

Translation of a report originally issued in Spanish based on our work performed in accordance with the audit regulations in force in Spain and of financial statements originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Company in Spain (see Notes 2 and 14). In the event of a discrepancy, the Spanish-language version prevails.

Independent Auditors' Report on Financial Statements

To the Shareholders of Compañía de Distribución Integral Logista Holdings, S.A.,

Report on the Financial Statements

Opinion

We have audited the financial statements of Compañía de Distribución Integral Logista Holdings, S.A. (the Company), which comprise the balance sheet as at 30 September 2019, and the income statement, statement of changes in equity, statement of cash flows and notes to the financial statements for the year then ended ("2019").

In our opinion, the accompanying financial statements present fairly, in all material respects, the equity and financial position of the Company as at 30 September 2019, and its results and its cash flows for the year then ended in accordance with the regulatory financial reporting framework applicable to the Company (identified in Note 2.1 to the financial statements) and, in particular, with the accounting principles and rules contained therein.

Basis for Opinion

We conducted our audit in accordance with the audit regulations in force in Spain. Our responsibilities under those regulations are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those pertaining to independence, that are relevant to our audit of the financial statements in Spain pursuant to the audit regulations in force. In this regard, we have not provided any services other than those relating to the audit of financial statements and there have not been any situations or circumstances that, in accordance with the aforementioned audit regulations, might have affected the requisite independence in such a way as to compromise our independence.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key Audit Matters | How the Matters Were Addressed in the Audit |
|--|---|
| <p><i>Valuation of non-current investments in Group companies</i></p> <p>At 30 September 2019, the Company was the sole shareholder of Compañía de Distribución Integral Logista, S.A.U., as indicated in Note 5.1 to the financial statements.</p> <p>This investment represents the principal item in the Company's financial statements, accounting for approximately 94% of the total assets.</p> <p>As indicated in Note 4.1 to the financial statements, the Company assesses the existence of possible impairment losses by comparing carrying amount with recoverable amount, which is the higher of fair value less costs of disposal and the present value of the future cash flows from the investment. The measurement of the aforementioned investment requires the use of significant judgements and estimates by management, both in determining the valuation method and in considering the key assumptions established for each method chosen.</p> <p>The materiality of the investment owned, which amounted to EUR 975 million at the reporting date, led us to determine the situation described as a key matter in our audit.</p> <p>As described in Note 4.1 to the financial statements, management concluded that the aforementioned investment is not impaired.</p> | <p>Our audit procedures included, among others, a review of the process implemented by the Company to assess the potential impairment of the investment in Compañía de Distribución Integral Logista, S.A.U.</p> <p>We reviewed the cash flow projections of the principal businesses integrated in the investment and its subsidiaries, and the process used to prepare them, which included comparing the projections with the latest plans approved by the Board from which they are derived. Additionally, we have made a contrast with the trading value at closing.</p> <p>Also, we evaluated the methodologies used by the Company, concluding that management's approach is consistent and is supported by the available evidence.</p> <p>As a result of our procedures, we consider that management's conclusions regarding the absence of indications of impairment are adequate and are supported by the available evidence.</p> <p>Lastly, we ascertained that the disclosures included in Note 5.1 to the accompanying financial statements in connection with this matter are in conformity with the applicable accounting regulations.</p> |

Other Information: Directors' Report

Other information comprises only the directors' report, the formulation of which is the responsibility of the Parent company's directors and does not form an integral part of the annual accounts.

Our audit opinion on the annual accounts does not cover the directors' report. Our responsibility regarding the information contained in the directors' report is defined in the legislation governing the audit practice, which establishes two distinct levels in this regard:

- a) A specific level applicable to certain information included in the Annual Corporate Governance Report, as defined in article 35.2 b) of Audit Act 22/2015, that consists of verifying solely that the aforementioned information has been provided in the directors' report and if not, we are required to report that fact.
- b) A general level applicable to the rest of the information included in the directors' report that consists of evaluating and reporting on the consistency between that information and the annual accounts as a result of our knowledge of the Entity obtained during the audit of the aforementioned financial statements and does not include information different to that obtained as evidence during our audit, as well as evaluating and reporting on whether the content and presentation of that part of the management report is in accordance with applicable regulations. If, based on the work we have performed, we conclude that material misstatements exist, we are required to report that fact.

On the basis of the work performed, as described above, we have ascertained that the information mentioned in paragraph a) above has been provided in the directors' report and that the rest of the information contained in the directors' report is consistent with that contained in the annual accounts for the 2019 financial year, and its content and presentation are in accordance with the applicable regulations.

Responsibilities of the Directors and of the Audit and Control Committee for the Financial Statements

The directors are responsible for preparing the accompanying financial statements so that they present fairly the Company's equity, financial position and results in accordance with the regulatory financial reporting framework applicable to the Company in Spain, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The audit and control committee is responsible for overseeing the process involved in the preparation and presentation of the financial statements.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the audit regulations in force in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the audit regulations in force in Spain, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the use by the directors of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the entity's audit and control committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit and control committee with a statement that we have complied with relevant ethical requirements, including those regarding independence, and we have communicated with it to report on all matters that may reasonably be thought to jeopardise our independence, and where applicable, on the related safeguards.

From the matters communicated with the audit and control committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

Compañía de Distribución Integral Logista Holdings, S.A.

We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter.

Report on Other Legal and Regulatory Requirements

Additional Report to the Company's Audit and Control Committee

The opinion expressed in this report is consistent with the content of our additional report to the Company's audit and control committee dated on 4 November 2019.

Engagement Period

The Annual General Meeting held on 21 March 2017 appointed us as joint auditors for a period of three years from the year ended 30 September 2017.

Previously, Deloitte, S.L. had been designated pursuant to a resolution of the General Meeting for the period of three years from the year ended 30 September 2014, the first year following the Company's incorporation.

Services Provided

The services other than financial audit services provided to the audited entity were those described in Note 8.3 to the accompanying financial statements for 2019.

In relation to non audit services provided to subsidiaries, see the audit report dated on 4 November 2019 over consolidated financial statements of Compañía de Distribución Integral Logista Holdings, S.A. and subsidiaries.

Deloitte, S.L. (S0692)

PricewaterhouseCoopers Auditores, S.L. (S0242)

[Original in Spanish signed by
Victoria López Téllez (nº ROAC 21,238)]

[Original in Spanish signed by
Raúl Llorente Adrián (nº ROAC 20,613)]

4 November 2019