests held by significant shareholders at 31.12.2022 is stated below. The Company has not been informed of any changes in those interests up to 31.03.2023:

% Voting rights attributed to shares			% Voting rights through financial instruments	% Total voting rights
Directo	Indirecto	Total		
14.522	0.000	14.522	0.000	14.522
0.000	11.686	11.686	0.000	11.686
0.000	10.360	10.360	0.000	10.360
9.000	0.000	9.000	0.000	9.000
7.961	0.000	7.961	0.000	7.961
7.827	0.000	7.827	0.000	7.827
0.002	5.362	5.364	0.000	5.364
0.000	3.160	3.160	0.000	3.160

- Corporación Financiera Alba, S.A.
- Sociedad Anónima Damm (through Corporación Económica Delta, S.A.)
- Sociedad Estatal de Participaciones Industriales (through Alimentos y Aceites, S.A.)
- Heralianz Investing Group, S.L.
- Grupo Tradifin, S.L.
- Empresas Comerciales e Industriales Valencianas, S.L.
- José Ignacio Comenge Sánchez-Real (through Mendibea 2002, S.L.)
- Artemis Investment Management, LLP

□ Capital represented on the Board of Directors

Scale of percentage interests in the capital	Significant shareholders represented on the Board and directors with a direct or indirect interest in the capital	Percentage interest
≥ 10.00%	Corporación Financiera Alba, S.A. <i>(Significant shareholder and Proprietary Director)</i>	14.522
	Corporación Económica Delta, S.A. <i>(Significant shareholder represented on the Board by the Proprietary Directors Demetrio Carceller Arce and María Carceller Arce)</i>	11.686
	Alimentos y Aceites, S.A. <i>(Significant shareholder represented on the Board by the Proprietary Director Jordi Xuclà Costa)</i>	10.360
≥ 5.00% < 10.00%	Hercalanz Investing Group, S.L. <i>(Significant shareholder and Executive Director*)</i>	9.000
	Grupo Tradifin, S.L. <i>(Significant shareholder and Proprietary Director)</i>	7.961
	Empresas Comerciales e Industriales Valencianas, S.L. <i>(Significant shareholder and Proprietary Director)</i>	7.827
	José Ignacio Comenge Sánchez Real <i>(Significant shareholder and Proprietary Director)</i>	5.364
≥ 3.00% < 5.00%	---	---
< 3.00%	Fernando Castelló Clemente	1.500
	Demetrio Carceller Arce	0.134
	María Carceller Arce	0.021

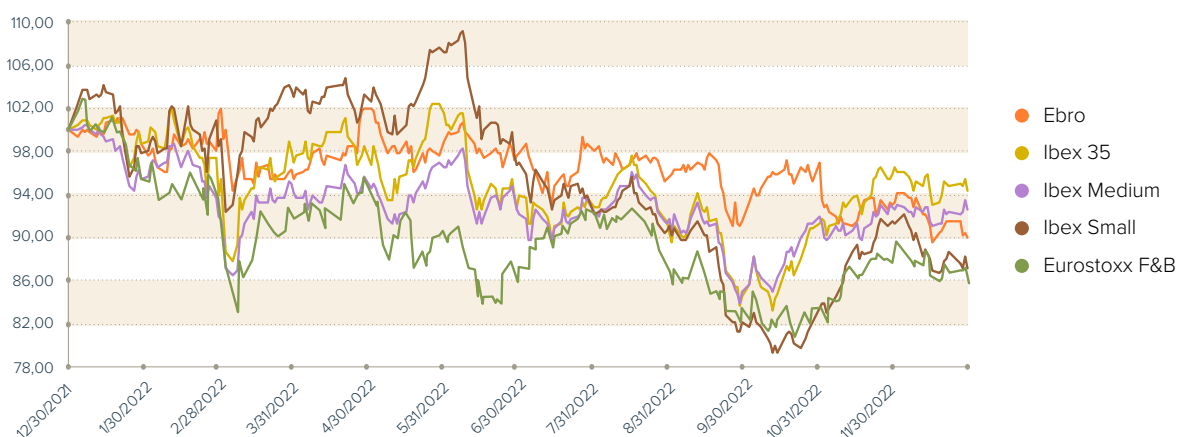
(*) See note (1) at the bottom of the table Composition of the Board of Directors, categories of Directors and Committee memberships with regard to the classification of Hercalanz Investing Group, S.L. as an Executive Director.

- Percentage capital represented on the Board: 68.375%
- Total percentage of voting rights held by Directors: 46.329%
- Percentage of non-free float: 71.535%
- Percentage of free float: 28.465%

Share performance

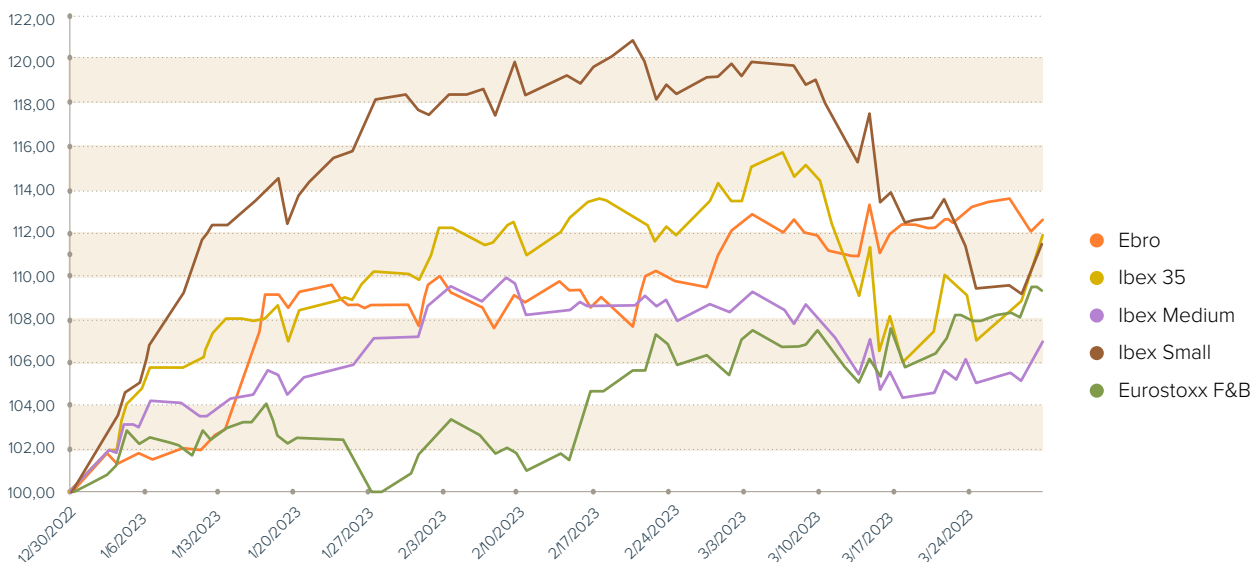
During 2022, Ebro Foods Group share price fell by 9.9%. In the same period, the Ibex 35 fell by 5.6%, the Ibex Med by 7.3%, the Ibex Small by 12.8%, and the Eurostoxx Food and Beverage by 14.0%.

EBRO VS INDEXES 2022



The average price of our share in 2022 was €15.47, closing at 30 December at €14.49. Share turnover was equivalent to 9.1% of the total number of shares in the company. So the average daily volume of trading in 2022 was 53,998 shares.

EBRO VS INDEXES 2023



If we observe share performance in 2023, at 24 March the Ebro share has appreciated by 12.5%, while Ibex 35 has appreciated by 11.8%, Ibex Med 6.9%, Ibex Small is up by 11.4% and Eurostoxx Food and Beverage is up by 9.20%.

□ EBRO analysts

A year more analysts continue to rate our share highly and EBRO is currently tracked by the following firms:

- Alpha Value
- Alantra
- Banco Sabadell
- Bankinter
- BPI La Caixa
- Exane BNP Paribas
- Fidentis Bestinvest
- GVC Gaesco
- Intermoney
- Kepler Cheuvreux
- Mirabaud
- Oddo BHF
- Renta 4
- Santander Investment
- UBS

At year-end 2022, the average rating by analysts gave EBRO a target price of EUR 17.78 euros per share, 22.7% higher than our market price at that date.

□ Dividends

During 2022, an ordinary dividend of €88 million (€0.57 per share) was distributed against the 2021 profits. The dividend yield per share at year-end 2022 was thus 3.9%.

For 2023, the Ebro Foods board unanimously resolved on 21 December 2022 to table a motion at the forthcoming Annual General Meeting proposing a dividend of €0.57 per share against the 2022 earnings, to be distributed in three payments of €0.19 per share in April, June and October 2023 (€88 million). The dividend would thus be maintained at the same level as in 2022.



NB: All the information on the ownership structure and governance of the company can be consulted in the Annual Corporate Governance Report.

□ Risk management

As one of the corporate policies approved by the board of directors, the Risk Control and Management Policy lays down the basic principles and general framework for control and management of our business risks, including tax risks, and internal control of financial reporting to which the Company and other Group companies are exposed.

Within this general framework, the integral, homogenous Risk Control and Management System is based on the preparation of a business risk map, where risks are identified and assessed and risk management capacity is graded to obtain a ranking of risks from greater to lesser impact for the Group and their probability of occurrence. The risk map also identifies the measures to mitigate or neutralise the risks identified.

The risk universe is grouped into four main groups: compliance, operational, strategic and financial. The first three groups also include the principal non-financial risks related with the company's business. We describe these non-financial risks below:

COMPLIANCE RISKS

1. Sector regulation. The agro-industrial sector is subject to numerous regulations affecting export and import quotas, customs duties, intervention prices, etc., subject to the guidelines set down by the Common Agricultural Policy (CAP). The Group's activity may also be affected by changes in legislation in the countries where the Group sources raw material or sells its products.

The Group deals with this risk by participating in or echoing the different legal and/or regulatory forums through a number of prestigious professionals who endeavour to secure adequacy and compliance.

Within this group, the increasingly strict laws on the use of fungicides and pesticides on the basic crops for this industry, especially rice, are becoming more and more important and linked to other operational risks such as supply and food safety.

To mitigate this risk, the Group has stepped up its quality controls and checks to detect this type of product, working on a selection of protection providers, who are going to be asked to incorporate sustainability criteria in their policies, and providing more education for growers to seek natural alternatives for these products.

2. General regulation. This includes compliance risks concerning civil, mercantile, criminal and governance laws and regulations. To help deal with criminal risks, the Group has a Crime Prevention Model, which covers our Spanish companies. Our principal subsidiaries have similar structures, adapted to their respective local laws and regulations. The Compliance Unit monitors and controls them all.

One specific part concerns respect for and compliance with Human Rights in accordance with the ethical standards promoted in the Group's Code of Conduct. To prevent and mitigate this risk, the Group has different SMETA audits made every year on its supply chain and implements internal awareness and training plans. In accordance with the EU 'Proposal for a Directive on corporate sustainability due diligence' published on 23 February 2022, the company has set itself the goal for 2023 and 2024 of making an exhaustive analysis to identify any risks of adverse human rights impacts both inside and outside the consolidated Group and develop a Due Diligence System.

3. Tax laws. Any change in the tax laws or their interpretation or application by the competent authorities in the countries in which the Group operates could affect our earnings.

To mitigate this risk, the Group, directed by those responsible for taxation, monitors the tax laws and possible interpretations thereof, requesting specific reports from specialists to support its stand, guided at all times by a principle of prudence in this matter.

In the process of classifying risks, a dynamic assessment is made of both inherent risk and the residual risk after applying the internal controls and protocols established to mitigate them. Those controls include preventive measures: an adequate segregation of duties, clear levels of authorisation and the definition of policies and procedures. These controls can in turn be grouped into manual and automatic, the latter being implemented by computer applications.

This model is both qualitative and quantitative and can be measured in the Group's earnings, so the risk level is considered acceptable or tolerable on a corporate level.

The Risk Control and Management System is dynamic, so the risks to be considered vary with the circumstances in which the Group operates.

The Risk Control and Management System, including tax risks and control of financial reporting, is based on the following structure:

- The Board of Directors, as the body ultimately responsible, determines the risk control and management policy, including tax risks and control of financial reporting.
- The Audit and Compliance Committee, through the Risks Committee, supervises and monitors the financial reporting and risk control systems, regularly informing the Board of any material aspects occurring in these areas. It is also responsible for supervising and overseeing internal control of the Group and the Risk Management Systems, and for proposing to the Board the risk control and management policy and any measures for enhancing these areas.
- The Risks Committee, based on the policy established by the Board and supervised by and answering to the Audit Committee, is specifically responsible for coordinating and monitoring the risk control and management system, including the Group's financial reporting and tax risks. The analysis and assessment of risks associated with new investments also falls within the remit of the Risks Committee.
- The Management Committees of the different units, on which the Chairman of the Board and the Chief Operating Officer (COO) sit, assess the risks and determine the measures to be implemented.
- Risk officers in the different units. The Risks Committee appoints officers in the major subsidiaries to monitor the Risk Control and Management System, including tax risks and financial information, and reporting to the Committee.
- Internal Audit Department. Within the internal audits made of the different subsidiaries, the company's Internal Audit Department checks that the financial reporting and risk management testing and control have been conducted adequately, complying with the indications of the Risks Committee.

OPERATIONAL RISKS

- 1. Food safety.** Given the nature of the business, aspects regarding food safety are a critical point to which the Group pays special attention, being bound by a large number of laws and standards in each of the countries in which our products are produced and sold.

The Group's policy is based on the principles of compliance with the laws in force from time to time and guaranteeing food safety and quality.

The food safety programmes are based on following protocols to identify and control certain critical points (Hazard Analysis and Critical Control Points –HACCP–), so that the residual risk is minimal.

The main control points are grouped into:

- Physical points: controls to detect foreign bodies or the presence of metals.
- Chemical points: detection of chemical elements or the presence of allergens.
- Biological points: presence of elements such as salmonella or any other kind of pathogens.

Most of our handling processes have obtained IFS (International Food Safety), SQF (Safe Quality Food) and/or BRC (British Retail Consortium) certificates, recognised by the Global Food Safety Initiative (GFSI) as food product certification standards, as well as local and special product certificates (Kosher, gluten-free or Halal foods).

The Group has also defined, developed and implemented a quality, environment and food safety management system compliant with the requirements of the standards UNE-EN-ISO 9001 (Quality management), UNE-EN-ISO 14001 (Environmental management) and ISO 22000 (Food safety management).

- 2. Technological (trailing behind) risk.** One of the most important tools for standing up to competition is differentiation and product alignment, which is based on constant technological innovation and the endeavour to adapt to consumer desires. The R&D and innovation strategy is a fundamental part of the Group's general strategy. The R&D and innovation departments, in close collaboration with the Commercial and Marketing departments, work on reducing this risk.
- 3. Cybersecurity.** The exponential growth of internet access exposes companies and users to different types of attack: identity theft, malware, attacks on websites, zero-day attacks, etc. The Group has an action plan contemplating: (i) the ongoing training of personnel on these threats, (ii) the definition of an adequate network infrastructure (firewalls, Wi-Fi access, network electronics, browsing possibilities and design of connected industrial networks), (iii) the correct definition of user points (antivirus, mobile device management systems, permissions, updates) and (iv) a programme for data preservation and management (back-ups, use of the cloud, shared information).

ENVIRONMENTAL AND STRATEGICAL RISKS

- 1. Environment and natural risks.** Drought and flooding in the commodity-producing countries can cause problems of availability and price instability. These natural risks can also affect consumers in the affected regions or even the Group's assets in those locations.

The best way of mitigating this type of risks is to diversify both the sourcing of raw materials and the countries in which our products are sold. The Group also makes sure it has flexible production capacity with plants in four continents, which minimises possible local problems. In addition, the Group has taken out insurance policies covering all its plants and sites, which would mitigate any disaster that could jeopardise their value.

2. Climate change. Climate change encompasses several risks with growing impact in the short, medium and long term, which might directly affect the development of our business activities and which, owing to their cross-cutting nature, are already largely included in the risk matrix of the Ebro Group. These risks include, on the one hand, the physical risks deriving from the increase in extreme climate events throughout the world, as well as chronic changes in the environment and, on the other hand, those deriving from the transition towards a decarbonised economic model, including changes to the law or in the behaviour of economic operators, the development of energy efficient alternative technologies, changes in market preferences or reputational factors associated with the activities having a greater impact.

Accordingly, in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), in 2020 the Group made an analysis to identify the potential risks, impacts and opportunities that climate change may have in our Organisation, establishing appropriate mitigation and/or adaptation measures for each one, the vast majority of them contemplated in our sustainability plan **HEADING FOR 2030**: (i) make a more efficient consumption of water and energy to reduce Scope 1 and 2 emissions; (ii) increase the use of green energies, re-use and reduce waste; (iii) use recyclable packaging; (iv) reduce GHG emissions in logistics; (v) implement sustainable agriculture models.

TYPES OF RISK	RISKS	IMPACTS	MEASURES
Financial Operational Strategic	Extreme climate events: droughts, torrential rain, hurricanes...	<ol style="list-style-type: none"> 1. Changes in the quality and quantity of crops 2. Volatility of raw material prices 3. Production standstill owing to damage to own and/or third-party infrastructures 4. Rise in consumer prices 	<ol style="list-style-type: none"> 1. Geographical diversification of sourcing areas 2. Diversification of product portfolio 3. Anticipation of possible risks of climate-related events when choosing the locations of our workplaces 4. Permanent innovation
Strategic Operational	Rise in temperatures	<ol style="list-style-type: none"> 1. Drop in consumption of seasonal products 2. Changes in consumer habits 3. Greater energy consumption 4. Changes in crop yield 	<ol style="list-style-type: none"> 1. Diversification of product portfolio 2. Innovation 3. Improvement of energy efficiency 4. Innovation in agricultural technology, seed varieties 5. Sustainable agriculture
Financial	Raising of taxes and energy, water or transport levies	Lower profitability, new investments to adapt to a changing environment	<ol style="list-style-type: none"> 1. Improvement of energy efficiency 2. Optimisation and sustainability of logistics 3. Promotion of and incentives for sustainability within the company
Financial Compliance	Laws and Regulations imposing limits on emissions and related sanctions	Financial, need to make new investments to adapt to the changing laws	<ol style="list-style-type: none"> 1. Anticipation of new legal requirements, analysing trends, participating in forums, etc. 2. Consistent internal regulatory framework on the matter 3. Promotion of and incentives for sustainability within the company

TYPES OF RISK	RISKS	IMPACTS	MEASURES
Reputational Strategic	Negative image due to absence of or failure to meet commitments related with climate change	1. Brand image, reputation 2. Loss of business	1. Publication of the company's good environmental practices 2. Participation in sectoral forums and environment-related entities
Reputational Financial	Outflow of investment/shareholders' funds due to not complying with required ESG criteria	1. Image, reputation 2. Stock market instability	1. Consistent internal regulatory framework on the matter 2. Publication of the company's good practices 3. Proactive communication approach

Faced with the stringent national and European regulatory framework put in place over the past year and the growing pressure from ESG analysts and investors, the Group aims to further analyse climate-related risks in the next two years, paying special attention to the risks of transition and designing a climate action plan in accordance with the Paris Agreements to ensure our compliance with the law and the compatibility of our business model and the company's strategy with the transition towards a sustainable economy. Similarly, in accordance with the Climate Change and Energy Transition Act 7/2021, another task to be undertaken will be to quantify the financial impact on the Group of climate change-related risks, following the metrics specified in the Royal Decree expected to be passed no later than May 2023.

3. Reputational risk. This risk is associated with possible changes of opinion, giving rise to a negative perception of the Group, its brands or products by customers, shareholders, suppliers, market analysts, etc., which could have an adverse effect on the Group's ability to maintain relations (commercial, financial, labour, etc.) with its environment.

To deal with this risk, the Group has approved a Code of Conduct to guarantee ethical, responsible conduct by the organisation, its employees and all persons and institutions with which it interacts in the course of its business activities.

In this context, we have included as a significant risk unfounded negative comments or opinions that can so easily be posted in the social networks, owing to the very limited possibilities of controlling them other than close monitoring and specific communication actions to reverse their impact.

The Group's brands and employees are our most valuable intangible assets, so they are submitted to continuous assessment, considering different aspects, such as management, marketing, health and food safety, compliance and legal defence of intellectual property.

4 Changes in lifestyle. The proliferation of low carbohydrate diets and other food trends can have a bearing on consumers' perception of our products.

These risks can be mitigated by assessing consumption patterns and adapting the offer of products to the alternatives on the market, while participating actively in social forums to encourage healthy habits that are compatible with our products.

NB: Further information on the description of risks and risk control and management system is available in section 4 of the Management Report and section E of the Annual Corporate Governance Report, both available on the corporate website.

03.



Business Model

□ Definition of the model

The Ebro Foods Group is the leading food group in Spain, global leader in the rice sector and has a prominent global position in the categories of premium and fresh pasta, leader in the countries in which it operates. Through a network of 34 subsidiaries, it operates in the principal rice and pasta markets in Europe, North America and South East Asia, with a growing presence in other countries.

The main mission of the Ebro Group is to research, create, produce and put on the market high value-added foods that satisfy people's nutritional needs while improving their health and well-being, endeavouring at the same time to secure a transparent, efficient, sustainable business model.

The Group has a multi-company, multi-country and multi-brand business model. It has a decentralised culture in each of its subsidiaries for certain management areas, such as Commercial and Marketing, Logistics, Procurements, Human Resources and Environment, with a clear focus on an adequate business for each country, taking account of its specific idiosyncrasies, culture, laws, etc. At a higher level, the parent company (Ebro Foods, S.A.), with a light, dynamic structure, is responsible for defining the Group's overall strategy and management guidelines. Decision-making is prompted by the parent's board of directors.

The Ebro Foods Group is managed by business areas that combine the type of activity they perform and their geographical location. Our core business areas are:

- a. **Rice:** This covers the production and distribution of different rice varieties and their by-products and culinary supplements. The industrial and brand business follows a multi-brand model. It is present throughout Europe, the Mediterranean Arc, Southern Cone and South East Asia through companies in the Herba Group, and in North and Central America, the Caribbean and the Middle East through the Riviana Group.
- b. **Fresh and premium pasta:** This includes the production and marketing of premium dry pasta and fresh pasta. The fresh pasta business is conducted through the Ebro Premium Foods Group in France and Benelux, the Bertagni Group in a large number of countries and the Riviana Group with the Olivieri brand in North America. The business in the premium dry pasta segment is conducted through Garofalo (Italy and rest of world).

In both businesses, in keeping with the Group's undertaking to promote healthy eating, practically all our brands include a range of products in the health, bio and organic categories.

□ Global presence

The Ebro Group operates through a portfolio of 81 brands in 61 countries, with industrial and commercial facilities in 16 of them. In the remaining 45 countries, we only engage in commercial activity. Our industrial park comprises some 78 sites, including production plants, offices and warehouses.

LIST OF COUNTRIES WITH COMMERCIAL AND INDUSTRIAL PRESENCE

- Argentina
- Belgium
- Cambodia
- Canada
- Denmark
- France
- Germany
- India
- Italy
- Morocco
- Netherlands
- Portugal
- Spain
- Thailand
- United Kingdom
- United States

LIST OF COUNTRIES WITH ONLY COMMERCIAL PRESENCE

- Algeria
- Angola
- Austria
- Bahamas
- Bahrain
- Bermuda
- Brazil
- Chile
- Czech Republic
- Colombia
- Costa Rica
- Curaçao
- Egypt
- Estonia
- Finland
- Ghana
- Greece
- Haiti
- Hungary
- Iceland
- Ireland
- Israel
- Jamaica
- Japan
- Jordan
- Kuwait
- Lebanon
- Libya
- Lithuania
- Mozambique
- Oman
- Panama
- Peru
- Puerto Rico
- Qatar
- Romania
- Saint Martin
- Saudi Arabia
- South Africa
- Sweden
- Switzerland
- Tunisia
- United Arab Emirates
- US Virgin Islands
- Yemen

□ Strategy

The Group's strategy focuses on becoming a major player in the rice, fresh pasta, premium dry pasta and healthy grains markets, and in other cross categories within the 'convenience' segment. Within that strategy, the Group has the following goals:

- Reach a global position in our relevant markets, open to the incorporation of related products.
- Consolidate our status as a benchmark business group in our different business areas, leading in markets where the Group finds potential.
- Lead innovation in the geographical areas in which we are present.
- And establish ourselves as a responsible enterprise, committed to social well-being, environmental balance and economic progress.

To refine our strategy, the Group is underpinned by general principles of conduct and growth levers that are considered vital to raise the value of our business and step up our firm commitment to sustainable development.

PRINCIPLES OF CONDUCT

- Foster ethical management based on good governance practices and fair competition.
- Comply with the laws in place, acting at all times with a view to preventing and minimising not only economic risks, including tax risks, but also social and environmental risks.
- Seek a return on investment while guaranteeing the operational and financial soundness of its business activities. Uphold business profit as one of the bases for the future sustainability of the company and the large groups of agents directly and indirectly related with it.
- Generate a framework of labour relations that favours training and personal and professional development, respects the principles of equal opportunities and diversity and promotes a safe, healthy working environment.
- Reject any form of abuse or violation of the fundamental and universal rights, in accordance with international law and practice.
- Promote a relationship of mutual benefit with the communities in which the Group is present, proving ourselves sensitive to their cultures, contexts and needs.
- Satisfy and anticipate the needs of our customers and end consumers, offering a broad array of products and healthy, differentiated food.
- Steer the processes, activities and decisions of our company not only to generate profits, but also to protect the environment, prevent and minimise environmental impact, optimise the use of natural resources and preserve biodiversity.
- Develop a framework of responsible, true, transparent dialogue and communication with stakeholders, establishing stable communication channels and providing stakeholders regularly and transparently with rigorous, accurate, important information on the Group's activities.

TO ACHIEVE THE STRATEGIC GOALS SET FOR GROWTH AND SUSTAINABLE LEADERSHIP AND ENSURE THAT WE COMPLY WITH OUR PRINCIPLES OF CONDUCT, THE GROUP APPLIES THE FOLLOWING GUIDELINES:

1. Search for organic and inorganic growth in countries with high levels of consumption and/or high growth potential.
 - Move into new territories or categories, paying special attention to new fresh products and new ranges of ingredients with greater value added.
 - Develop products that offer a complete culinary experience, extending our catalogue with new formats, flavours and ready-to-serve meals.
 - Achieve leadership in mature markets, opting for differentiation based on product quality. Expand and lead the premium category by developing the enormous potential of our flagship brands.
 - Broaden our geographical presence and complete our product/country matrix:
 - Seeking business opportunities in mature markets with a business profile similar to ours and in specialist market niches that allow us to shift our strategy from a generalist position to that of a multi-specialist (individual solutions).
 - Expanding into new business segments within markets in which we are already present or markets with considerable potential for growth.
2. Differentiation and innovation, investing in two aspects to enhance our product range:
 - Research, development (R&D) and innovation through our own research, development and innovation centres and an investment policy that enables us to convert new ideas and needs into reality for our customers and end consumers.
 - Focus on leading brands in their respective segments, together with a commitment to invest in advertising to promote their development.
3. Low risk exposure. The Ebro Group deals with change in the consumer and financial markets and social change with a firm vocation to adaptation and permanence.

To achieve this, we endeavour to secure: (i) balanced sources of recurring income (markets, currencies), (ii) low leverage so that it can grow without exposure to “financial turmoil”, (iii) new supply channels and (iv) long-term relations with its stakeholders (customers, suppliers, authorities, employees and society).
4. Implementation of sustainability throughout the entire value chain (“from the farm to the table”) through the Sustainability Plan RUMBO A 2030 [“Heading for 2030”], which focuses on:
 - **People.** The development of plans and measures to enhance respect for human rights in our business transactions and the well-being of our professionals at work, promoting continuous training and professional development to retain talent, seeking formulas to enhance their work-life balance, equality and diversity, and health and safety at work, while driving initiatives that foster social and economic progress and help to reduce inequality in the communities in which we operate.

- **Health and well-being.** The promotion of health through food, offering natural, healthy, differentiated food products that help consumers maintain a healthy diet and lifestyle and provide pleasure. The R&D and innovation department works with these premises and the different communication channels of our brands focus their message on encouraging healthy eating habits and creative ways of eating through recipes, blogs and advertising campaigns.
- **Our planet.** The preservation and minimising of our environmental impact throughout the entire value chain, paying special attention to mitigating and adapting to the effects of climate change. With this in mind, either individually or jointly with other stakeholders, the Group promotes sustainable agriculture programmes in our main sourcing areas, fosters energy efficiency measures and the use of green energies, and develops different initiatives aimed at securing the Group's transition towards a circular economy, such as recycling packaging materials, replacing plastics and reusing and recycling waste.



□ Value creation: R&D+

The Ebro Foods Group has always been a front-runner in terms of new consumer trends and an international benchmark in the research and development of products applied to the food sector. Aware that R&D is essential to the Group's quality and differentiation strategy, it remained unwaveringly committed to innovation in 2022.

In total, R&D expenditure in continuing operations totalled 3.4 million euros in 2022 (1.8 million euros of which funded internally and 1.6 million euros, externally).

Investment in R&D totalled 15.9 million in 2022 and mostly corresponded to payments made during the year to automate the packaging lines at a factory in the US, complete the new microwaveable cup factory in San José de Rinconada and develop new filled fresh pasta and gnocchi processes in France and Italy.

The Group has articulated its R&D engine around research centres located in France, the US, the Netherlands, Italy and Spain. These centres and their main projects in 2022 were:

- 1. The R&D centre located in Lyon.** Research focused on the development of fresh pasta, gnocchi, rice, pulse and other grain categories. In 2022 it worked on (i) new production processes and product quality improvements; (ii) productivity gains; and (iii) range extensions, with a focus on new filled gnocchi formats and flavours.
- 2. Bertagni R&D Center in Arcugnano.** Work continued in 2022 on the development of the double-filling technology patented by Bertagni; expansion of the ravioli range and formats; and the development of new technology designed to further reduce food safety risks during production and enhance productivity.
- 3. United States.** The US Research Department focuses on developing new (and adapting existing) products, processes and technologies in the US. In 2022, its work focused on (i) developing a broad range of microwaveable cup products adapted for US uses and customs; (ii) developing a new range of instant rice mixes with vegetables; (iii) developing and adapting heating processes; and (iv) testing products and assessing raw materials.
- 4. Centres associated with the Herba Group in Moncada (Valencia), the San Juan de Aznalfarache plant, the ingredients facility in Wormer (Netherlands) and the Bruno plant (Italy),** devoted to (i) the development of new and/or improved product and technologies; (ii) the provision of technical assistance with rice and derivative product technology; and (iii) the development of ingredients with cereal or pulse bases. The most important projects under development include: (i) the development of value-added protein substitutes and new food products for consumers and the food industry; (ii) the development of transformed rice flours and starches that permit alternative treatments and uses; (iii) research into new uses for grains and cereals; and (iv) process optimisation and productivity gains.

PRODUCT INNOVATIONS

Through this R&D+I policy, the Group launches new products and concepts on the market every year that revitalize the categories in which it operates and meet and anticipate the needs of its customers and consumers.



49 Spain & Europe

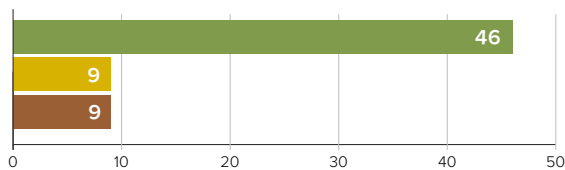
Ebro Foods Belgium; Lustucru Frais (France); Riso Scotti (Italy); Pastificio Lucio Garofalo (Italy); Herba Ricemills (Spain); Riceland (Hungary); Ebro Foods Netherlands; Tilda (UK)



3 Asia
Ebro India



12 Northamerica
Riviana Foods
Riviana Foods Canada Corporation



● Rice 🍝 Pasta 🍲 Bases of rice/sauces

214 Launches since 2020

64 Products launched in 2022

NUMBER OF PRODUCT INNOVATIONS BY COMPANY DURING 2022

COMPANY	COUNTRY	NO. PRODUCTS LAUNCHED 2022
Ebro Foods Belgium	Belgium	8
Ebro India	India	3
Herba Ricemills	Spain	1
Ebro Foods Netherlands	Netherlands	3
Lustucru Frais	France	8
Pastificio Lucio Garofalo	Italy	3
Riceland	Hungary	7
Riso Scotti	Italia	12
Riviana Foods Canada Corporation	Canada	3
Riviana Foods	USA	9
Tilda	UK	7
Total new launchings		64

EVOLUTION OF PRODUCT INNOVATIONS 2020-2022

The Ebro Group launched 214 new products between 2020 and 2022.

COMPANY	COUNTRY	NEW LAUNCHINGS
Arrozeiras Mundiarroz	Portugal	7
Ebro Foods Belgium	Belgium	22
Ebro India	India	16
Euryza	Germany	7
Herba Ricemills	Spain	7
Ebro Foods Netherlands	Netherlands	10
Lustucru Frais	France	35
Pastificio Lucio Garofalo	Italy	5
Riceland	Hungary	13
Risella Oy	Finland	3
Riso Scotti	Italy	32
Riviana Foods Canada Corporation	Canada	13
Riviana Foods	USA	19
Tilda	UK	25
Total new launchings		214

WEIGHT OF INNOVATIONS IN THE BUSINESS

	REVENUE NEW LAUNCHINGS (€)	REVENUE NEW LAUNCHINGS / REVENUE COMPANY (%)
Arrozeiras Mundiarroz	631,756	0.82%
Ebro Foods Belgium	14,643,831	22.44%
Ebro India	6,478,560	1.99%
Herba Ricemills	23,342,711	5.09%
Ebro Foods Netherlands	5,070,837	5.92%
Lustucru Frais	84,972,493	11.39%
Pastificio Lucio Garofalo	36,281,089	12.81%
Riceland	1,687,001	8.50%
Risella Oy	1,266,793	8.11%
Riso Scotti	74,194,967	11.52%
Riviana Foods Canada Corporation	19,529,433	10.73%
Riviana Foods	65,189,110	3.00%
Tilda	48,889,945	10.46%



04.



Business areas



□ General overview

2022 was a particularly turbulent year. The Russian Federation's invasion of Ukraine on February 24, unleashed a succession of waves of inflation which engulfed the prices of multiple commodities, including energy products. That supply shock came on the heels of recovery from the COVID-19 pandemic, which had already tightened several commodity markets and transportation. The result was double-digit inflation in many developed economies.

Global growth in 2022 is estimated at 2.9%, with the US growing by 1.9% compared to 5.9% in 2021 and the European Union registering growth of 3.3%, down from 5.3% in 2021. The economic slowdown was ushered in by the rollback of expansionary monetary policies as the authorities moved to mop up liquidity and increase the cost of money, eroding consumer confidence.

The pace of rate tightening across the main economies varied depending on the central banks' room for manoeuvre in tackling inflation. In the US, strong employment figures and a lower dependence on imported energy enabled more restrictive monetary policy, while the European Central Bank reacted to international events as they unfolded.

Growth is expected to hit its lowest level in three decades in 2023, with only the 2009 (financial crisis) and 2020 (pandemic) levels lower. Nevertheless, the most recent growth, inflation, employment and housing sales reports provide some grounds for optimism with most of the world's economies now expected to side step a technical recession.

□ Consumer trends

From the consumption standpoint, the pandemic can be considered a thing of the past. Some of the consumer trends that came along with the pandemic are here to stay but the pace of change is slowing and moving back to the level seen before 2020.

Growth in e-commerce is easing and neighbourhood supermarkets have come to dominate bricks-and-mortar retailing. Inflation and signs of crisis have given the hard discounters a bigger share of the retail pie, marked by a growing number of sales outlets.

Elsewhere, hospitality consumption has fully recovered. Despite rampant inflation, it seems as if post-pandemic habits are enduring, with the need to socialise winning out over the need to tighten budgets.

The general trends pivot around:

PERSONALISATION OF THE CONSUMER EXPERIENCE, SUSTAINABILITY, HEALTH, PLEASURE AND PRICE

Consumer decision-making power has increased. Consumers have more information at their fingertips, more comparison tools and they are willing to pay to feel identified with products that satisfy their desires. This is translating into:

- a. Demand for quality products, ease of preparation and immediate satisfaction of their desires..
- b. Preference for natural, healthy and organic foods. Closely related to this sentiment is the growth in the consumption of fresh products and the importance being given to small producers and start-ups that make the consumer feel closer to nature.
- c. Search for products that form part of the circular economy, are seen as sustainable and involve stakeholders in their design, production and sale. Ethics are also increasingly driving purchase decisions.
- d. Consumers want a wider range of choices. The higher-quality, private-label brands have been making inroads in virtually every social strata and segment of the population. Inflation is only driving the private-label brands' share higher.

SOCIAL CHANGES

- a. Population ageing, older people with more say. The 'baby boomers' have transformed this segment of the population, which currently has greater purchasing power and different aspirations and needs (exercise and health) from those traditionally associated with this age group.
- b. Reduction in the number of household members and constant growth in single-person households; new formats and product and service personalisation.
- c. The new generations are paying more attention to their surroundings, sustainability and the environment.
- d. Increased mobility and migration in many developed countries, which is introducing new tastes and ways of cooking.

NEW CHANNELS AND SERVICES

- a. Online shopping and connectivity (possibility of shopping with traditional players that can offer user-friendly service, short delivery times, etc.).
- b. Growth in the use of neighbourhood supermarkets, where consumers shop more frequently, and specifically the use of convenience stores (24-7, alliances with petrol stations and other places of transit).
- c. Consolidation of virtual players such as Amazon and the emergence of new players in the retail market driven by the latest trends in consumption and the use of technology.
- d. New ways of cooking and eating (ordering in, vending machines, snacking instead of sitting down to eat, etc.).

All these changes imply challenges for the retail sector and food producers: it is vital to elevate the point of sale, whether physical or digital, to the heart of strategy. Correct visibility and assortment are key success factors.

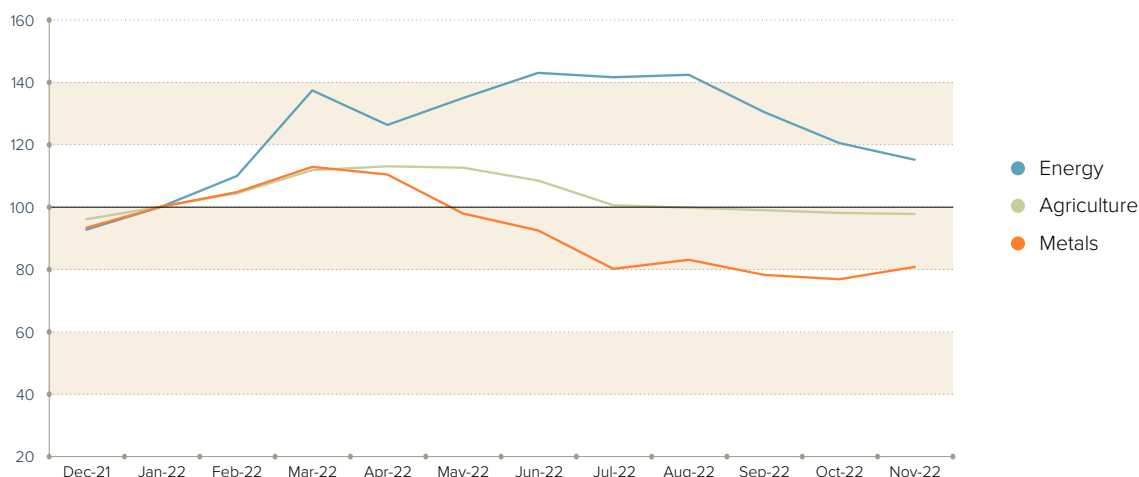
The technological revolution, coupled with the fact that the digital natives are now a target audience, has radically changed how brands are communicated. From the message to the medium. The emergence of influencers as a channel and of recommendations as a strategy have also changed how brands are managed. Advertising budgets are moving online, which now account for more than 50% of the Group's campaigns. Online advertising is characterised by its agility and constant consumer listening throughout product development and launch, compressing those timeframes and enabling faster responses.

Lastly, the commitment to end-to-end sustainability is fundamental: Convenience + Health + Sustainability are the drivers of innovation.

COMMODITY MARKETS AND TRANSPORTATION

The upward trend in the prices of the Group’s key raw materials observed at the end of 2021 continued throughout the first half of 2022. Weak global demand as a result of softer growth and fresh Covid restrictions in China (affecting demand in the world’s largest commodity consumer) kept a lid on prices during the second half of the year.

Commodity prices. Rebased 100 = January 2022



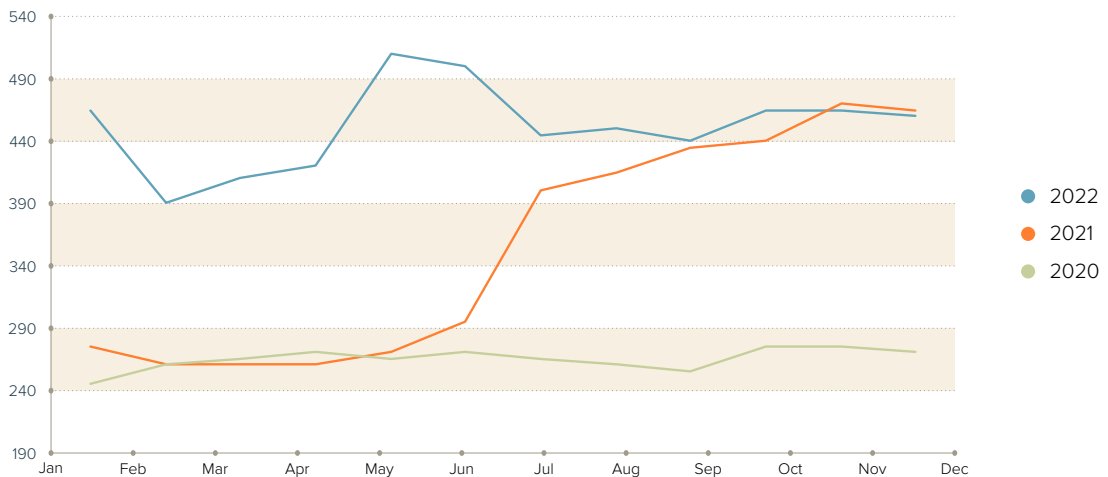
Source: World Bank

Fuelled by instability and restrictions on Russian exports, Brent oil prices surged to US\$ 129/barrel in June, then dipping to end the year at US\$ 80 (fairly flat year-on-year). Gas prices in the European Union likewise reached record levels during the summer before gradually easing throughout the rest of the year.

As for agricultural commodities, prices continued to rise during the first half of the year, with tension increasing further in the wake of the conflict in Ukraine. After the summer, the trend changed as common wheat and oil seed prices eased (thanks to an agreement to allow exports from Ukraine), the shipping panorama improved and harvests came in stronger than expected.

After extraordinary price increases in 2021, durum wheat prices were expected to come down in 2022 due to the prospect of more abundant harvests. The onset of war tightened prices for durum wheat, however, out of fear that the war and blockade of the Black Sea ports would hit the region’s common wheat output. The market has been stable since the summer, with prices above the average of recent years. The 2022/23 harvest in the US and Canada is looking good, offsetting the weak outlook for the rest of producers. However, total output is still expected to come in below the trailing five-year average, with carryover stocks well below historical averages.

Durum wheat prices, €/MT



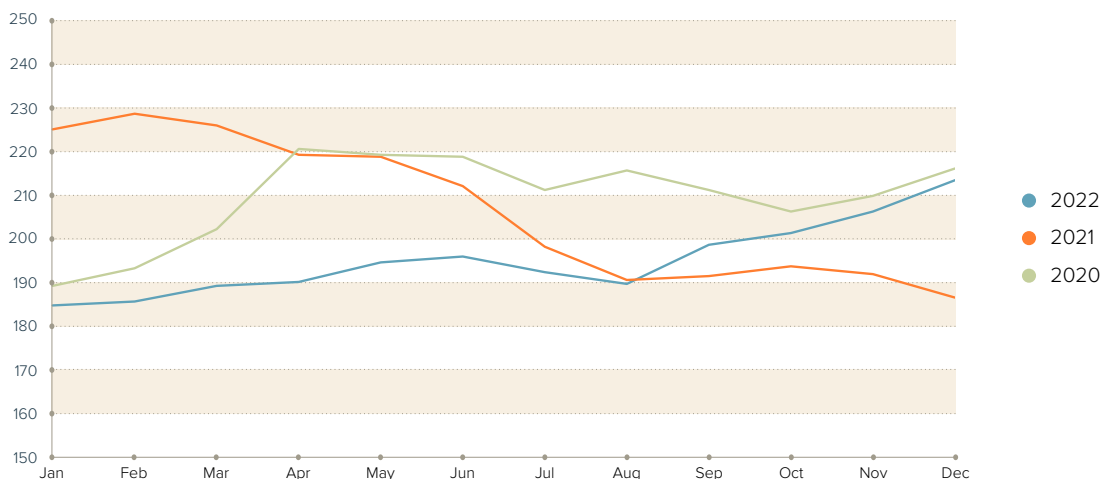
Source: Terre.net and Ebro data

The 2021/22 rice harvest was again strong. According to data published by the Food and Agriculture Organisation (FAO), production was an estimated 526 million tonnes of white rice equivalent, above the previous harvest. The outlook is for a slightly smaller 2022/23 harvest of around 512 million tonnes, virtually identical to that of 2020/21.

It is worth highlighting two factors of particular importance to the Ebro Group: (i) the reduced size of the rice harvest in the US in the last two years; and (ii) the ongoing reduction in the size of the sown area in Spain due to the lack of water for irrigation.

The chart below depicts the trend in the IPO international farmgate rice price index for the last three years, showing an average for the most popular varieties of this grain.

IPO rice price index

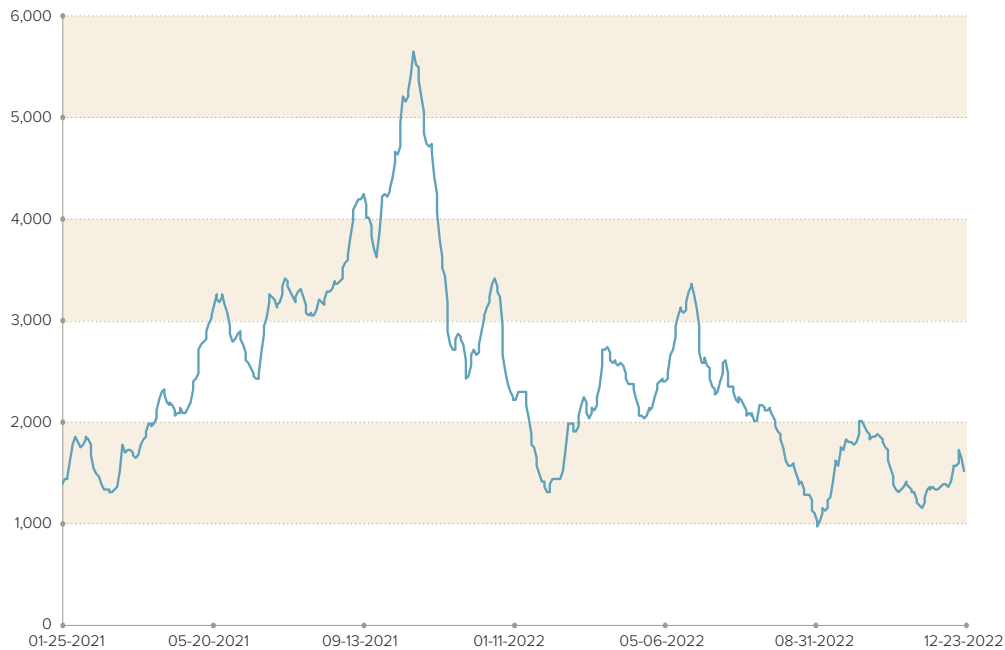


Source: Infoarroz

The price stability observed at the start of the year gradually gave way to a run-up in farmgate prices shaped by: (i) the flooding in Pakistan; (ii) protectionist measures introduced in several producing countries to contain prices in the midst of the inflationary spiral; (iii) the surge in oil and oil derivative prices; and (iv) the prospect of a smaller harvest.

Lastly, shipping prices, which have a significant impact on the cost of rice sourced in Southeast Asia, eased. Despite the peaks caused by the geopolitical uncertainty and the death throes of the pandemic, both supply and prices have improved, as shown in the following index tracking shipping prices during the last two years. Nevertheless, average prices remained clearly above those of previous years.

Baltic Dry Index 2021-2022



Source: *Baltic Dry INdex*

THE PANDEMIC AND THE WAR IN UKRAINE

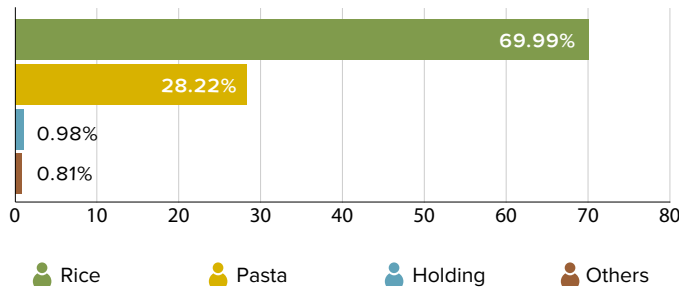
As outlined in the section addressing the economic environment, the global economy continues to recover from the pandemic. After successive waves and variants between March 2020 and well into 2022, it is safe to say that by the end of 2022 things were virtually back to the way they were before it all started.

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

The difficulty in predicting how the conflict will end and its obvious geopolitical implications mean that it is not currently possible to reliably estimate what potential impact the conflict and the international response to it could have on the Group's businesses. The situation is affecting the availability and prices of certain commodities (those in which Russia and Ukraine are leading global producers and exporters, such as wheat and sunflower oil), energy prices and exchange rates. All of which has unleashed a bout of high inflation in nearly every country in Europe and the Americas, prompting the modification of monetary and fiscal policies in those countries. However, it is hard to estimate how these variables will evolve in the coming months.

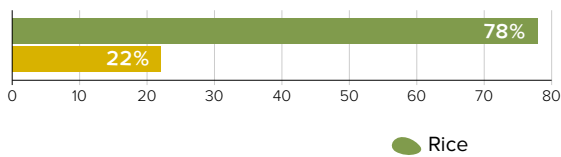
It is worth pointing out that the Ebro Group has proven particularly resilient in the face of such dramatic events. Thanks to the characteristics of the products it makes and sells and its geographic footprint, neither the value of its assets nor its ability to generate free cash flow have suffered a material impact beyond the effects of the general economic situation

Consolidated Group

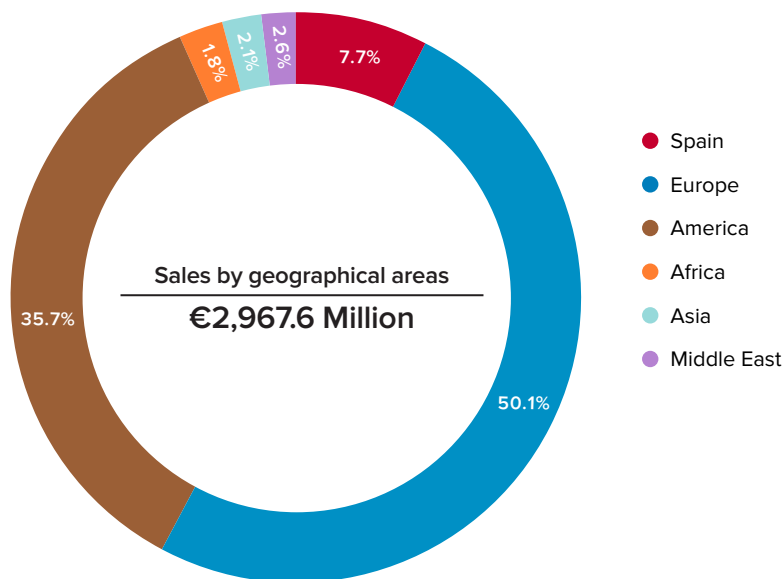
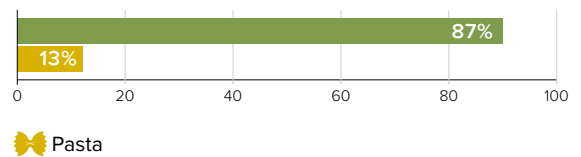


Average headcount employees
6,414 Employees

Sales by business areas
€2,967.6 Million



EBITDA-A by business areas
€334.6 Million



The Group's key financial indicators are presented below:

						CAGR	
PROFIT AND LOSS		2020	2021	2021/2020	2022	2022/2021	2022/2020
Revenue		2,430,310	2,427,068	-0.1%	2,967,672	22.3%	10.5%
Advertising		(67,408)	(75,474)	-12.0%	(77,161)	2.2%	7.0%
	As a % of revenue	-2.8%	-3.1%	-12.0%	-2.6%		
EBITDA-A		305,132	301,860	-1.1%	334,622	10.9%	4.7%
	As a % of revenue	12.6%	12.4%		11.3%		
EBIT-A		211,711	207,295	-2.1%	233,599	12.7%	5.0%
	As a % of revenue	8.7%	8.5%		7.9%		
Profit before tax		159,869	198,731	24.3%	185,807	-6.5%	7.8%
	As a % of revenue	6.6%	8.2%		6.3%		
Income tax		(42,642)	(53,512)	-25.5%	(50,242)	-6.1%	8.5%
	As a % of revenue	-1.8%	-2.2%		-1.7%		
Profit for the year from continuing operations		117,227	145,219	23.9%	135,565	-6.6%	7.5%
	As a % of revenue	4.8%	6.0%		4.6%		
Profit after tax from discontinued operations		89,424	105,027	17.4%	(917)	-100.9%	
	As a % of revenue	3.7%	4.3%		0.0%		
Profit attributable to equity holders of parent		192,415	238,629	24.0%	122,059	-48.8%	-20.4%
	As a % of revenue	7.9%	9.8%		4.1%		

STATEMENT OF FINANCIAL POSITION	31.12.20	31.12.21	2021/2020	31.12.22	2022/2021
Equity	1,927,351	2,101,627	9.0%	2,164,438	3.0%
Net debt	950,757	504,723	46.9%	762,635	-51.1%
Average net debt	917,574	865,418	5.7%	645,809	25.4%
Leverage (3)	47.6%	41.2%		29.8%	
Total assets	4,035,662	3,938,622	-2.4%	3,900,216	-1.0%

(000€)	31.12.20	31.12.21	2021/2020	31.12.22	2022/2021
Average working capital	642,535	662,058	-3.0%	925,501	-39.8%
Average capital employed	2,183,209	2,060,319	5.6%	2,228,932	-8.2%
ROCE-A (1)	9.7	10.1		10.5	
CAPEX (2)	117,602	120,035	2.1%	118,808	-1.0%
Average headcount	7,664	6,440	-16.0%	6,293	-2.3%

(1) ROCE-A = Average profit after D&A but before tax for the last 12 months (excluding extraordinary/non-recurring items) divided by average capital employed

(2) CAPEX : cash outflow for investment purposes, of which 18 (2020) and 11 (2021) million correspond to discontinued operations

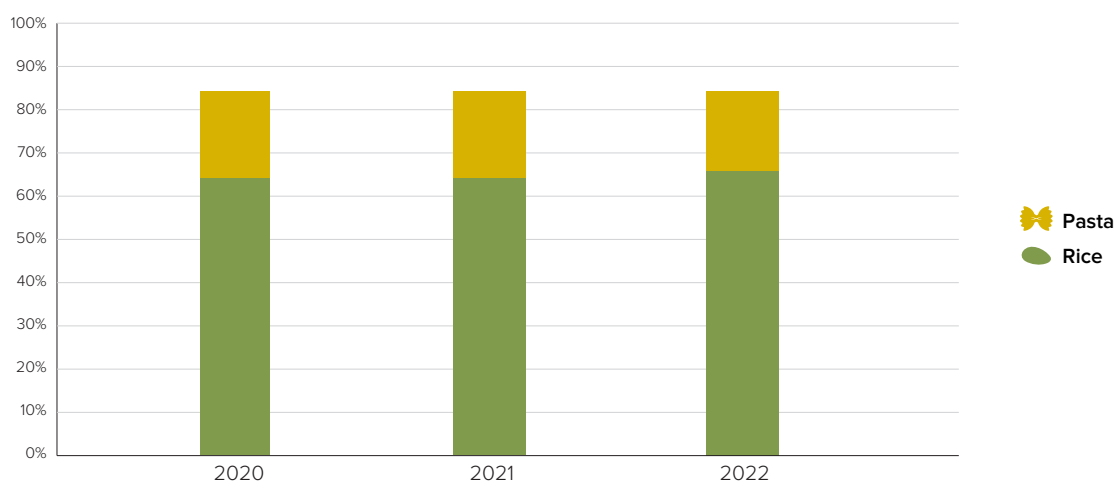
(3) Leverage = Ratio of average net interest-bearing debt to equity (excluding non-controlling interests)

In keeping with the International Financial Reporting Standards, the results of the dry pasta businesses in North America and France until their sales closed in 2020 and 2021 and the net gain recognized on those disposals were presented within discontinued activities on the consolidated statement of profit or loss for those and the prior reporting periods. The information provided in this management report reflects that circumstance, unless expressly stated otherwise.

Group **revenue** increased by 22.3% from 2022, implying average annual growth over the last three years of 10.5%. That growth was attributable to: (i) the trend in the US\$ exchange rate, which accounts for approximately 15% of the total increase; (ii) the growth in prices derived from inflation across the main raw materials, auxiliary materials and energy products, which accounts for over 50% of the change; and (iii) volume growth, particularly in the US and UK. M&A activity had no major impact as the first-time consolidation of the business associated with the InHarvest brand offset the deconsolidation of Roland Monterrat (Note 5 of the accompanying financial statements).

The breakdown of revenue and the year-on-year trend by business line is as follows:

Business segments



The weight of the rice business neared 75% of the total (like-for-like, reclassifying the North American and French dry pasta businesses as discontinued operations in all periods). By destination, approximately 35% of sales were generated in North America with the UK and Italy commanding growing shares thanks to momentum around the Tilda (rice) and Garofalo (pasta) brands.

EBITDA-A increased by 10.9% in 2022 (accumulated annual average growth remains at 4.7%), while the margin declined slightly year-on-year due to the impact of higher prices, which made it impossible to defend unit margins. EBITDA-A includes 13.6 million euros of positive exchange rate effects.

Earnings momentum was very positive across all line items, clearly outperforming recent years despite the tremendous market turbulence induced by widespread inflation.

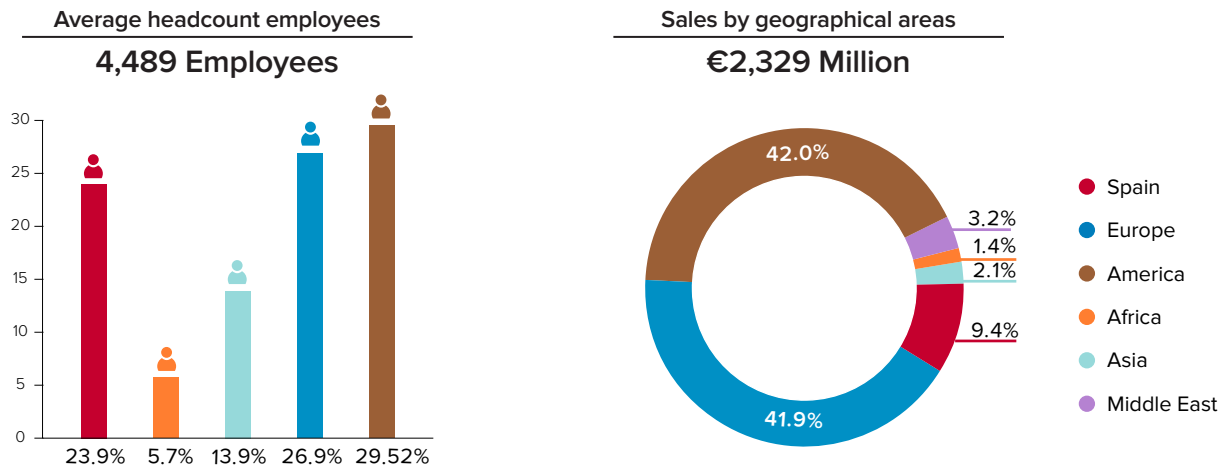
The Group's continued earnings momentum was underpinned by: (i) astute supply chain management marked by the search for alternative sources of supply and transport; and (ii) the leadership commanded by its brands, which enabled management of the commercial problems posed by the widespread increase in prices (in many instances, product prices had to be increased twice during the year).

Profit before tax decreased by 6.5% due to the impact of the sale of Roland Monterrat (Note 5 of the accompanying financial statements) and the impact of currency market volatility. However, the compound average growth rate between 2020 and 2022 remains a healthy 7.8%.

Profit after tax from discontinued operations includes the net profit of the activities classified as discontinued and the gains recognized on the sale of the dry pasta businesses in North America and France, as explained in the accompanying consolidated financial statements.

The Group's **ROCE-A** (not restated) improved by comparison with recent years thanks to earnings growth, which more than offset the impact of the higher working capital requirement caused by raw material and auxiliary material friction and inflation.

□ Rice Area



	2020	2021	2021/2020	2022	2022/2021	2022/2020
CAGR						
PROFIT AND LOSS						
Revenue(*)	1,893,924	1,858,919	-1.8%	2,329,486	25.3%	10.9%
Advertising(*)	(43,120)	(43,789)	-1.6%	(53,898)	23.1%	11.8%
As a % of revenue	-2.3%	-2.4%		-2.3%		
EBITDA-A(*)	252,614	247,680	-2.0%	289,830	17.0%	7.1%
As a % of revenue	13.3%	13.3%		12.4%		
EBIT-A(*)	195,210	189,087	-3.1%	222,664	17.8%	6.8%
As a % of revenue	10.3%	10.2%		9.6%		
CAPEX(*)	69,345	74,246	7.1%	71,152	-4.2%	1.3%

(*) Having sold the dry pasta business in France, the operations and earnings of the rice business in that country, which had been included under the pasta segment until 2021, have been reclassified to the rice business for all reporting periods covered.

The global harvest was abundant, with the harvests in India and Thailand standing out. However, farmgate prices tightened during the year on account of certain events: (i) restrictions on the export of certain rice varieties in India to ensure internal supplies; (ii) flooding in Pakistan, affecting that country's harvest; (iii) a scant short-grain rice harvest in Italy; (iv) continued restrictions on rice planting in southern Spain due to the shortage of water; and (v) a below-average harvest in North America by comparison with recent years.

In the US, prices continued their upward trajectory on the back of a smaller sown area in long-grain planting areas and the effects of the terrible drought affecting California, where medium-grain rice predominates.

□ US harvest prices

August/July (\$/cwt)	22/23(*)	21/22	20/21	19/20	18/19
Average price	19.2	16.1	14.4	13.6	12.6
Long grain	16.7	13.6	12.6	12	10.8
Medium grain	29.2	24.8	20.1	17.8	18.5

Source: USDA

(*) Estimate

Revenue registered double-digit growth (+25.0%), thanks largely to higher prices. The inflation sustained since the second half of 2021 across all raw materials and auxiliary materials, transport and energy forced successive price increases in all products, rice products being no exception.

The volume trend was very positive in branded products and also in sales of rice for industrial uses. A significant portion of the growth eked out is attributable to good logistics and industrial management, which unlocked source availability and excellent service standards at the times of greatest difficulty (lack of containers, shortage of transport and strikes). All of the value-added rice varieties performed particularly well, as did the instant, ready-to-serve and aromatic rice products.

The InHarvest assets contributed 38.9 million euros of revenue since their consolidation in April 2022. The InHarvest business is focused on the sale of premium rice and grains in the US.

The new San José de la Rinconada factory gradually increased its capacity to cater to growing demand for higher value-added rice, with further capacity additions in the pipeline in that market as a result.

EBITDA-A increased by 17% from 2021, a little less than the topline growth, including positive exchange rate effects of 13.7 million euros. Profitability was hurt by the impossibility of defending unit margins in the midst of rampant inflation. In absolute terms, however, profits were driven by the growth in sales volumes and a more favourable sales mix.

Investment in advertising recovered in tandem with the market rebound, although the equilibrium between spending on channel marketing and promotions was constantly fine-tuned in response to the impact of prices on consumers.

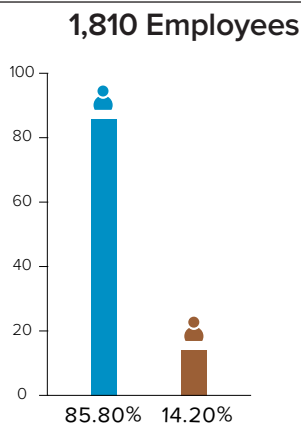
The business's higher contribution to EBITDA-A was concentrated, in order, in the US, UK, Spain and the rest of the EU, although the weight of developing markets is growing.

CAPEX remained at high levels, framed by the strategic commitment to higher growth business lines (microwaveable rice in the US and Spain) and to using renewable sources of energy (new photovoltaic plants) and alternative sources of supply (expansion of the Argentine facilities).

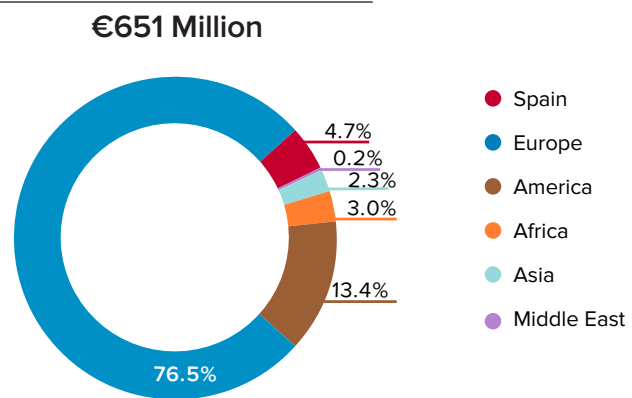


□ Pasta area

Average headcount employees



Sales by geographical areas



	2020	2021	2021/2020	2022	2022/2021	2022/2020
CAGR						
PROFIT AND LOSS						
Revenue(*)	581,460	590,781	1.6%	651,545	10.3%	5.9%
Advertising(*)	(25,648)	(33,181)	-29.4%	(24,904)	-24.9%	-1.5%
As a % of revenue	-4.4%	-5.6%		-3.5%		
EBITDA-A(*)	66,811	68,825	3.0%	58,478	-15.0%	-6.4%
As a % of revenue	11.5%	11.6%		9.0%		
EBIT-A(*)	32,312	34,447	6.6%	26,330	-23.6%	-9.7%
As a % of revenue	5.6%	5.8%		4.0%		
CAPEX(*)	47,474	45,266	-4.7%	46,222	2.1%	-1.3%

(*) Having sold the dry pasta business in France, the operations and earnings of the rice business in that country, which had been included under the pasta segment until 2021, have been reclassified to the rice business for all reporting periods covered for enhanced comparability.

Durum wheat prices started the year lower, underpinned by the prospect of a better harvest than the year before (which was particularly poor). However, the war in Ukraine tightened prices, which headed rapidly back to year-end 2021 levels. Since the summer, farmgate prices have been steady at over 400 euros per tonne. The 2022/23 harvest in the US and Canada is expected to be better, offsetting the poor outlook for the rest of producers. However, total output is still expected to be below the trailing five-year average, with carryover stocks well below historical averages.

2022 **revenue** increased by 10.3%, driven by higher prices and volume growth in the premium pasta segment. In general, the fresh pasta businesses experienced a tough year as this segment is more price sensitive than the Group's other products.

By market:

- a. In France, the fresh pasta market contracted by 3.1% by volume but grew by 2.3% by value. The Group's brands increased their market share to 48.8% by volume (Nielsen 52-week tracker). The pan-fry gnocchi range, in which the Group commands a clear leadership position, remains the key market growth driver.

- b. Growth at Bertagni continued (revenue: +18%); volumes rose despite the difficulties faced by the sector. In Spain, the Group launched the sale of a high-quality Garofalo-branded fresh pasta range made by Bertagni.
- c. In Canada, the market grew by 16% by volume and by 21.2% by value. Olivieri expanded its leadership grip with a share of 65% by value (Nielsen 52-week tracker). The ongoing success of the pan-fry gnocchi ranges (volumes have tripled in four years) has led to plans to add capacity.
- d. The Italian dry pasta market was totally flat in volume terms in 2022, expanding by 21.6% by value on the pack of price increases. The Garofalo brand performed excellently: it increased its share (by volume) of the Italian premium pasta segment to 6.6% from 6.1% (Nielsen 52-week tracker). In Spain, it cemented its position as the leading Italian pasta brand and a benchmark in the premium segment.

EBITDA-A decreased by 15%. That weaker performance is mainly attributable to the fresh pasta business due to the increased cost of wheat, transport, energy and, ultimately, all of the products used to fill the pasta (meat, mozzarella, etc.). Garofalo improved its offering and was able to pass the initial durum wheat price shock through thanks to its leadership in the premium segment.

As already noted, price elasticity is higher in the fresh pasta products and the characteristics of the products (shorter shelf life and need for refrigeration) make it harder to eke out supply chain savings, leaving it more exposed to budget tightening in response to higher prices.

One of the Group's biggest transactions last year was the sale of the French subsidiary, Roland Monerrat, for 22 million euros, generating a loss at the consolidated level of 23.3 million euros in 2022 (of which 3.7 million was recognized as an operating loss and the remaining 19.6 million euros as a non-recurring loss). Roland Monerrat, specialized in the production and sale of sandwiches, pate en croute and croque-monsieur, has not added value to the Group since its acquisition in 2015. In May 2021, the Ebro Group presented a claim for damages before the subsidiary's former shareholders (i.e., the vendors). At the date of publishing this Management Report it is impossible to say with reasonable certainty when that case will be settled or how much the Group can expect to receive. Nevertheless, the Ebro Group believes it has strong chances of being handed a favourable ruling that will enable it to receive a sum close to the amount invested in this business.

CAPEX (not restated, with 48 and 11 million euros corresponding to discontinued operations in 2020 and 2021, respectively) was relatively stable, with the investment thrust concentrated on the expansion of capacity at the gnocchi factories.