

GENERAL SHAREHOLDERS MEETING 2022

Deoleo shareholders endorse management of the company and its business project after a highly demanding 2021

- Deoleo has today held its General Shareholders Meeting following a year marked by uncertainty to which the company has responded well, demonstrating the strength and flexibility of its business.
- Ignacio Silva, Chairman and CEO of Deoleo, expressed optimism on the outlook for the year end thanks to the resilience demonstrated by the business model and the strength of the brands.
- The company's roadmap, reflected in its 2022-26 strategic plan, is progressing satisfactorily in key areas for the company such as sustainability and innovation.

Madrid, 1 June 2022. Deoleo, world leader in the olive oil sector, today held its General Shareholders Meeting following a year marked by a difficult context as a result of the significant increase in the cost of raw materials, the global supply chain crisis and the normalisation of household consumption following the stabilisation of the health situation. Despite the difficulties, the company has responded well to the challenges and closed 2021 in profit for the second consecutive year. The meeting, at which 58.8% of Deoleo, S.A. shareholders were represented, was held both in person and online.

Shareholders approved the annual accounts, the management report and the group's non-financial information for the year 2021. They also re-elected Gianluca Bolla as independent director and ratified the appointment by co-option and re-election of April Adams-Redmond as independent director and Rocío Hervella Durántez as proprietary director. They also approved a decision to maintain the number of Board members at seven, authorised the Remuneration Policy for Board members and also the re-election of Ernst & Young (EY) as auditors for the individual and consolidated annual accounts for the 2022 financial year.

In addition, shareholders gave the green light to amending article 26 of the Articles of Association, relating to the term of office and remuneration of Board members. They also approved an amendment to article 34 of the Articles of Association, to regulate in a more detailed and precise manner the functions of the appointments and remuneration committee, and article 34 bis to regulate the functions of the audit and control committee in more detail and precision.

Strong response to a complex environment

In his address to shareholders, Deoleo's Chairman and CEO, Ignacio Silva, underlined the strength and flexibility of the company's business model, which "has enabled it to cope with a year marked by a very demanding and complex context". In 2021, the Group not only met its objectives, but also strengthened its financial position thanks to a significant reduction in debt. Ignacio Silva also stressed that the positive results obtained in 2021 confirm the positive trend started in 2019, "with our sights set on continuing to advance and grow in the years to come".

Silva was optimistic about the relative return to normality after the global health crisis, but called attention to the economic and geopolitical tensions that have contributed to the fact that the first half of the current year has also been marked by uncertainty. In this regard, Silva expressed the company's support for the Ukrainian people in the face of the invasion and referred to the impact the conflict could have on the world economy.

In addition, Silva explained the problems regarding price trends for raw materials, recalling that average prices at source for olive oil increased by 50% in the 2020/2021 season compared to the previous one. He also pointed out that "the cost of raw materials represents up to 80% of the total costs of our industry". "Even in this situation, Deoleo has demonstrated its ability to act swiftly and with strategic vision throughout these months, closing the 2021 financial year on a positive note", he stressed.

With regard to the company's results, the general business trend is positive, reflecting the appropriateness of the measures implemented to date. Deoleo registered EBITDA of €48m in 2021, in line with projections, boosting sales by more than 6% and partly offsetting the impact of higher raw material costs on group margins. This positive business performance boosted cash generation and reduced net debt by 20% to €120m. In 2022, a further debt repayment of €18m brought the total amount of syndicated debt outstanding to €160m.

As regards 2022, Silva said the company has planned it as a year marked by additional price increases in ancillary materials needed to manufacture its products and logistical services. However, the war in Ukraine has meant an even greater increase of over 10%. Despite this, the strength of the brands and confidence in their management in recent years leads the company to "think of a satisfactory year-end 2022". With regard to the second half of the year, in particular, the company expects to enter a period of stabilisation in which the rises cease to be persistent.

Silva also highlighted the value of the strategic plan for the period 2022-26 that the group presented in the third quarter of 2021, which envisages average annual EBITDA growth of around 15%. A reflection of the commitment to this roadmap is the progress made in sustainability and innovation, which are key for the company. This year, the group launched its Sustainability Strategy 2030, which has already achieved important milestones that the Chairman and CEO has detailed. He also reported on the work to promote innovation strategy, as well as the company's commitment to ESG, with an increase in women participating in all the group's governing bodies.

In conclusion, Silva thanked shareholders on behalf of the Board of Directors for their confidence and expressed his conviction that Deoleo will continue to grow, evolve and adapt to the challenges that may arise in order to consolidate its leading position in the market.

About Deoleo

Deoleo is a Spanish multinational food company and olive oil bottler, global leader in sales with a presence in more than 70 countries across the five continents. It has factories in Spain and Italy, and commercial delegations in 12 countries. Deoleo has leading brands all over the world, such as Bertolli - the most sold globally - as well as Carapelli and Sasso, and Spanish brands Carbonell, Hojiblanca and Koipe. Further information: www.deoleo.com.

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