

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

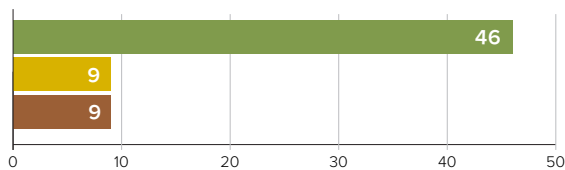
Ebro Foods Belgium; Lustucru Frais (France); Riso Scotti (Italy); Pastificio Lucio Garofalo (Italy); Herba Ricemills (Spain); Riceland (Hungary); Ebro Foods Netherlands; Tilda (UK)



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%

