Audit Report on Consolidated Financial Statements
issued by an Independent Auditor

COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A. AND SUBSIDIARIES
Consolidated Financial Statements and
Consolidated Management Report for the year ended
September 30, 2022

Building a better
working world

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AUDIT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

Translation of a report and financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails (See Note 32)

To the shareholders of COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A.:

Audit report on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A. (the Parent Company) and its Subsidiaries (the Group), which comprise the consolidated balance sheet as at 30 September 2022, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows, and the notes thereto, for the year then ended ("2022").

In our opinion, the accompanying consolidated financial statements, give a true and fair view, in all material respects, of consolidated equity and the consolidated financial position of the Group as at September 30, 2022 and of its consolidated financial performance and its consolidated cash flows, for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS-EU), and other provisions in the regulatory framework applicable in Spain.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the consolidated financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

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

Revenue recognition: Tobacco sales

Description

At year-end 2022, the Group recognized, on the heading "Revenue" in the consolidated income statement, 11,025 million euros corresponding to sales of tobacco and related products, representing 96% of the total of sales of the Group. These sales correspond to the goods delivered net of discounts, excise duties on tobacco products and other sales-related taxes.

Although the recognition of these revenues is not complex, we have considered this area as a key audit matter since there is a risk associated with the timing of the recognition of this revenue, which depends of the specific conditions signed with the different manufacturers and customers.

Information on the Group's income recognition criteria, as well as a breakdown of sales, are disclosed in Notes 4.15 and 25, respectively, of the accompanying consolidated financial statements.

Our response

Our audit procedures include, among others, the following:

- Understanding the processes established by Group Management related to tobacco sales, including assessment of the design and implementation and the effectiveness of relevant controls.
- Performing tests of details on a sample of sales.
- Performing of analytical procedures reviewing the annual evolution of tobacco sales and the reasonableness of sales volumes, as well as a correlation analysis between the related accounts.
- Carrying out cut-off procedures for a sample of revenue transactions at the end of the year to determine whether they were recognized in accrual terms in accordance with the terms and conditions established in the contracts with manufacturers and customers.
- Identification and analysis of significant manual journal entries in revenue accounts.
- Review disclosures included in the accompanying consolidated financial statements in accordance with the applicable financial reporting framework.

Valuation of non-financial assets

Description

At year-end 2022, the Group recognized property, plant, and equipment under non-current assets in the amount of 315 million euros, intangible assets totalling 313 million euros, mainly related to distribution contracts with manufacturers, and goodwill amounting to 932 million euros.

The recoverable amount of the above assets is subject to the existence of potential impairment, which is determined based on complex estimates and assumptions made by Group Management using criteria, judgments, and hypotheses. We consider this to be a key audit matter due to the significant amounts and the inherent complexity of the estimation process to determine the recoverable amount of the assets.

The main assumptions on which the Group applies criteria, hypotheses and judgments are the following: estimated future margins, working capital evolution, discount rates and growth rates, as well as the economic and regulatory conditions that occur in the markets.

Information on the criteria applied by Group Management, as well as key assumptions used during the determination of impaired value of non-financial assets is disclosed in Notes 4.3, 4.5 and 7, respectively, of the accompanying consolidated financial statements.

Our response

Our audit procedures include, among others, the following:

- Understanding the processes established by Group Management to determine impairment of the value of non-financial assets, including assessment of the design and implementation of relevant controls.
- Reviewing the model used by Group Management with the assistance of our valuation specialists, encompassing its mathematical coherence, reasonableness of the projected cash flows, discount rates, and long-term growth rates, as well as the outcome of the sensitivity analyses carried out by Group Management. Throughout the performance of our work, we held interviews with the business heads and using renowned external sources and other available information to contrast data.
- Review disclosures included in the accompanying consolidated financial statements in accordance with the applicable financial reporting framework.

Legal proceedings

Description

At year-end 2022, the Group is involved in certain legal proceedings, as detailed in Note 23 of accompanying consolidated financial statements.

Group Management makes estimates and applies certain judgments and assumptions on assessing the risk associated with these legal proceedings.

We have considered this area as a key audit matter due to the complexity of the judgments and assumptions applied, could have a significant impact on the consolidated balance sheet and on the consolidated income statement, considering the significance of the amounts associated with these procedures.

Disclosures for the recognition and valuation criteria, as well as the information related to these legal proceedings, are disclosed, respectively, in Notes 4.13 and 23 of the accompanying consolidated financial statements.

Our response

Our audit procedures include, among others, the following:

- Understand the processes applied by Group Management to estimate provisions and contingencies, including assessment of the design and implementation of relevant controls.

- Obtain confirmation letters from the internal and external legal advisors of the Group.
- Involve our internal legal specialists to analyze the reasonableness of the conclusions reached by Group Management.
- Review disclosures included in the consolidated financial statements in accordance with the applicable financial reporting framework.

Other information: consolidated management report

Other information refers exclusively to the 2022 consolidated management report, the preparation of which is the responsibility of the Parent Company's Directors and is not an integral part of the consolidated financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated management report. Our responsibility for the consolidated management report, in conformity with prevailing audit regulations in Spain, entails:

a. Checking only that the consolidated non-financial statement and certain information included in the Corporate Governance Report and in the Board Remuneration Report, to which the Audit Law refers, was provided as stipulated by applicable regulations and, if not, disclose this fact.

b. Assessing and reporting on the consistency of the remaining information included in the consolidated management report with the consolidated financial statements, based on the knowledge of the Group obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the consolidated management report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to disclose this fact.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the consolidated management report is consistent with that provided in the 2022 consolidated financial statements and its content and presentation are in conformity with applicable regulations.

Responsibilities of the Parent Company's Directors and the Audit and Control Committee for the consolidated financial statements

The Directors of the Parent Company are responsible for the preparation of the accompanying consolidated financial statements so that they give a true and fair view of the equity, financial position and consolidated results of the Group, in accordance with IFRS-EU, and other provisions in the regulatory framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors of the Parent Company are responsible for assessing the Group'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 aforementioned Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit and Control Committee of the Parent Company is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 prevailing audit regulations 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 consolidated financial statements.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors of the Parent Company.

- Conclude on the appropriateness of the use, by the Directors of the Parent Company, 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Control Committee of the Parent Company 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 of the Parent Company with a statement that we have complied with relevant ethical requirements, including those related to independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit and Control Committee of the Parent Company, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

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

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital files of the European single electronic format (ESEF) of COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A. and subsidiaries for the 2022 financial year, which include the XHTML file containing the consolidated financial statements for the year, and the XBRL files as labeled by the entity, which will form part of the annual financial report.

The directors of COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A. are responsible for submitting the annual financial report for the 2022 financial year, in accordance with the formatting and mark-up requirements set out in Delegated Regulation EU 2019/815 of 17 December 2018 of the European Commission (hereinafter referred to as the ESEF Regulation).

Our responsibility consists of examining the digital files prepared by the directors of the parent company, in accordance with prevailing audit regulations in Spain. These standards require that we plan and perform our audit procedures to obtain reasonable assurance about whether the contents of the consolidated financial statements included in the aforementioned digital files correspond in their entirety to those of the consolidated financial statements that we have audited, and whether the consolidated financial statements and the aforementioned files have been formatted and marked up, in all material respects, in accordance with the ESEF Regulation.

In our opinion, the digital files examined correspond in their entirety to the audited consolidated financial statements, which are presented and have been marked up, in all material respects, in accordance with the ESEF Regulation.

Additional report to the Audit and Control Committee

The opinion expressed in this audit report is consistent with the additional report we issued to the Audit and Control Committee of the Parent Company on November 3, 2022.

Term of engagement

The annual general shareholders' meeting held on March 24, 2020 appointed us as auditors for 3 years, commencing for the year ended September 30, 2020.

ERNST & YOUNG, S.L.
(Registered in the Official Register of Auditors under No. S0530)

(Signed on the original version in Spanish)

María del Tránsito Rodríguez Alonso
(Registered in the Official Register of Auditors under No. 20539)

November 3, 2022

Compañía de Distribución Integral Logista Holdings, S.A. and Subsidiaries

Consolidated financial statements for the year ended 30 September 2022 and Consolidated Management Report.

Translation from the original issued in Spanish. In the event of discrepancy, the Spanish-language version prevails.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union (see Notes 2 and 32). In the event of a discrepancy, the Spanish-language version prevails.

COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS AT 30 SEPTEMBER 2022 AND 2021

(Thousands of Euros)

ASSETS	Notes	30-09-2022	30-09-2021	EQUITY AND LIABILITIES	Notes	30-09-2022	30-09-2021
NON-CURRENT ASSETS:		1,599,322	1,629,668	EQUITY:		566,695	524,474
Property, plant and equipment	Note 6	315,265	313,474	Share capital	Note 14	26,550	26,550
Investment property	Note 4.2	6,816	7,137	Share premium	Note 15	867,808	867,808
Goodwill	Note 7	932,375	920,800	Reserves of the Parent	Note 15	403,573	289,014
Other intangible assets	Note 8	312,757	353,960	Reorganisation reserves	Note 15	(753,349)	(753,349)
Investments in associates		4,599	3,886	Reserves at consolidated companies	Note 16	(127,639)	(31,735)
Other non-current financial assets	Note 10	16,422	15,898	Translation differences		(451)	(97)
Deferred tax assets	Note 20	11,088	14,513	Reserve for first-time application of IFRSs	Note 15	19,950	19,950
				Consolidated profit for the period		198,848	173,961
				Interim dividend	Note 15	(56,714)	(54,116)
				Treasury shares	Note 15	(16,600)	(14,346)
				Equity attributable to shareholders of the Parent		561,976	523,640
				Minority interests	Note 17	4,719	834
CURRENT ASSETS:		6,094,368	5,916,550				
Inventories	Note 11	1,529,163	1,467,146	NON-CURRENT LIABILITIES:		364,517	376,478
Trade and other receivables	Note 12	1,900,663	2,075,171	Other financial non-current liabilities	Note 21	103,800	98,365
Tax receivables	Note 20	9,840	69,796	Long-term provisions	Note 19	29,043	38,779
Other current financial assets	Note 10	2,429,616	2,126,922	Deferred tax liabilities	Note 20	231,674	239,334
Cash and cash equivalents	Note 13	218,733	171,760				
Other current assets		6,353	5,755	CURRENT LIABILITIES:		6,762,770	6,645,539
				Other current financial liabilities	Note 21	40,849	72,446
				Trade and other payables	Note 22	1,454,965	1,148,803
				Tax payables	Note 20	5,182,620	5,339,752
				Short-term provisions	Note 19	6,650	7,276
				Other current liabilities		77,686	77,262
NON-CURRENT ASSETS HELD FOR SALE	Note 9	292	41,570	LIABILITIES ASSOCIATED WITH THE ASSETS HELD FOR SALE	Note 9	-	41,297
TOTAL ASSETS		7,693,982	7,587,788	TOTAL EQUITY AND LIABILITIES		7,693,982	7,587,788

The accompanying Notes 1 to 32 and Appendix I and II are an integral part of the consolidated balance sheet at 30 September 2022

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union (see Notes 2 and 32). In the event of a discrepancy, the Spanish-language version prevails.

COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A. AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENTS FOR THE YEARS ENDED 30 SEPTEMBER 2022 AND 2021

(Thousands of Euros)

	Notes	2022	2021
Revenue	**Note 24.a**	**11,463,646**	**10,816,832**
Procurements		**(10,228,404)**	**(9,637,308)**
GROSS PROFIT		**1,235,242**	**1,179,524**
Cost of logistics networks:		**(843,042)**	**(808,205)**
Staff costs	**Note 24.b**	(190,483)	(181,594)
Transport costs		(278,721)	(248,962)
Provincial sales office expenses		(80,219)	(79,482)
Depreciation and amortisation charge	**Notes 4.2, 6 and 8**	(116,602)	(116,502)
Other operating expenses	**Note 24.c**	(177,017)	(181,665)
Commercial expenses:		**(54,558)**	**(48,132)**
Staff costs	**Note 24.b**	(31,083)	(29,422)
Other operating expenses	**Note 24.c**	(23,475)	(18,710)
Research expenses		**(1,874)**	**(2,488)**
Head office expenses:		**(85,991)**	**(84,639)**
Staff costs	**Note 24.b**	(64,891)	(64,846)
Depreciation and amortisation charge	**Notes 4.2, 6 and 8**	(4,957)	(5,748)
Other operating expenses	**Note 24.c**	(16,143)	(14,045)
Share of results of companies		2,797	2,232
Net gain on disposal and impairment of non-current assets	**Notes 4.2, 6 and 8**	13,872	2,058
Other expenses		(40)	(23)
PROFIT FROM OPERATIONS		**266,406**	**240,327**
Finance income	**Note 24.e**	21,587	21,934
Finance costs	**Note 24.f**	(2,419)	(1,730)
PROFIT BEFORE TAX		**285,574**	**260,531**
Income tax	**Note 20**	(74,954)	(67,324)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		**210,620**	**193,207**
NET INCOME FROM DISCONTIUED OPERATIONS	**Note 9**	(11,473)	(19,062)
PROFIT FOR THE PERIOD		**199,147**	**174,145**
Attributable to:			
Shareholders of the Parent-		198,848	173,961
Minority interests	**Note 17**	299	183
BASIC EARNINGS PER SHARE	**Note 5**	**1,51**	**1.32**

The accompanying Notes 1 to 32 and Appendix I and II are an integral part of the consolidated income statement for the fiscal year 2022

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union (see Notes 2 and 32). In the event of a discrepancy, the Spanish-language version prevails.

COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED 30 SEPTEMBER 2022 AND 2021
(Thousands of Euros)

	Notes	2022	2021
PROFIT FOR THE YEAR		**199,147**	**174,145**
Items that may be reclassified to income statement			
Net actuarial gain (loss) recognised directly in equity	**Note 19**	6,778	(628)
Items that will not be reclassified to income statement			
Foreign exchange rate changes		(354)	4
TOTAL NET GAIN (LOSS) REGISTERED DIRECTLY IN EQUITY		**6,424**	**(624)**
TOTAL NET GAIN (LOSS) CONSOLIDATED REGISTERED DURING THE YEAR		**205,571**	**173,521**
Attributable to:			
Shareholders of the Parent		**205,272**	**173,337**
Minority interests		**299**	**184**
TOTAL ATRIBUIBLE		**205,571**	**173,521**

The accompanying Notes 1 to 31 and Appendix I and II are an integral part of the consolidated statement of comprehensive income for 2022.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union (see Notes 2 and 32).
In the event of a discrepancy, the Spanish-language version prevails.

COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED 30 SEPTEMBER 2022 AND 2021

(Thousand of euros)

	Share Capital	Share Premium	Reserves of the Parent	Reorganisation Reserves	Reserves at Consolidated Companies	Translation Differences	Reserve for First-Time Application of IFRSs	Profit for the Year	Interim Dividend	Treasury Shares	Equity Attributable to Shareholders of the Parent	Minority Interests	Total Equity
BALANCE ON 30 SEPTEMBER 2020	**26,550**	**867,808**	**42,806**	**(753,349)**	**215,566**	**(101)**	**19,950**	**157,184**	**(51,569)**	**(10,681)**	**514,164**	**2,134**	**516,298**
Net profit attributable to the Parent	-	-	-	-	-	-	-	173,961	-	-	173,961	-	173,961
Translation differences	-	-	-	-	-	4	-	-	-	-	4	-	4
Loss attributable to minority interests	-	-	-	-	-	-	-	-	-	-	-	184	184
Actuarial gains/losses	-	-	-	-	(628)	-	-	-	-	-	(628)	-	(628)
Income and expenses recognised in the period	-	-	-	-	(628)	4	-	173,961	-	-	173,337	184	173,521
Transactions with Shareholders:													
Distribution of profit-													
To reserves	-	-	245,572	-	(244,229)	-	-	(1,343)	-	-	-	-	-
To dividends (Note 15.e)	-	-	-	-	-	-	-	(155,841)	51,569	-	(104,272)	-	(104,272)
Dividends (Note 15.e)	-	-	-	-	-	-	-		(54,116)	-	(54,116)	-	(54,116)
On treasury shares operations (Note 15.b and 15.f)	-	-	(1,747)	-	-	-	-	-	-	(3,665)	(5,412)	-	(5,412)
Incentive Plan (Note 4.12)	-	-	2,389	-	-	-	-	-	-	-	2,389		2,389
Others	-	-	(6)	-	(2,444)	-	-	-	-	-	(2,450)	(1,484)	(3,934)
BALANCE ON 30 SEPTEMBER 2021	**26,550**	**867,808**	**289,014**	**(753,349)**	**(31,735)**	**(97)**	**19,950**	**173,961**	**(54,116)**	**(14,346)**	**523,640**	**834**	**524,474**
Net profit attributable to the Parent	-	-	-	-	-	-	-	198,848	-	-	198,848	-	198,848
Translation differences	-	-	-	-	-	(354)	-	-	-	-	(354)	-	(354)
Loss attributable to minority interests	-	-	-	-	-	-	-	-	-	-	-	299	299
Actuarial gains/losses	-	-	-	-	6,778	-	-	-			6,778	-	6,778
Income and expenses recognised in the period	-	-	-	-	6,778	(354)	-	198,848	-	-	205,272	299	205,571
Transactions with Shareholders:													
Distribution of profit-													
To reserves	-	-	113,073	-	(102,684)	-	-	(10,389)	-	-	-	-	-
To dividends (Note 15.e)	-	-	-	-	-	-	-	(163,572)	54,116	-	(109,456)	-	(109,456)
Dividends (Note 15.e)	-	-	-	-	-	-	-	-	(56,714)	-	(56,714)	-	(56,714)
On treasury shares operations (Note 15.b and 15.f)	-	-	718	-	-	-	-	-	-	(3,917)	(3,199)	-	(3,199)
Incentive Plan (Note 4.12)	-	-	768	-	-	-	-	-	-	1,663	2,431	-	2,431
Business combinations	-	-	-	-	-	-	-	-	-	-	-	3,691	3,691
Others	-	-	-	-	2	-	-	-	-	-	-	(105)	(105)
BALANCE ON 30 SEPTEMBER 2022	**26,550**	**867,808**	**403,573**	**(753,349)**	**(127,639)**	**(451)**	**19,950**	**198,848**	**(56,714)**	**(16,600)**	**561,976**	**4,719**	**566,695**

The accompanying Notes 1 to 32 and Appendix I and II are an integral part of the consolidated statement of changes in equity for 2022.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union (see Notes 2 and 32). In the event of a discrepancy, the Spanish-language version prevails.

COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED 30 SEPTEMBER 2022 AND 2021

(Thousands of Euros)

	Notes	2022	2021
OPERATING ACTIVITIES:		**642,963**	**(302,028)**
Consolidated profit before tax from continuing operations		**285,574**	**260,531**
Net income from discontinued operations		**(11,473)**	**(19,062)**
Adjustments for-		**95,231**	**108,587**
Result of companies accounted for using the equity method		(2,797)	(2,232)
Depreciation and amortisation charge	**Notes 6 and 8**	123,019	123,864
Impairment		(2,991)	(1,834)
Change in provisions		8,783	8,451
Provisions recognised/ (reversed)	**Notes 6 and 8**	(14,282)	(2,034)
Proceeds from disposal of non-current assets		2,667	2,576
Other adjustments		(20,905)	(22,059)
Financial profit		1,737	1,855
Net change in assets / liabilities-		**273,631**	**(652,084)**
(Increase)/Decrease in inventories		(60,041)	(168,001)
(Increase)/Decrease in trade and other receivables		236,836	(178,386)
Increase/(Decrease) in trade payables		306,162	3,770
Increase/(Decrease) in other current liabilities		(212,744)	(290,534)
Increase (Decrease) in other non-current liabilities		4,011	25,033
Income tax paid		(19,761)	(64,191)
Finance income and costs		19,168	20,225
INVESTING ACTIVITIES:		**(389,033)**	**505,321**
Payment for investment-		**(404,709)**	**495,572**
Property, plant and equipment	**Note 6**	(28,298)	(31,861)
Intangible assets	**Note 8**	(7,967)	(8,312)
Group companies and associates		(367,944)	538,828
Other current financial assets		-	(3,083)
Proceeds from financial divestments-		**15,676**	**9,749**
Property, plant and equipment	**Note 6**	15,527	8,549
Intangible assets		149	-
Investment properties		-	1,200
Other financial assets		-	-
Non current assets held for sale		-	-
FINANCING ACTIVITIES:		**(206,957)**	**(194,275)**
Payment of dividends and remuneration of other equity instruments-		**(166,166)**	**(158,388)**
Dividends	**Note 15**	(166,166)	(158,388)
Proceeds and payments of equity instruments-		**(4,621)**	**(4,948)**
Acquisition of treasury shares	**Note 15**	(4,621)	(4,948)
Proceeds and payments for financial liability instruments-		**(2,521)**	**(2,711)**
Repayment and amortization of current borrowings		(2,521)	(2,711)
Lease payments (IFRS 16)		**(33,649)**	**(28,228)**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		**46,973**	**9,019**
Cash and cash equivalents at beginning of year-		**171,760**	**162,741**
Net change in cash and cash equivalents during the year		46,973	9,019
Total cash and cash equivalents at end of year		**218,733**	**171,760**

The accompanying Notes 1 to 31 and Appendix I and II are an integral part of the consolidated cash flow statement for 2022.

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs as adopted by the European Union (see Notes 2 and 32). In the event of a discrepancy, the Spanish-language version prevails.

Compañía de Distribución Integral Logista Holdings, S.A. and Subsidiaries

Notes to the annual consolidated financial statements for the year ended 30 September 2022

1. General information on the Group

Compañía de Distribución Integral Logista Holdings, S.A., hereinafter "the Parent company", was incorporated as a sociedad anónima (Spanish public limited company) on 13 May 2014, with its sole shareholder being Altadis, S.A.U., a company belonging to the Imperial Brands PLC Group. On 4 June 2014, the Company effected a capital increase with all shares subscribed by Altadis, S.A.U. through non-monetary contribution of shares representing 100% of the share capital of Compañía de Distribución Integral Logista, S.A.U., until that time the parent company of the Logista Group, from then onwards, the Company became the Parent of the aforementioned Group.

The Company has registered office at Polígono Industrial Polvoranca, calle Trigo, no. 39, Leganés (Madrid), being the Parent of the Group, the operating company of which is Compañía de Distribución Integral Logista, S.A.U.

The offering of shares in the Parent Company came to an end on 14 July 2014, and its shares are currently listed for trading on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges.

On 20 July 2021 Altadis, S.A.U. agreed to sell its stake in Compañía de Distribución Integral Logista Holdings, SA, representing 50.01% of the share capital, to Imperial Tobacco LTD, a company also belonging to the Imperial Brands PLC Group, as a result of a simplification of the chain of ownership of the shares in subsidiary companies carried out within the Imperial Brands group.

The reporting period of most of the Group companies starts on 1 October of each year and ends on 30 September of the following year. The twelve-month period ended 30 September 2021 will hereinafter be referred to as "2021", the period ended 30 September 2022 as "2022", and so on.

The Group, a distributor and logistics operator, provides various distribution channels with a wide range of value-added products and services, including tobacco and related tobacco products, convenience goods, electronic documents and products (such as mobile phone and travel card top-ups), drugs, books, publications and lottery tickets. The Group provides these services through a complete infrastructure network which spans the whole value chain, from picking to POS delivery.

Compañía de Distribución Integral Logista Holdings, S.A. is the head of a group of domestic and foreign subsidiaries that engage in various business activities, and which compose, together with Logista Holdings S.A., the Logista Group (hereinafter "the Group").

A detail of the investees included in the scope of consolidation comprising the Logista Group on 30 September 2022 and 2021 is provided in Appendices I and II, which includes, inter alia, the percentage and cost of the ownership interest held by the Parent and the line of business, company name and registered office of each investee.

In turn, Imperial Tobacco LTD, the majority shareholder of the Parent, belongs to the Imperial Brands PLC Group. which is governed by the corporate law in force in the United Kingdom, and whose registered office is at 121 Winterstoke Road, Bristol, BS3 2LL (United Kingdom). The consolidated financial statements of the Imperial Brands PLC Group for 2021 were formally prepared by its Directors at the Board of Directors meeting held on 15 November 2021.

2. Basis of presentation of the financial statements and basis of consolidation

2.1 Authorization for issue of the consolidated financial statements

These consolidated financial statements were formally prepared by the Directors in accordance with the regulatory financial reporting framework applicable to the Group, which consists of:

a. The Spanish Commercial Code and all other Spanish corporate law.

b. International Financial Reporting Standards (IFRS), as adopted by the European Union, in conformity with Regulation (EC) no, 1606/2002 of the European Parliament and Law 62/2003, of 30 December, on Tax, Administrative, Labor and Social Security Measures.

c. All other applicable Spanish accounting legislation.

The accompanying consolidated financial statements, which were obtained from the accounting records of the Company and of its subsidiaries, are presented in accordance with the regulatory financial reporting framework applicable to the Group and, in particular, with the accounting principles and rules contained therein and, accordingly, present fairly the Group's equity, financial position, results of operations and cash flows for during the corresponding financial year. These consolidated financial statements were formally prepared by the Board of Directors at its meeting on 4 November 2022. The Directors of Compañía de Distribución Integral Logista Holdings, S.A. will submit these consolidated financial statements for approval by the Shareholders, and it is considered that they will be approved without any changes.

The consolidated financial statements for 2021 were formally approved by the General Shareholders' Meeting on 3 February 2022.

The principal accounting policies and measurement bases applied in preparing the Group's consolidated financial statements for 2022 are summarized in Note 4.

2.2 Standards and interpretations effective in the current period

These consolidated financial statements have been prepared applying the same accounting principles used by the Logista Group to prepare the consolidated annual accounts as of 30 September 2021, with the exception of the standards and amendments adopted by the European Union and mandatory for fiscal years starting on 1 January 2021.

In the year ended 30 September 2022 the following standards, amendments to standards and interpretations came into force:

New Standards, Amendments to Standards and Interpretations:	Content	Obligatory Application in Annual Reporting Periods Beginning on or After
Amendment to IFRS 4 Insurance contracts - deferral of IFRS 9.	Deferral of its application	1 January, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform – phase 2	These modifications provide temporary relief in financial reporting while interbank offer rates (IBORs) are replaced by risk-free rates (RFRs).	1 January, 2021
Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)	Modifications related to impacts of Covid-19 pandemic	1 April, 2021

The application of the above Standards, interpretations and amendments has not had a significant effect on the consolidated financial statements as of September 30, 2022.

2.3 Standards and interpretations issued not in force

At the date of preparation of these consolidated financial statements, the following standards and interpretations with a potential impact for the Group have been published by the IASB and adopted by the European Union for their application in annual reporting periods beginning on or after the indicated date:

New Standards, Amendments to Standards and Interpretations:	Content	Obligatory Application in Annual Reporting Periods Beginning on or After
Amendments to IFRS 3 "Business Combinations", IAS 16 "Property, Plant and Equipment", IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and Annual Improvements to IFRS 2018-2020.	Amendments to the indicated standards and amendment to IFRS 9 and IAS 41 as part of the 2018-2020 annual improvements to IFRS.	1 January 2022
IFRS 17, Insurance Contracts	IFRS 17 supersedes IFRS 4 and establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued to ensure that entities provide relevant and reliable information that gives a basis for users of the information to assess the effect that insurance contracts have on the financial statements.	1 January 2023

The Group's Management is evaluating the impact of the application of these amendments. At the date of preparation of these Consolidated Annual Accounts, this analysis has not been completed, although it is expected that there will be no significant impacts.

In addition, at the date of preparation of the consolidated financial statements the following standards and interpretations, with a potential impact to the Group, have been published by the IASB, which cannot be adopted in advance or which have not been adopted by the European Union:

New Standards, Amendments to Standards and Interpretations:	Content	Obligatory Application in Annual Reporting Periods Beginning on or After
Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"	Definition of Accounting Estimates.	1 January, 2023
Amendment to IAS 1 Presentation of financial statements.	Classification of financial liabilities as current or non-current.	1 January, 2023
Amendment to IAS 12 Income TaxesSale or contribution of assets between an investor and its associate / joint venture.	Deferred Taxes related to Assets and Liabilities arising from a Single Transaction.	1 January, 2023

2.4 Information relating to 2021

As required by IAS 1, the information relating to 2021 contained in these notes to the consolidated financial statements is presented with the information relating to 2022 for comparison purposes and, accordingly, it does not constitute the Group's consolidated financial statements for 2021.

2.5 Discontinued operations

With effect from 30 September 2021, it was decided to reclassify all the assets and liabilities of the French company Supergroup, S.A.S. as discontinued operations. This reclassification was carried out after the decision of the Board of Directors of the Parent Company to carry out the necessary actions for the sale of this Company, fulfilling the conditions established in IFRS 5 to carry out this reclassification.

The reclassification implied valuing the assets at the lower of their carrying amount and fair value (estimated sale price) less costs to sell. This is a different approach to that followed to date, in which the reference to follow was the lower of the carrying amount or the usage value amount, which includes an estimated value that will be gained from using the asset, and which could differ from its estimated selling price.

The fair value estimate of the group of assets held for sale, results in the recognition of a non-current asset impairment loss of EUR 3,671 thousand for the fiscal year 2021, which negatively affected the consolidated income statements for that year.

The reclassification as a discontinued activity leads the following impacts on these consolidated financial statements:

- The result after tax generated by Supergroup, S.A.S. until the date of its sale, it is not reported in each of the lines of the consolidated income statement but is reported in a single line called "Net income from discontinued operations", both for the year 2022 and 2021. Within this line, the impairment loss in 2021 discussed above is incorporated. Note 9 presents the breakdowns required in relation to the result of discontinued activities, including a breakdown of the main lines that compose it.

- For cash flow purposes, note 9 shows the part of the flow from operations, investment and financing of discontinued activities, included within the total amount reported for these items for both fiscal years 2022 and 2021.

- For the purposes of the balance sheetall assets and liabilities attributable to Supergroup, S.A.S. as of 30 September 2021, were reclassified as "Non-current assets held for sale" and "Liabilities associated to non-current assets held for sale". Note 9 presents the consolidated balance sheets before and after reclassification as on 30 September 2021 including the different types of assets and liabilities that were reclassified as discontinued operations.

Finally, in February 2022 the Group closed an agreement for the sale of Soupergroup S.A.S for an amount of 1 Euro (see note 9).

In addition to the above, certain assets were reclassified to the line of "non-current assets held for sale", in the fiscal year 2021,for which the Group's Management made the decision to proceed with their sale and implemented the corresponding plan and the necessary actions to carry out this sale. The carrying amount of these assets on 30 September 2021 was 8,942 thousand euros, and has been sold at 30 September 2022. These assets were valued to their carrying amount due to the existence of purchase offers from third parties at higher prices to such carrying values.Finally, in each of the notes to these consolidated financial statements relating to balance sheet items, the changes caused by the reclassification made at 30 September 2021 are broken down to the lines of "Non-current assets held for sale" and "Liabilities associated to non-current assets held for sale".

2.6 Presentation currency

These consolidated financial statements are presented in euros since this is the currency of the primary economic environment in which the Group operates. Transactions in currencies other than euro are recognized in accordance with the policies described in Note 4.14.

2.7 Responsibility for the information and use of estimates

The information in these consolidated financial statements is the responsibility of the Parent's directors.

In preparing the consolidated financial statements for 2021, estimates were made by the Group's directors in order to measure certain of the assets, liabilities, income, expenses and obligations reported herein. These estimates relate basically to the following:

- The measurement and impairment of goodwill and of certain intangible assets.

- The assumptions used in the actuarial calculations of the pension liabilities and other obligations to employees.

- The useful life of the property, plant and equipment and intangible assets.

- The valuation of long-term incentive plans.

- The calculation of the required provisions, including litigations and fiscal risks.

- The measurement and calculation of deferred tax assets and liabilities.

Although these estimates were made on the basis of the best information available at 2022 year end, events that may take place in the future might make it necessary to change these estimates (upwards or downwards) in coming years. This would be done prospectively, recognizing the effects of the changes in accounting estimates in the relevant future financial statements.

2.8 Basis of consolidation

2.8.1 Subsidiaries

Subsidiaries are defined as companies included in the scope of consolidation which the Parent manages directly or indirectly because it holds a majority of the voting rights in their representation and decision-making bodies or over which it has the capacity to exercise control.

The financial statements of the subsidiaries are fully consolidated. Accordingly, all material balances and transactions between consolidated companies are eliminated on consolidation.

Where necessary, adjustments are made to the financial statements of the subsidiaries to adapt the accounting policies used to those applied by the Group.

The share of minority interests of the equity and profit of the Group is presented under "Minority Interests" in the consolidated balance sheet and under "Profit/Loss for the Year Attributable to Minority Interests" in the consolidated income statement, respectively.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the date of acquisition or until the date of disposal, as appropriate.

2.8.2 Joint ventures and joint operations

"Joint ventures" are deemed to be ventures that are managed jointly by the Parent and third parties unrelated to the Group, where neither party can exercise greater control than the other. The financial statements of the joint ventures are proportionately consolidated.

In addition, a joint operation (unincorporated joint venture or "UTE") is a joint arrangement whereby the parties have rights to the corresponding assets, and liabilities, relating to the arrangement. Accordingly, the assigned assets and liabilities are presented by the Group in its consolidated balance sheet, in proportion to its ownership interest, classified according to their specific nature. Similarly, the Group's share of the income and expenses of joint ventures is recognized in the consolidated income statement on the basis of the nature of the related items. In addition, the proportional part corresponding to the Group of the related items of the joint venture is included in the statement of changes in equity and the statement of cash flows.

Where necessary, adjustments are made to the financial statements of these companies to adapt the accounting policies used to those applied by the Group.

2.8.3 Associates

Associates are companies over which the Parent is in a position to exercise significant influence. In general, significant influence is presumed to exist when the Group's percentage of (direct or indirect) ownership exceeds 20% of the voting rights, if it does not exceed 50%.

In the consolidated financial statements, investments in associates are accounted for using the equity method, (equity accounting), at the Group's share of net assets of the investee, after taking into account the dividends received therefrom and other equity eliminations.

In the case of transactions with an associate, the related profits and losses are eliminated to the extent of the Group's interest in the associate’s capital.

Where necessary, adjustments are made to the financial statements of these companies to adapt the accounting policies used to those applied by the Group.

If as a result of losses incurred by an associate its equity were negative, the investment should be presented in the Group's consolidated balance sheet with a zero value, unless the Group is obliged to give it financial support, in which case the related provision would be recorded.

Since the activities of the associates are like the Group's habitual management and operations, the results of companies accounted for using the equity method are aggregated to profit or loss from operations.

2.8.4 Translation of foreign currency

The various items in the balance sheets and income statements of the foreign companies included in consolidation were translated to euros as follows:

- Assets and liabilities were translated to euros at the official year-end exchange rates.

- Share capital and reserves were translated to euros at the historical exchange rate.

- Income statement items were translated to euros at the average exchange rate for the year.

The exchange differences arising from the use of these criteria were included in equity under “Reserves at Consolidated Companies - Translation Differences”. These translation differences will be recognized as income or expenses in the period in which the investment that gave rise to them is realized or disposed of in full or in part.

In 2022 and 2021 all the Logista Group companies presented their financial statements in euros, except for Compañía de Distribución Integral Logista Polska, Sp. z.o.o. and Logesta Polska Sp., z.o.o. (both located in Poland).

2.8.5 Changes in the scope of consolidation and in the ownership interests

In fiscal year 2022, the only significant variations in the scope of consolidation include the following:

- In December,2021, the Group liquidated UTE Logista – IGT Spain Lottery

- In February 2022, the Group acquired a 70% stake in the Dutch companies Speedlink Worldwide Express B.V., 24 Hours B.V. and German-Ex B.V. (see Note 7.2). These companies are fully consolidated since the Group has control over these companies.

- In February, 2022, the Group has closed the sale of 100% of the French company Supergroup, S.A.S., so that since that date this company is not part of the Logista Group, having integrated the results generated by said company since October 1, 2021 until February, 2022, under the heading “Net income from discontinued operations”.

Additionally, during the fiscal year 2022, agreements have been reached for the following acquisitions but, at 30 September 2022, they were subject to the fulfilment of certain conditions precedent, and therefore, pending of materialization:

- In June, 2022, the Group reached an agreement to acquire 60% of Herinvemol, S.L. (Transportes El Mosca), Spanish company specialized in the transport and warehousing of goods, as well as frozen or refrigerated transport and large volume transport, mainly for the food industry and also, specialized in national and international maritime transport. The agreement reached contemplated the purchase of 60% of the capital of the company, which would be paid in cash, for a maximum amount of 106 million euros, depending on the goals achieved, and the acquisition of the remaining 40% will be over the course of the next three years. Finally, the transaction has been closed in October 2022 by paying an initial amount of 83.2 million euros in addition to an advance payment of 15 million euros final consolidation of which will depend on the fulfillment of future objectives (Note 31).

- In April, 2022, the Group has reached an agreement to acquire 100% of Carbó Collbatallé, S.L., Spanish company specialized in cold transport and logistics in the food sector, it has a network of 14 logistic platforms in Spain that add up to around 45.000 m2. The agreement reached contemplates the acquisition of 100% of the share capital for 51 million of euros, subject to the fulfilment of certain conditions precedent. Finally, in October 2022, after the fulfilment of these conditions, closing of the transaction has been materialized, occurring the initial payment of 51 million of euros (Note 31).

In fiscal year 2021, the only significant variations in the scope of consolidation include the following:

- On March 11, 2021, Logista Italia S.p.A., acquired minority interest in Terzia S.p.A.

- On January 19, 2021, S.A. Distribuidora de Ediciones incorporated The Bocayá Group, as a shareholder, with a 30% of ownership.

- In April, 2021, Logista Regional de Publicaciones, S.A.U. was created, of which the Group owns a 100% of the capital.

2.9 Materiality

In preparation these consolidated financial statements the Group omitted any information or disclosures which, not requiring disclosure due to their qualitative importance, were considered not to be material in accordance with the concept of materiality defined in the IFRS Conceptual Framework.

3. Distribution of the profit of the Parent Company

The distribution of the profit for 2022, amounting to EUR 188,828 thousand, that the Parent's directors will propose for approval by the shareholders at the Annual General Meeting is as follows:

	Thousands of Euros
To voluntary reserves	6,001
To dividends	126,113
Interim dividend	56,714
	188,828

In accordance with current regulations, the Parent Company evaluated the liquidity status on the date of approval of the interim dividend. Based on this evaluation, on July 20, 2022, based on the net profit recorded as of June 30, 2022, of EUR 84.6 million, it was considered sufficient for the payment of the approved interim dividend, considering the existing treasury shares.

4. Accounting principles and policies and measurement bases

The principal measurement bases and accounting principles and policies applied in preparing the consolidated financial statements for 2022 in accordance with the IFRSs in force at the date of the related financial statements are described below.

4.1 Property, plant and equipment

Property, plant and equipment are stated at acquisition cost less any accumulated depreciation.

The upkeep and maintenance costs of the various items of property, plant and equipment are recognized in the income statement as incurred. The amounts invested in improvements leading to increased capacity or efficiency or to a lengthening of the useful lives of the assets are capitalized.

In-housework on non-current assets is measured at accumulated cost (external costs plus in-house costs, determined on the basis of direct and general manufacturing costs).

The consolidated companies depreciate their property, plant and equipment using the straight-line method, applying annual depreciation rates determined based on the years of estimated useful life of the related assets. The depreciation rates applied are as follows:

	Annual Depreciation Rates (%)
Buildings	2 - 4
Plant and machinery	10 - 12
Other fixtures, tools and furniture	8 - 16
Other items of property, plant and equipment	12 - 16

Land is considered to have an indefinite useful life and, therefore, is not depreciated.

4.2 Investment property

Investment property relates to investments in land and buildings held to earn rentals, Investment property is stated at the lower of cost, less any accumulated depreciation, and market value. Depreciation is recognized using the same methods as those used for items of the same category classified under "Property, Plant and Equipment".

During fiscal year 2022 the main change is due to the sale of a piece of land in Barcelona for an amount of 9,500 thousand of euros, which has generated a capital gain of 9,444 thousand of euros.

In 2022, the investment property registered in the consolidated balance's amortization amounted to EUR 263 thousand (2021: EUR 276 thousand).

In 2021, the Group reclassified as "Non-current assets held for sale" a piece of land in Cádiz owned by Compañía de Distribución Integral Logista, S.A.U. having put in place a plan to proceed with the sale of the land in the short term. The net book value of this land subject to reclassification amounts to EUR 6,661 thousand as of 30 September 2021. In the fiscal year 2022, that asset was sold, having an impact in the consolidated income statement of Eur 4,205 thousand, which is recorded in the consolidated income statement, under the heading "Net gain/loss on impairments and disposals of non-current assets".

The Group periodically determines the market value of its investment properties by reference to the prices of comparable transactions, in-house studies, external appraisals, etc.

4.3 Goodwill

In the company acquisitions, the excess of the cost of the business combination over the interest acquired in the acquisition-date net fair value of the identifiable assets, liabilities and contingent liabilities is recognized as goodwill.

Goodwill is only recognized when it has been acquired for consideration.

Goodwill arising from the acquisition of an associate is recognized as an increase in the value of the investment.

Goodwill is not amortized. Accordingly, at the date of each consolidated balance sheet the related valuation adjustments are made to ensure that the carrying amount is not higher than fair value less costs to sell. If there is any impairment, the goodwill is written down and the impairment loss is recognized. An impairment loss recognized for goodwill must not be reversed in a subsequent period.

To perform the impairment test, the goodwill is allocated in full to one or more cash-generating units.

The recoverable amount of each cash-generating unit is the higher of value in use and the net selling price of the assets associated with the cash-generating unit. Value in use is calculated on the basis of the estimated future cash flows, discounted using a pre-tax discount rate that reflects market assessments of the time value of money and the risks specific to the business.

The Group has defined as cash-generating units, based on the actual management of the Group's operations, each of the relevant business operations carried out in the main geographical areas (see Note 25).

The Group uses the budgets and business plans, which generally cover a three-year period, of the various cash-generating units to which the assets are assigned. The key assumptions on which the budgets and business plans are built are based on each type of business and the experience with and knowledge of the performance of each of the markets in which the Group operates (see Note 7).

The estimated cash flows are extrapolated to the period not covered by the business plan using a zero-growth rate and an expense structure that is similar to that of the last year of the business plan.

The discount rate applied is usually a pre-tax measurement based on the risk-free rate for 10-year bonds issued by the governments in the relevant markets, adjusted by a risk premium to reflect the increase in the risk of the investment based on the country in question and the systematic risk of the Group. The discount rates applied by the Group in the different markets to calculate the present value of the estimated cash flows ranged from 7,8% to 10,8% in 2022 (2021: from 6.5% to 9.2%) (see Note 7).

4.4 Intangible assets

Intangible assets with finite useful lives are amortized using the straight-line method, applying annual amortization rates determined on the basis of the years of the estimated useful lives of the related assets.

Intangible assets comprise:

Concessions, rights and licenses

"Concessions, Rights and Licenses" includes mainly the amounts paid to acquire certain concessions and licenses. The assets included in this account are amortized on a straight-line basis over the term thereof.

Additionally, as a result of allocating the purchase price of Altadis Distribution France, S.A.S. to the identifiable assets and liabilities of that company in 2013, the Group recognized in its consolidated balance sheet the agreements entered into by that subsidiary with the main tobacco producers for the distribution of their products in France. The distribution agreements are depreciated on a straight-line basis over 15 years.

No legal, regulatory, or other matters have arisen since the execution of the business combination that might significantly impact the renewal terms and conditions of the agreements.

On the other hand, as it is mentioned in note 7.2, as a consequence of the allocation of the purchase price of the Dutch companies Speedlink Worldwide Express B.V., 24 Hours B.V. and German-Ex B.V., intangible assets have been identified as customer relationships (client portfolio), whose estimated useful life is 20 years.

Computer software

Computer software is recognized at acquisition cost, including the implementation costs billed by third parties, and is amortized on a straight-line basis over a period of three to five years. Computer software maintenance costs are expensed currently.

Research and development expenditure

Research and Development expenditure is only capitalized when it is specifically itemized by project, the related costs can be clearly identified and there are sound reasons to foresee the technical success and economic and commercial profitability of the related project. Assets thus generated are depreciated on a straight-line basis over their years of useful life (over a maximum period of five years).

4.5 Impairment losses on property, plant and equipment and intangible assets

The Group assesses each year the possible existence of permanent losses in value requiring it to reduce the carrying amounts of its property, plant and equipment and intangible assets, if their recoverable amounts are below their carrying amounts.

The recoverable amount is determined using the same methods as those employed in testing for goodwill impairment (see Note 4.3).

If the recoverable amount of an asset is estimated to be less than it’s carrying amount, the carrying amount of the asset is reduced to its recoverable amount, and the related write-down is recognized through profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the new recoverable amount, which may not exceed the carrying amount that would have been determined had no impairment loss been recognized.

4.6 Leases

A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the beginning of a contract, the Group assesses whether it is, or contains, a lease, and analyzes whether several components are included to account for the lease separately from the other components that do not constitute a lease.

Leases in which the Group acts as lessee are recognised at the beginning of the contract by recognising in the consolidated balance sheet a right-of-use asset representing the right to use the leased asset and a liability for the present value of the obligation to make lease payments during the term of the lease.

To determine the lease term the Group considers the non-revocable period of the contract except for those contracts in which it has a unilateral option to extend or terminate early, in which case the extension or early termination period is used if there is reasonable certainty that such option will be exercised.

After the initial recognition, the Group values the right-of-use asset at cost less accumulated amortisation and any impairment losses, also adjusting for any change in the valuation of the associated liabilities for leases. The amortization of the rights of use is lineal during the lease term.

The initial value of the lease liability is calculated, on the date of commencement of the lease, as the value of future payments discounted, in general, at the Group's incremental rate of financing equivalent to the European Central Bank interest rate, plus a spread from 0.75% to 2% depending on the duration of each lease These payments will include fixed or substantially fixed payments, less any lease incentive to be received by the Group, as well as variable payments that depend on an index or rate.

Subsequently, the lease liability is increased to reflect the accumulation of interest and is reduced by the lease payments made. Subsequently, the minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is recognised as an expense and allocated to income over the lease term.

The lease liability must be reassessed when certain changes in payments occur such as changes in the lease term or changes in future payments. In these cases, generally, the amount of the reassessment of the lease liability must be recognised as an adjustment to the right-of-use asset.

The Group has chosen not to apply the aforementioned requirements to short-term leases and leases in which the underlying asset is of low value (less than EUR 5,000). For these cases, the amounts accrued are recognised as an expense on a straight-line basis over the term of the lease.

4.7 Non-current assets held for sale

Non-current assets are classified as assets held for sale if it is considered that their carrying amount will be recovered when sold, rather than via continued use. This condition is only met when the sale is highly probable, and they are available for immediate sale in their current condition, and that the sale is likely to be completed in the space of one year from the classification date. The total of these assets is registered in one line and valued at the lower value of their carrying amount and their fair value, less the costs to sell them, and are not subject to depreciation from the moment they are classified as held for sale. The profit/(loss) contribution of these assets to the Group's consolidated profit/(loss) is registered in the income statement, classified by type.

The depreciation of non-current assets held for sale is discontinued when they are classified as such. At the date of each consolidated balance sheet the related valuation adjustments are made to ensure that the carrying amount is not higher than fair value less costs to sell.

An entity that is committed to a sale plan that entails the loss of control of a subsidiary will classify all that subsidiary's assets and liabilities as held for sale when the requirements indicated in the previous paragraph are met, irrespective of whether or not the entity retains a non-controlling interest in its former subsidiary following the sale.

4.8 Financial instruments

4.8.1 Financial assets

Financial assets are recognized in the consolidated balance sheet on the date of acquisition at fair value and are classified as:

Trade and other receivables

Trade and other receivables are measured at amortized cost less any recognized impairment losses, which are estimated based on the solvency of the debtor and the age of the receivables.

Other current and non-current financial assets

"Other Current and Non-Current Financial Assets" include the following investments:

1. Current and non-current loans granted.

2. Guarantees.

3. Deposits and other financial assets.

4. Financial assets classified as "held for sale".

The loans granted are measured at their amortized cost, which is understood to be the initial value thereof increased by accrued interest and repayment premiums based on the effective interest rate and decreased by the principal and interest repayments, while also considering possible reductions due to impairment or uncollectible.

The changes in the amortized cost of the assets included under "Other Current and Non-Current Financial Assets" arising from accrued interest or premiums or from the recognition of impairment are recognized in the income statement.

Guarantees are measured at the amount paid which does not differ substantially from the fair value thereof.

Available-for-sale financial assets are measured at fair value and the gains and losses arising from changes in fair value are recognized in equity until the asset is disposed of or it is determined that it has become (permanently) impaired, at which time the cumulative gains or losses previously recognized in equity are recognized in the net consolidated profit or loss for the year.

Cash and cash equivalents

Cash consists of cash and demand deposits at banks, Cash equivalents are short-term investments with a maturity of three months that are not subject to a significant risk of changes in value.

The Group derecognizes a financial asset when it matures, and collection is made or when the rights to the future cash flows have been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred.

4.8.2 Financial liabilities

Bank borrowings

Bank loans are recognized at the amount received, net of arrangement costs and commissions. These loan arrangement costs and finance charges are recognized in the income statement using the accrual method and on a time proportion basis and are added to the carrying amount of the liability, to the extent that they are not settled, in the period in which they arise.

Trade payables

Trade payables are initially recognized at fair value and are subsequently measured at amortized cost.

The Group derecognizes financial liabilities when the obligations giving rise to them cease to exist.

4.9 Inventories

The Group companies measure the tobacco inventories at the lower of the price of the most recent invoice, which does not differ significantly from applying the FIFO formula (first-in, first-out), including in the case of tobacco products, in accordance with the legislation applicable in each country, the excise duties chargeable as soon as they are accrued, and net realizable value.

The other inventories are measured at the lower of cost of purchase and net realizable value. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

The Group recognizes period provisions for the decline in value of inventories in order to adjust the value of those whose cost exceeds net realizable value. These valuation adjustments are recognized as an expense in the consolidated income statement.

4.10 Current/Non-current classification

In the consolidated balance sheet assets and liabilities due to be realized or settled or maturing within twelve months are classified as current items and those due to be realized or settled or maturing within more than twelve months as non-current items.

4.11 Termination benefits

Under current labor legislation and certain employment contracts, the Group companies are required to pay termination benefits to employees terminated under certain conditions.

The accompanying consolidated balance sheet on 30 September 2022 and 30 September 2021 includes the provisions that the Parent's Directors consider necessary to cover the restructuring plans in progress at year-end (see Note 19).

4.12 Pension commitments and other commitments to personnel

Certain Group companies are obliged to supplement the social security retirement, disability or death benefits to employees who have fulfilled certain conditions. In general, the obligations relating to the current and former employees of these groups are defined contribution obligations and are externalized. The annual contributions made by the Group to meet these obligations are recognized under "Staff Costs" in the consolidated income statements and amounted to EUR 4,140 thousand and EUR 2,839 thousand in 2022 and 2021 respectively (see Note 24.b).

Under the collective agreements currently in force, Compañía de Distribución Integral Logista, S.A.U. is obliged to make a lump-sum payment of a specific amount to each employee on completion of 24 years of service. Also, this Company is obliged to make fixed monthly payments to a certain group of current employees and employees who retired prior to 1 January 2009 as compensation for the "free tobacco" benefit.

Logista France, S.A.S. has retirement obligations to its employees for which it has made provisions calculated on the basis of actuarial studies using the projected unit credit method and PER2020_1_Orden_Col mortality tables, an inflation rate of 1.5% and an annual discount rate of 2,4% (0,8% in 2021) as the main assumptions (see Note 19).

On 20 December 2016 the Parent's Board of Directors approved new long-term incentive plans for the 2017-2022 period, which will be divided into three three-year tranches, the first of which begins on 1 October 2017.

Under these plans, certain employees of companies of the Group of which the Company is Parent have the right to receive a certain number of Company shares, on completion of the third year from the commencement of the each of the three blocks into which the plans are divided and taking into account the degree of achievement of certain internal criteria, of a financial and operating nature, as well as the total return for the shareholders and comparative profitability with other companies. For each of the tranches, the estimated amount accrued annually is recorded in "Equity" in the consolidated balance sheet and its annual allocation is included in "Personnel Expenses" in the consolidated income statement.

On 29 January 2019, the Parent's Board of Directors approved the second tranche's (2018-2021) beneficiaries, being 60 the beneficiaries included in the General Plan and 9 the ones considered in the Special Plan. The total estimated cost for the first tranche amounts to EUR 3,240 thousand. This second Consolidation Period closed on September 30, 2021 with a total of 76,440 shares delivered in December 2021 for a total cost of 1,293 thousand euros. These shares were delivered in some cases net of personal income tax.

On 28 January 2020, the Parent's Board of Directors approved the third tranche's (2019-2022) beneficiaries, being 62 the beneficiaries included in the General Plan and 9 the ones considered in the Special Plan. The total estimated cost for the third tranche amounts to EUR 3,023 thousand.

On November 26, 2019, the Parent's Board of Directors approved the Long-term Incentive Plan of Logista Group 2020-2025 (the General Plan and the Special Plan), with accrual as of October 1, 2020 and expiration on September 30, 2025, being implemented in three blocks of 3 years, with settlements taking place at the end of each block. This Plan was replaced by the 2020 Plan, which the Board of Directors approved on January 28, 2020, configuring it as an extension of the old 2017 Plan. This Plan is launched by the Board of Directors on October 27, 2020, with a single Consolidation period ending on September 30, 2023, with a list of beneficiaries and maximum number of shares to distribute for the 2021-2023 consolidation period of 62 beneficiaries for the General Plan and 11 beneficiaries for the Special Plan, for a value of 2,812 thousand euros.

On 4 February 2021, the Parent´s Board of Directors approved the long-term incentive plan structure in three blocks of three years each. This plan started 1 October 2021 and, consequently, new blocks are released in October 2022 and 2023. In accordance with this approval, the Parents Board of Directors, at its meeting on November 4, 2021 approved the lauch of the first period of Consolidation of mentioned plan, which starts in October 2022, and ends in September 2025, with a total of 62 beneficiaries and an amount of 3,275 Euros.

The Company has a treasury shares of 734,561 shares to cover the incentive plans in force.

On 22 September 2021 the Parent's Board of Directors approved the purchase of shares up to 233,000 shares and until 1 October 2022, to include them in the 2021 long-term incentive plan which will be approved in November 2021.

Finally, on September 27, 2022, the Board of Directors of the Company approved the purchase of own shares up to a maximum of 141,000 shares and until October 1, 2023 to cover the new incentive plan that will be approved in November 2022.

4.13 Provisions and contingent liabilities

The Group recognizes provisions for the estimated amounts required to cover the liability arising from litigation in progress, indemnity payments or obligations and collateral and other guarantees provided which are highly likely to involve a payment obligation (legal or constructive), provided that the amount can be estimated reliably.

Provisions are quantified based on the best information available on the situation and evolution of the events giving rise to them and are fully or partially reversed when such obligations cease to exist or are reduced, respectively.

Also, the adjustments arising from discounting these provisions are recognized as a finance cost on an accrual basis.

Contingent liabilities represent potential obligations to third parties and existing obligations that are not recognized, given that it is not likely that an outflow of cash will be required to satisfy that obligation or, where applicable, the amount cannot be reasonably estimated. Contingent liabilities are not recognized in the consolidated statement of financial position unless they have been acquired in return for payment as part of a business combination.

4.14 Foreign currency transactions

The consolidated financial statements of Logista Group are presented in euros.

Transactions in currencies other than the euro are recognized at their equivalent euro value by applying the exchange rates prevailing at the transaction date. Any gains or losses resulting from the exchange differences arising on the settlement of balances deriving from transactions in currencies other than the euro are recognized in the consolidated income statement as they arise.

Balances receivable and payable in currencies other than the euro at year-end are measured in euros at the exchange rates prevailing on that date. Any gains or losses arising on such measurement are recognized in the consolidated income statement for the year.

4.15 Revenue and expense recognition

Revenue and expenses are recognized on an accrual basis, i.e. when the actual flow of the related goods and services occurs, regardless of when the resulting monetary or financial flow arises. Specifically, revenue represents the amounts receivable for the goods and services provided in the normal course of business, net of discounts, VAT, excise duty on tobacco products and other sales taxes.

As a result of the regulations of the main countries in which the Group operates, the Group makes payments to the relevant tax authorities in respect of excise duties on the tobacco products it sells, which are also charged to customers.

In the particular case of the publishing sector, the customers are entitled to return the products they fail to sell and in turn, the Group may exercise this right with respect to its suppliers. At each reporting date, a provision is recognized based on the historical experience of the sales returns for the purpose of adjusting the margins obtained in relation to products that it is forecast will ultimately be returned (see Note 19).

In purchase and sale transactions on which the Group receives commission, regardless of the legal form of such transactions, only commission income is recognized, distribution and sales commissions are recognized in revenue. The Group recognizes income and expenses on transactions involving products held on a commission basis (mainly stamps, certain tobacco and publishing business products) at the date of the sale.

Interest income from financial assets is recognized using the effective interest method and dividend income is recognized when the shareholder’s right to receive payment is established. In any case, interest and dividends from financial assets accrued after the date of acquisition are recognized as income in the income statement.

4.16 Income tax

The current income tax expense is calculated on the basis of the accounting profit before tax, increased or reduced, as appropriate, by the permanent differences from taxable profit, net of tax relief and tax credits, the rates used to calculate the income tax expense are those in force at the consolidated balance sheet date.

Deferred tax assets and liabilities are recognized using the balance sheet method, recognizing the differences between the carrying amount of the assets and liabilities in the financial statements and their corresponding tax bases.

Deferred tax assets and liabilities are calculated at the tax rates expected at the date on which the asset is realised or the liability is settled. Deferred tax assets and liabilities are recognized in full with a charge to the consolidated income statement, except when they relate to line items taken directly to equity accounts, in which case the deferred tax assets and liabilities are also recognized with a charge or credit to the related equity accounts.

Deferred tax assets and tax loss carryforwards are recognised when it is considered probable that the Group will be able to utilise them in the future, regardless of when they are recovered. Deferred tax assets and liabilities are not adjusted and are classified as non-current assets or liabilities in the consolidated balance sheet.

The Group recognizes the deferred tax arising from the deductibility of the amortisation, for tax purposes, of certain items of goodwill generated on the acquisition of companies (see Note 20).

The deferred tax asset recognised is reassessed at the end of each reporting period and the appropriate adjustments are made to the extent that there are doubts as to their future recoverability. Also, unrecognised deferred tax asset is reassessed at the end of each reporting period and are recognised to the extent that it has become probable that they will be recovered through future taxable profits.

"Income Tax" represents the sum of the current tax expense and the result of recognising deferred tax assets and liabilities (see Note 20).

The Parent files consolidated income tax returns in Spain and is the ultimate parent of consolidated tax group no. 548/17.

4.17 Consolidated statements of cash flows

The following terms are used in the consolidated statements of cash flows, prepared in accordance with the indirect method, with the meanings specified:

1. Cash flows: inflow and outflows of cash and cash equivalents, which are short-term, highly liquid investments that are subject to an insignificant risk of changes in value.

2. Operating activities: the principal revenue-producing activities of the consolidated Group companies and other activities that are not investing or financing activities.

3. Investing activities: the acquisition and disposal of long-term assets and other investments not included in cash and cash equivalents.

4. Financing activities: activities that result in changes in equity and borrowings.

4.18 Discontinued operations

Discontinued operations are those that have been sold or otherwise disposed of, or have been classified as held for sale and represent a full segment for the consolidated Group, or form part of a single plan or relate to a subsidiary acquired solely for resale. The profit/(loss) generated from discontinued operations, both for the current financial year, as well as those presented alongside it, is presented in a specific line in the income statement after tax, with the total comprising the follow amounts:

- Profit/(loss) after tax of the activities and/or discontinued operations.

- Profit/(loss) after tax recognized for the fair value measurement, less sales cost, or for divestment.

5. Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to the Group (after tax and minority interests) by the weighted average number of ordinary shares outstanding during the year, excluding the average number of treasury shares.

Earnings per share are calculated as follows:

	Thousands of Euros	
	2022	2021
Net profit for the year (thousands of euros)	198,848	173,961
Weighted average number of shares issued (thousands of shares) (*)	131,855	131,982
Earnings per share (euros)	**1,51**	**1.32**

(*) On 30 September 2022, the Parent Company holds 877,739 own shares (800,923 own shares on 30 September 2021)

At 30 September 2022, taking into consideration treasury shares, which are related to the long-term incentive plans (Note 4.12), the calculation of the diluted earnings per share would give a result of EUR 1,51 per share (EUR 1.32 on 30 September 2021).

6. Property, plant and equipment

6.1 Property, plant and equipment

The changes in "Property, Plant and Equipment" in the consolidated balance sheets in 2022 and 2021 were as follows:

2022

	Thousands of Euros					
	Balance at 30/09/21	Additions or Charge for the Year	Disposals or Reductions	Transfers (Note 8)	Business combinations (Note 7.2)	Balance at 30/09/22
Cost:						
Land and buildings	367,433	40,337	(11,878)	2,516	527	398,935
Plant and machinery	244,641	9,335	(20,282)	8,034	-	241,728
Other fixtures, tools and furniture	172,367	5,363	(7,527)	4,224	265	174,692
Other items of property, plant and equipment	26,626	236	(57)	345	184	27,334
Property, plant and equipment in the course of construction	16,360	22,158	-	(13,585)	-	24,933
	827,427	77,429	(39,744)	1,534	976	867,622
Accumulated depreciation:						
Buildings	(166,708)	(31,529)	945	(229)	(47)	(197,568)
Plant and machinery	(187,866)	(15,314)	13,495	(238)	-	(189,923)
Other fixtures, tools and furniture	(134,514)	(11,220)	6,831	440	(157	(138,620)
Other items of property, plant and equipment	(21,311)	(866)	(52)	110	(167)	(22,286)
	(510,399)	(58,929)	21,219	83	(371)	(548,397)
Impairment losses	(3,554)	(407)	1	-	-	(3,960)
	313,474	**18,093**	**(18,524)**	**1,617**	**605**	**315,265**

2021

	Thousands of Euros					
	Balance at 30/09/20	Additions or Charge for the Year	Disposals or Reductions	Transfers (Note 8)	Reclassification as held for sale (Note 9)	Balance at 30/09/21
Cost:						
Land and buildings	380,754	14,177	(21,942)	14,419	(19,975)	367,433
Plant and machinery	235,879	8,586	(6,408)	8,701	(2,117)	244,641
Other fixtures, tools and furniture	173,642	6,125	(9,603)	6,872	(4,669)	172,367
Other items of property, plant and equipment	27,514	179	(822)	(245)	-	26,626
Property, plant and equipment in the course of construction	18,261	22,026	-	(23,927)	-	16,360
	836,050	51,093	(38,775)	5,820	(26,761)	827,427
Accumulated depreciation:						
Buildings	(141,917)	(31,148)	2,827	(3,642)	7,172	(166,708)
Plant and machinery	(174,797)	(16,288)	2,171	85	963	(187,866)
Other fixtures, tools and furniture	(135,015)	(11,184)	9,323	(1,235)	3,597	(134,514)
Other items of property, plant and equipment	(21,904)	(909)	806	696	-	(21,311)
	(473,633)	(59,529)	15,127	(4,096)	11,732	(510,399)
Impairment losses	(3,554)	-	-	-	-	(3,554)
	358,863	**(8,436)**	**(23,648)**	**1,724**	**(15,029)**	**313,474**

Additions

In 2022 and 2021, the main additions are related, mainly, to ongoing projects about the development of equipment and information systems and warehouse control systems.

Disposals

In 2022, the main disposals were related to derecognition of assets in France because of reduction of its facilities.

In 2021, two properties were sold in Spain for a total sale price of 11,587 thousand euros, generating a capital gain of 1,952 thousand euros, which is recorded in the consolidated income statement for 2021, under the heading "Net gain on disposal and impairment of non-current assets".

Transfers

In 2022 and 2021 items of plant, machinery and other fixtures were mainly transferred within this line item from "Property, Plant and Equipment in the Course of Construction".

Lastly, transfers have been made to "Other Intangible Assets" during the fiscal year when information system-related projects have been completed and come into service, as well as the activation of certain lease equipment that were previously recorded as inventories.

6.2 Rights of use

As of 30 September 2022, the heading "Property, plant and equipment" of the Consolidated Balance Sheet amounts 121,080 thousand of euros corresponding to the carrying amount of assets that are object of lease contracts (120,591 on 30 September 2021).

The movement of the accounts under this heading during the fiscal years 2022 and 2021 are as follows:

2022

	Thousands of Euros					
	Balance at 30/09/21	Additions or Charge for the Year	Disposals or Reductions	Transfers	Business combinations	Balance at 30/09/22
Cost:						
Land and buildings	161,783	40,246	(10,562)	(155)	465	191,777
Plant and machinery	8,906	735	(53)	(14)	-	9,574
Other fixtures, tools and furniture	11,271	2,243	(104)	(175)	-	13,235
	181,960	43,224	(10,719)	(344)	465	214,586
Accumulated depreciation:						
Land and buildings	(52,297)	(27,534)	-	45	-	(79,786)
Plant and machinery	(3,739)	(2,196)	29	14	-	(5,892)
Other fixtures, tools and furniture	(5,333)	(2,708)	38	175	-	(7,828)
	(61,369)	(32,438)	67	234	-	(93,506)
	120,591	**10,786**	**(10,652)**	**(110)**	**465**	**121,080**

2021

		Thousands of Euros				
	Balance at 30/09/20	Additions or Charge for the Year	Disposals or Reductions	Transfers	Reclassification as held for sale (Note 9)	Balance at 30/09/21
Cost:						
Land and buildings	167,654	13,877	(9,914)	(55)	(9,779)	161,783
Plant and machinery	8,556	1,890	(183)	-	(1,357)	8,906
Other fixtures, tools and furniture	10,582	2,011	(218)	-	(1,104)	11,271
	186,792	17,778	(10,315)	(55)	(12,240)	181,960
Accumulated depreciation:						
Land and buildings	(27,905)	(27,162)	1,109	6	1,655	(52,297)
Plant and machinery	(2,077)	(2,055)	134	-	259	(3,739)
Other fixtures, tools and furniture	(3,274)	(2,733)	131	-	543	(5,333)
	(33,256)	(31,950)	1,374	6	2,457	(61,369)
	153,536	**(14,172)**	**(8,941)**	**(49)**	**(9,783)**	**120,591**

The Group acts as lessee in a very high number of lease agreements over various assets, although the significant ones correspond, mainly, to warehouses, and office buildings where the Group carries out its activities.

Likewise, as of September 30, 2022, the headings "Other non-current financial liabilities" and "Other current financial liabilities" of the consolidated balance sheet include Eur 94,947 thousand and EUR 28,910 thousand, respectively (EUR 94,151 thousand and EUR 28,941 thousand, respectively on 30 September 2021), corresponding to financial liabilities for rights of use of lease contracts (see Note 21).

6.3 Other disclosures

Fully depreciated items of property, plant and equipment in use on 30 September 2022 amounted to EUR 329,503 thousand (EUR 319,804 thousand on 30 September 2021).

The Group has taken out insurance policies to cover the possible risks to which its property, plant and equipment are subject and the claims that might be filed against it for carrying on its business activities. These policies are considered to adequately cover the related risks.

At 30 September 2022 and 2021, the items of property, plant and equipment located abroad, mainly in Portugal, France, Italy and Poland, amounted to EUR 120,759 thousand and EUR 130,132 thousand, respectively.

7. Goodwill

7.1 Breakdown and significant changes

The breakdown, by identified cash-generating unit, of "Goodwill" on 30 September 2022 and 2021 is as follows:

	Thousands of Euros	
	30-09-2022	30-09-2021
Italy, tobacco and related products	662,922	662,922
France, tobacco and related products	237,106	237,106
Iberia, transport	18,269	18,269
Iberia, other business: Pharma	486	486
Iberia, tobacco and related products	2,017	2,017
Netherlands, transport (Note 7,2)	11,575	-
	932,375	**920,800**

Italy, tobacco and related products

The goodwill associated with Logista Italia, S.p.A. arose when Etinera, S.p.A., a leading tobacco distributor in Italy, was acquired in 2004 from BAT Italia, S.p.A., an Italian subsidiary of British American Tobacco, Lda. Subsequently, Etinera, S.p.A.'s company name was changed to Logista Italia, S.p.A. The information relating to the aforementioned acquisition is included in the Group's consolidated financial statements for 2004.

France, tobacco and related products

The goodwill associated with Logista France, S.A.S. arose on the acquisition by Compañía de Distribución Integral Logista, S.A.U. of all the shares representing the share capital of Altadis Distribution France, S.A.S. (actually Logista France, S.A.S) from Seita, S.A.S., which belongs to Grupo Imperial Brands Limited PLC. The information on this acquisition is included in the Group's consolidated financial statements for 2014 and 2013.

Iberia, transport

The goodwill associated with Dronas 2002, S.L.U, arose when this company merged in 2002 with the Burgal Group, an integrated and express parcel and pharmaceutical logistics service provider, and in 2003 with the Alameda Group, a distributor of pharmaceutical supplies and food products. The information relating to the aforementioned mergers is included in the Group's consolidated financial statements for 2002 and 2003.

Iberia, tobacco and related products

The goodwill associated with José Costa & Rodrigues, Lda. arose from the acquisition, on 13 February 2017, by MIDSID –Sociedade Portuguesa de Distribuiçao, S.A. of all the shares representing the share capital of the acquired company. In 2017 the Group provisionally recognised EUR 6,575 thousand as goodwill, the full amount of which was allocated to the vending channel of José Costa & Rodrigues, Lda. in 2018 under “Other Intangible Assets” in the accompanying consolidated balance sheet as on 30 September 2018.

7.2 Business combinations

In February 2022, Logista has acquired in the Netherlands 70% of shares from several companies (Note 2.8.5) specialized in express deliveries to and/or from Belgium and the Netherlands.

The total acquisition price of this 70% amounted to 20 million euros, which could be subjected to subsequent adjustments depending on the fulfilment of certain objectives. Out of this amount, on 30 September 2022, 15 million euros were liquidated, being 5 million euros still outstanding, which will be paid when certain conditions, that were previously stablished in the contract, occur. This is expected to happen in the following months.

Ordinary income and net profit contributed to the condensed consolidated income statement of year ended 2022 amounted to 7,417 thousand euros and 1,009 thousand euros, respectively.

Ordinary income and net profit that would have been contributed to the condensed consolidated income statement in the case of having been acquired on 1 October 2021 would have been12,260 thousand euros and 878 thousand euros, respectively.

The provisional amounts of assets and liabilities arising from the acquisition are as follows:

	Thousand of euros	
	Carrying amount of acquired companies	**Fair value (preliminary)**
Property, plant and equipment (Note 6)	605	605
Other intangible assets	85	14.958
Trades and other receivables	3.171	3.171
Cash and cash equivalents	336	336
Other current assets	59	59
Deferred tax liabilities (Note 20)	-	(3.525)
Trade and other payables	(1.505)	(1.505)
Other financial non-current liabilities	(1.794)	(1.794)
Total	**957**	**12.305**

The preliminary goodwill of 11,575 thousand euros has been allocated to the Transport segment and is mainly attributable to the expected profitability of the business and the significant synergies it generates in medical/healthcare distribution, which expanding at the time the Group's services portfolio outside the Iberian Peninsula (see Note 7.1).

On the other hand, minority interests amounted to3,691 thousand euros (see Note 17).

Intangible assets are supported as customer relationships, with an estimate useful life of 20 years.

Calculations related to business combinations are provisional and subject to adjustment for up to one year after the acquisition date. The Group, considering the dates of the transaction, is currently performing the analysis of the allocation of the price to the acquired assets and liabilities.

7.3 Goodwill impairment analysis

The most relevant assumptions used in testing for impairment were as follows:

Discount and residual growth rates

	2022		2021	
	Discount Rate	Growth Rate	Discount Rate	Growth Rate
Italy, tobacco and related products	10.65%	0.00%	9.20%	0.00%
France, tobacco and related products	7,86%	0.00%	6.45%	0.00%
Iberia, transport	10.84%	0.00%	7.57%	0.00%
Iberia, other business: Pharma	8.29%	0.00%	7.24%	0.00%
Iberia, tobacco and related products	9.68%	0.00%	8.36%	0.00%

The parameters considered in defining the foregoing discount rates were as follows:

- Risk-free bonds: 10-year bonds in the benchmark market of the CGU.

- Market risk premium: year-on-year average risk Premium in each country in which the Group is presented.
- Unleveraged Beta: industry average, on a case-by-case basis.
- Debt/equity ratio: industry average.

Future changes in sales, procurements and working capital

The principal assumption considered in the business plans of the main cash-generating units to calculate the value in use of each unit consisted of the performance of sales and procurements, the percentage change in which over the three years of the business plan was estimated as follows:

	Average Performance 2022-2024	
	Sales	Sales
Italy, tobacco and related products	3,1%	3,1%
France, tobacco and related products	-2.9%	-3,2%

In Italy, sales will perform positively as a result of the projected trend in tobacco prices and sales in order complementary business.

In France, the indicated trend arises in an expected environment of moderate variation in tobacco volumes and prices after the price and tax increases promoted by the French Government in recent years and already completed.

Based on the methods used and the estimates, projections, and valuations available to the Parent's directors, no impairment losses were recognized in relation to these assets in 2022 and 2021.

With regard to the sensitivity analysis of the impairment tests on goodwill, the Group performed an analysis of sensitivity of the impairment test result to changes due to increases of 100 basis points in the discount rate and negative changes of 100 basis points in the residual growth rate, along with more restrictive commercial hypothesis. This sensitivity analysis performed separately for each of the assumptions did not disclose any impairment losses.

8. Other intangible assets

The changes in "Other Intangible Assets" in 2022 and 2021 were as follows:

2022

		Thousands of Euros				
	Balance at 30/09/2021	Additions or Charge for the Year	Disposals or Reductions	Transfer (Note 6)	Business combinations (Note 7.2)	Balance at 30/09/2022
Cost:						
I+D expenses	2,223	-	-	-	-	2,223
Computer software	213,863	1,031	(4,100)	12,181	92	223,067
Concessions, rights and licenses	784,073	-	(278)	-	14,866	798,661
Advances and intangible assets in progress	9,630	8,796	-	(11,840)	-	6,586
	1,009,789	9,827	(4,378)	341	14,958	1,030,537
Accumulated amortization:						
I+D expenses	(2,192)	-	-	-	-	(2,192)
Computer software	(184,381)	(11,158)	1,582	26	-	(193,931)
Concessions, rights and licenses	(468,633)	(52,679)	278	-	-	(521,034)
	(655,206)	(63,837)	1,860	26	-	(717,157)
Impairment losses	(623)	-	-	-	-	(623)
	353,960	**(54,010)**	**(2,518)**	**367**	**14,958**	**312,757**

2021

		Thousands of Euros				
	Balance at 30/09/2020	Additions or Charge for the Year	Disposals or Reductions	Transfer (Note 6)	Reclassification as held for sale (Note 9)	Balance at 30/09/2021
Cost:						
I+D expenses	2,223	-	-	-	-	2,223
Computer software	214,999	596	(8,894)	10,121	(2,959)	213,863
Concessions, rights and licenses	784,109	-	(36)	-	-	784,073
Advances and intangible assets in progress	10,647	7,716	(26)	(8,707)	-	9,360
	1,011,978	8,312	(8,956)	1,414	(2,959)	1,009,789
Accumulated amortization:						
I+D expenses	(2,192)	-	-	-	-	(2,192)
Computer software	(184,582)	(11,558)	8,882	(20)	2,897	(184,381)
Concessions, rights and licenses	(416,486)	(52,183)	36	-	-	(468,633)
	(603,260)	(63,741)	8,918	(20)	2,897	(655,206)
Impairment losses	(623)	-	-	-	-	(623)
	408,095	**(55,429)**	**(38)**	**1,394**	**(62)**	**353,960**

Additions

The additions to "Other intangible assets" in 2022 and 2021 relate mainly to functional development projects for the Logista Group's existing applications to improve or increase the services provided to its customers and the implementation of new modules and functionalities in the management systems in certain business segments.

Transfers

The transfers to "Computer Software" in 2022 and 2021 relate to the reclassification of various items that have been put into operation from the account "Advances and intangible assets in progress" attending to their nature.

Impairment

In 2022 and 2021 the Group did not recognise any impairment losses on items classified as "Other Intangible Assets".

Other information

On 30 September 2022 and 2021, the intangible assets in use that were completely depreciated amounted to EUR 165,240 thousand and EUR 156,203 thousand, respectively.

9. Non-Current assets as held for sale

As we have explained in Note 2.5, with effect from 30 September 20221, it was decided to reclassify all the assets and liabilities of the French company of the Supergroup group, S.A.S under the heading of "Non-current assets held for sale" and "Liabilities associated to non-current assets held for sale". This reclassification has been carried out after the decision of the Board of Directors of the Parent Company to carry out the necessary actions for the sale of this Company, fulfilling the conditions established in IFRS 5 to carry out this reclassification.

The reclassification implied valuing the assets from now onwards at the lower of their carrying amount and fair value (estimated sale price) less costs to sell. This is a different approach to that followed to date, in which the reference to follow was the lower of the carrying amount or the usage value amount, which includes an estimated value that will be gained from using the asset, and which could differ from its estimated selling price.

The fair value estimate of the group of assets held for sale, resulted on the recognition in fiscal year ended 2021 of an impairment loss of EUR 3,671 thousand.

In addition to the above, certain assets were reclassified under the heading of "Non-current assets held for sale" and "Liabilities associated to non-current assets held for sale" for which the Group's Management made the decision to proceed with their sale and has already implemented the corresponding plan and the necessary actions to carry out this sale. The carrying amount of these assets as of 30 September 2021 were 8,914 thousand euros. These assets were reclassified to their carrying amount due to the existence of purchase offers from third parties with prices higher. During fiscal year 2022, those assets have been sold with a capital gain of 6,285 thousand euros recorded in the caption "Net income from discontinued operations" of the consolidated income statement.

The following table details the statement of financial position before and after reclassification on 30 September 2021, including the different types of assets and liabilities that have been reclassified as discontinued operations:

Thousands of Euros	Previous Balance Sheet 30/09/21	Reclassification Supergroup SAS	Reclassification Other assets	Reclassifications	Fair value adjustments	Balance Sheet with discontinued operations
NON-CURRENT ASSETS:	**1,643,196**	**13,528**	**8,941**	**-**	**-**	**1,629,668**
Property, plant and equipment	326,223	12,749	2,280	-	-	313.474
Investment Property	7,137	-	6,661	-	-	7.137
Goodwill	920,800	-	-	-	-	920.800
Other intangible assets	354,022	62	-	-	-	353.960
Equity instruments	3,886	-	-	-	-	3.886
Other non-current financial assets	16,615	717	-	-	-	15.898
Deferred tax assets	14,513	-	-	-	-	14.513
CURRENT ASSETS:	**5,948,305**	**31,756**	**-**	**-**	**-**	**5.916.549**
Inventories	1,477,335	10,189	-	-	-	1.467.146
Trade and other receivables	2,095,115	19,944	-	-	-	2.075.171
Current tax assets	70,815	1,020	-	-	-	69.795
Other current financial assets	2,126,923	1	-	-	-	2.126.922
Cash and cash equivalents	171,897	137	-	-	-	171.760
Other current assets	6,220	465	-	-	-	5.755
NON-CURRENT ASSETS HELD FOR SALE	**18**	**45,284**	**8,941**	**(9,002)**	**(3,671)**	**41.570**
NON-CURRENT LIABILITIES:	**384,111**	**7,633**	**-**	-	-	**376.478**
Other non-current financial liabilities	104,675	6,310	-	-	-	98.365
Non-current provisions	40,102	1.323	-	-	-	38.779
Deferred tax liabilities	239,334	-	-	-	-	239.334
			-	-	-	
CURRENT LIABILITIES:	**6,688,205**	**42,666**	**-**	-	-	**6.645.539**
Other current financial liabilities	75,147	2,701	-	-	-	72.446
Trade and other Payables	1,164,814	16,011	-	-	-	1.148.803
Current tax liabilities	5,344,604	4,852	-	-	-	5.339.752
Current Provisions	26,276	19,000	-	-	-	7.276
Other current liabilities	77,364	102	-	-	-	77.262
					-	
LIABILITIES ASSOCIATED TO NON-CURRENT ASSETS HELD FOR SALE	**-**	**50,299**	**-**	**(9,002)**	**-**	**41.297**

In February 2022 the Group closed the agreement for the sale of Supergroup, S.A.S. for an amount of 1 euro. The result derived from the sale, net of taxes, due to the derecognition of the assets and liabilities of said Company, and considering the result generated by the Company in the year up to the moment of its sale, amounted to a negative 11,473 thousand euros, from which 1,356 thousand euros corresponds to the negative income generated by the Company since October 1, 2021 until its sale, and 10,117 thousand euros correspond to the loss, net of taxes, from the derecognition of the assets and liabilities of the Company, within the terms agreed with the seller.

9.1 Net income from discontinued operations

Based on the above, having classified the assets and liabilities of Supergroup, S.A.S. as held for sale, the impact on the income statement of this group company is reported in one line "Net profit/(loss) from discontinued operations", both year ended 2021 and 2022.

"Net profit/(loss) from discontinued operations" includes the contribution that Supergroup, S.A.S. has made the consolidated group, excluding the transactions between group companies. This line also includes the impairment result for the difference between the estimated fair value of the assets and their carrying amount.

The following table details the income and expenses of Supergroup, S.A.S in 2022 and 2021 that have been reclassified as discontinued operations:

	2022	**2021**
Total operating Income	55,331	160,818
Total operating Expenses	(40,571)	(116,433)
GROSS OPERATING PROFIT	**14,760**	**44,385**
Cost of logistic networks:		
Staff costs	(1,431)	(4,333)
Transport	(4,643)	(13,402)
Cost of local delegations	-	-
Depreciation	(896)	(2,728)
Other operating expenses	(1,896)	(5,029)
Total Cost of Logistic Networks	(8,866)	**(25,492)**
Commercial expenses:		
Staff costs	(4,622)	(14,322)
Other operating expenses	(1,426)	(3,966)
Total Commercial Expenses:	**(6,048)**	**(18,288)**
Head Office costs:		
Staff costs	(82)	(322)
Depreciation	(8)	(26)
Other operating expenses	(878)	(2,428)
Total Head Office Costs:	**(968)**	**(2,776)**
Net result of the disposal and impairment of non-current assets	(10,117)	(3,665)
Other results	(148)	(19,153)
OPERATING PROFIT/(LOSS)	**(11,387)**	**(24,989)**
Finance income	27	90
Finance expenses	(63)	(204)
PROFIT/(LOSS) BEFORE TAX	**(11,423)**	**(25,103)**
Income Tax	(50)	6,041
PROFIT/(LOSS) FOR THE YEAR	**(11,473)**	**(19,062)**

9.2 Cash Flows from discontinued

Net cash flows attributable to discontinued operations have been as follows:

(Thousand euro)	**2022**	**2021**
Operating activities	81	(1,009)
Investment activities	(51)	(30)
Financing activities	20,475	1,045
Net increase / decrease in cash and cash equivalents	**20,505**	**6**

10. Financial assets

The detail of "Other Non-Current Financial Assets" and "Current Financial Assets" in the accompanying consolidated balance sheets on 30 September 2022 and 2021 is as follows:

2022

Financial Assets: Nature/Category	Thousands of Euros				
	Loans Granted to Third Parties	Loans Granted to Related Companies (Note 27)	Short-Term Deposits and Guarantees	Available-for-Sale Financial Assets	Total
Non-current:					
Equity instruments	-	-	-	766	766
Financial debts	10,138	-	-	-	10,138
Other financial assets	-	-	5,518	-	5,518
	10,138	-	5,518	766	16,422
Current:					
Financial debts	78	2,429,620	-	-	2,429,698
Impairment of financial debts	-	(82)	-	-	(82)
Other financial assets	-	-	-	-	-
	78	2,429,538	-	-	2,429,616
	10,216	**2,429,538**	**5,518**	**766**	**2,446,038**

2021

Financial Assets: Nature/Category	Thousands of Euros				
	Loans Granted to Third Parties	Loans Granted to Related Companies (Note 27)	Short-Term Deposits and Guarantees	Available-for-Sale Financial Assets	Total
Non-current:					
Equity instruments	-	-	-	756	756
Financial debts	10,138	-	-	-	10,138
Other financial assets	-	-	5,004	-	5,004
	10,138	-	5,004	756	15,898
Current:					
Financial debts	30,035	2,097,326	-	-	2,127,361
Impairment of financial debts	-	(439)	-	-	(439)
Other financial assets	-	-	-	-	-
	30,035	2,096,887	-	-	2,126,922
	40,173	**2,096,887**	**5,004**	**756**	**2,142,820**

Loans granted to third parties

On 30 September 2021, the venturers of "Compañia de Distribución Integral Logista, S.A.U. and IGT Spain Lottery, S.L.U. Unión Temporal de Empresas" granted a loan to this joint venture, assuming an equal portion, which totaled EUR 119,752 thousand. Compañía de Distribución Integral Logista, S.A.U. totaled under this concept an amount of Eur 29,938 thousand, and this amount is recognized under "Other Current Financial Assets" and "Other Current Financial Liabilities" in the accompanying consolidated balance sheet as at that date, for the balances receivable from and payable to the aforementioned joint venture that correspond to the other venturer (see Note 21).

This loan agreement has been subject to successive renewals and modifications, the last of which is in force until 31 December 2022. Once concluded the term of validity, both the credit and the temporary union, the UTE has been object of dissolution in year ended 2022, which means that on 30 September 2022 the Group does not have recorded neither assets nor liabilities for the concepts previously described.

Credits granted to related parties

As of 12 June 2014, Imperial Tobacco Enterprise Finance Limited, Compañía de Distribución Integral Logista Holdings, S.A.U., Compañía de Distribución Integral Logista, S.A.U. and Logista France, S.A.S., entered into a mutual agreement for a five-year credit line (automatically renewable for one year, unless either of the parties sends a notice opposing such renewal at least one year prior to maturity), with a maximum draw down limit of EUR 2,000 million. As of 1 December 2015, the maximum draw down limit was increased to EUR 2,600 million. The purpose of this agreement is to govern the terms and conditions under which Logista will lend, on a daily basis, its cash surpluses to Imperial Tobacco Enterprise Finance Limited for the purpose of optimizing its cash flow, and the loans from Imperial Tobacco Enterprise Finance Limited to Compañía de Distribución Integral Logista, S.A.U. in order for the latter to be able to meet its cash needs arising from its operations. In accordance with this agreement, Compañía de Distribución Integral Logista, S.A.U. will lend, on a daily basis, its cash surpluses to Imperial Tobacco Enterprise Finance Limited or will receive the cash necessary to meet its payment obligations.

Imperial Tobacco Enterprise Finance Limited changed its corporate name on February 29, 2016 to Imperial Brands Enterprise Finance Limited.

On 21 March 2018, Imperial Brands Enterprise Finance Limited transferred the rights and obligations under the aforementioned credit line agreement to Imperial Brands Finance PLC., and the maturity was extended to 12 June 2024 (automatically renewable for additional one-year periods, unless notified otherwise by any of the parties at least one year before maturity) with a maximum drawdown limit of 2,600 million euros. On September 1, 2020, an addendum to the credit line agreement was signed in which the maximum draw down limit was extended to 4,800 million euros until October 31, 2020, a period during which Imperial Brands is bound to repay the amounts loaned in excess of EUR 2,600 million if it loses investment grade based on the S&P or Moody's ratings. Additionally, the addendum stipulates that Imperial Brands PLC, as the head of the Group, guarantees Logista the fulfillment of all the obligations of the contract until the expiration of the same. As of 30 September 2022, the maximum drawdown limit is EUR 2,600 million.

As of 30 September 2022, the outstanding balance amounts to EUR 2,429 million (30 September 2021: EUR 2,097 million).

The interest accrued on this credit line at 30 September 20221 amounted to EUR 20,444 thousand (30 September 2021: EUR 17,558 thousand) (see Note 27).

The daily balance of this internal current account has an equivalent cost to the interest at the European Central Bank interest rate, plus a spread of 0.75% for the credit provisions, and earn at the same reference rate, plus a spread of 0.75% for the surplus loans. Interest is calculated daily, based on 360 days, and is capitalized every quarter.

Under this agreement the Parent has undertaken to refrain from obtaining financing from third parties and from encumbering in any way its assets unless the transaction is approved by a qualified majority of the Board of Directors.

11. Inventories

The detail of the Group's inventories on 30 September 2022 and 2021 is as follows:

	Thousands of Euros	
	2022	2021
Tobacco	1,360,046	1,352,578
Published materials	8,673	7,027
Other merchandise	169,271	116,975
Write-downs	(8,827)	(9,438)
	1,529,163	**1,467,146**

The balance of tobacco inventories includes the excise duty chargeable to the tobacco items for the tobacco stock in the Group's warehouses at 30 September 2022, for a total amount of EUR 511,568 thousand (2021: EUR 627,911 thousand).

The write-down in year 2022 and 2021 relates mainly to tobacco inventories that were defective or that cannot be sold at year end, The changes in the write-downs relating to "Inventories" in the accompanying consolidated balance sheet were as follows:

	Thousands of Euros
Accumulated write-down at 30 September 2020	**10,726**
Period write-downs	3,543
Reversals	(7,213)
Amounts derecognised	2,382
Accumulated write-down at 30 September 2021	**9,438**
Period write-downs	165
Reversals	(2,140)
Amounts derecognised	1,364
Accumulated write-down at 30 September 2022	**8,827**

At 30 September 2022 and 2021, the Group had arranged insurance policies to cover the value of its inventories.

12. Trade and other receivables

The detail of "Trade and Other Receivables" in the accompanying consolidated balance sheets on 30 September 2022 and 2021 is as follows:

	Thousands of Euros	
	2022	2021
Trade receivables for sales and services	1,920,838	2,094,798
Related companies (Note 26)	10,193	10,801
Sundry accounts receivable	15,093	22,301
Employee receivables	314	297
Less- Allowances for doubtful debts	(45,775)	(53,026)
	1,900,663	**2,075,171**

The changes in the "Allowances for Doubtful Debts" in 2022 and 2021 are as follows:

	Thousands of Euros
Allowance for doubtful debts at 30 September 2020	**53,275**
Period write-downs	2,309
Reversals	(1,253)
Reclasifications	(1,282)
Amounts derecognised	(23)
Allowance for doubtful debts at 30 September 2021	**53,026**
Period write-downs	477
Reversals	(3,502)
Reclasifications	-
Amounts derecognised	(4,226)
Allowance for doubtful debts at 30 September 2022	**45,775**

The additions to and reversals from the allowance for doubtful debts in 2022 and 2021 are recognized under "Cost of Logistics Networks - Other Operating Expenses" in the accompanying consolidated income statement.

At 30 September 2022 and 2021, the total amounts of balances provided are older than 90 days.

Trade receivables for sales and services

"Trade Receivables for Sales and Services" includes mainly the balances receivable from the sales of tobacco products, postage and other stamps relating basically to the final delivery of each year, which may be settled during the first days of the following year, including the excise duties and VAT associated with tobacco product sales which do not form part of revenue (see Note 4.15).

The credit period taken on sales of goods and services by territory ranges from 10 to 30 days.

None of the clients supposes more than 5% of the trade receivable balances, so there is no clients' concentration risk.

The detail of the past-due receivables for which no allowance had been recognized at 30 September 2022 and 2021 is as follows:

	Thousands of Euros	
Tranche	2022	2021
0-30 days	51,046	50,031
30-90 days	11,832	16,142
90-180 days	2,861	1,252
180-360 days	1,490	1,602
More than 360 days	1,945	4,158

The Group recognizes an allowance for doubtful debts based on seniority of the debt and considering also the expected loss, unless there are additional guarantees of payment.

Sundry accounts receivable

"Sundry Accounts Receivable" caption includes mainly the balances receivable from manufacturers for the tax established in France described in Note 23.

13. Cash and cash equivalents

"Cash and Cash Equivalents" in the consolidated balance sheets at 30 September 2022 and 2021 includes mainly the Group's cash deposited in current accounts at banks.

The average interest rate obtained by the Group on its cash and cash equivalent balances has been 0.07% in 2022 (0,0% in 2021).

14. Equity

At the end of 2022 and 2021 the Parent's share capital amounted to EUR 26,550 thousand and was represented by 132,750,000 fully subscribed and paid shares of EUR 0.2 par value each, all of the same class.

As indicated in Note 1, the Parent was incorporated on 13 May 2014, with a share capital of EUR 60 thousand, divided into 300,000 shares of EUR 0.20 par value each, all of which are of the same class and fully subscribed and paid in cash by its sole shareholder, Altadis, S.A.U.

On 4 June 2014, the sole shareholder approved the share capital increase through a non-monetary contribution of EUR 26,490 thousand, through the issue of 132,450,000 new shares of EUR 0.20 par value each, together with a total share premium of EUR 942,148 thousand. The shares issued were of the same class as the outstanding shares and were fully subscribed and paid by Altadis, S.A.U. through the contribution to the Company of 44,250,000 registered shares representing all of the share capital of Compañía de Distribución Integral Logista, S.A.U (Logista Group Partner Company until that moment). For these purposes, it should be noted that the aforementioned non-monetary contribution was subject to the required assessment by an independent expert appointed by the Mercantile Registry, pursuant to the Spanish Capital Companies Law consolidated text and the Mercantile Registry Regulations.

The offering of shares in the Parent Company came to an end on 14 July 2014, and its shares are currently listed for trading in the Continuous Market on Madrid, Barcelona, Valencia and Bilbao Exchanges.

On 31 July 2018, Altadis, S.A.U. sold 13,265,000 shares, representing 9,99% of the Parent's share capital.

On 20 July 2021, Altadis, S.A.U. agreed to sell its ownership in Compañía de Distribución Integral Logista Holdings, S.A., representing 50.01% of the share capital, to Imperial Tobacco LTD, a company also belonging to the Imperial Brands PLC Group.

The only shareholder with an ownership interest of 10% or more in the Parent's share capital at 30 September 2021 and 2022 is Imperial Tobacco LTD with an ownership interest of 50,01%.

At 30 September 2022 and 2021, all shares of the Parent have the same voting and dividend rights.

Capital Management

The main objectives of the Group's capital management are to ensure financial stability in the short and long term and the adequate funding of investments, keeping debt levels, all aimed at that the Group maintains its financial strength and soundness of their ratios so that it supports their business and maximizes the value for its shareholders.

At 30 September 2022 the Group had a net cash position amounting to EUR 2,607,500 thousand (30 September 2021: EUR 2,226,236 thousand), the detail being as follows:

	Thousands of Euros	
	2022	2021
Other current financial liabilities (Note 21)	(40,849)	(72,446)
Gross debt	(40,849)	(72,446)
Other Current financial assets (Note 10)	2,429,616	2,126,922
Cash and cash equivalents	218,733	171,760
Financial assets and cash	2,648,349	2,298,682
Total net financial position	**2,607,500**	**2,226,236**

15. Reserves

a) Share premium

The Spanish Capital Companies Law expressly permits the use of the share premium account balance to increase the capital of the entities at which it is recognized and does not establish any specific restrictions as to its use.

b) Reserves of the Parent

Legal reserve

Under the Spanish Capital Companies Law, 10% of net profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital, The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased share capital amount, Otherwise, until the legal reserve exceeds 20% of share capital, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

On 30 September 2022 the Parent's legal reserve has reached the legally required minimum.

Other reserves

The capital increase expenses incurred by the Parent in 2014 in the transaction described in the "Share Capital" section, which were charged to reserves, amounted to EUR 176 thousand, net of the related tax effect. This line item also includes the annual charges for 2022 and 2021 relating to the Share Plan tranches, amounting to EUR 2,628 thousand and EUR 2,391 thousand, respectively (see Note 4.12). Additionally, in current year this line item includes an amount used of EUR 2,336 thousand in concept of different parts corresponding to Incentive plans that the company has in force(see note 4.12). In 2021 this line item included an amount of EUR 1,333 thousand to settle the Second Vesting Period (2016-2019) of the 2014 General Share Plan and Special Share Plan.

c) Reorganization reserve

This line item includes the net effect which arose in the Parent's reserves as a result of the corporate reorganization that took place during the year 2014, as described in Note 1, in conformity with the regulatory financial reporting framework applicable to the Group.

d) Reserve for first application of IFRS

As a result of the transition to International Financial Reporting Standards (IFRSs), the Group revalued a plot of land assigned to its operations by EUR 28,500 thousand, based on the appraisal of an independent valuer, considering the fair value of this plot of land to be the deemed cost thereof in the transition to IFRSs, The impact of this revaluation on reserves amounted to EUR 19,950 thousand.

e) Dividends

On 3 February 2022, the shareholders at the Parent's Annual General Meeting approved the distribution of the profit for 2021, which included an interim dividend out of the profit for that year, which had previously been approved by the Board of Directors and paid, amounting to EUR 54,116 thousand together with a final dividend of 109,456 thousand euros, paid on 24 February 2022.

f) Treasury shares

The Group owns 877,939 treasury shares for a total amount of EUR 16,600 thousand, of which 734,561 shares are allocated to cover the long-term incentive plan payable in treasury shares for a total amount of EUR 13,437 thousand (674,423 treasury shares amounting to EUR 12,284 thousand on 30 September 2021).

16. Reserves at consolidated companies

The detail of "Reserves of Group Companies and Associates" in the consolidated balance sheets at 30 September 2022 and 2021 is as follows:

	Thousands of Euros	
	2022	2021
Reserves in fully consolidated companies	(126,954)	(30,904)
Reserves in companies consolidated by the equity method	(685)	(831)
	(127,639)	**(31,375)**

The reserves at consolidated companies include the retained earnings not appropriated at the beginning of the period relating to the consolidated companies and taking into account the consolidation adjustments. The variation compared to previous year is due to the dividends distributed by the consolidated companies to the parent company of accumulated reserves.

17. Minority interests

The detail, by company, of "Minority interests" and "Profit/loss attributed to minority interests" in the consolidated balance sheets is as follows:

	Thousands of Euros			
	2022		2021	
Entity	Minority Interests	Income Attributable To Minority Shareholders	Minority Interests	Income Attributable To Minority Shareholders
Distribuidora Valenciana de Ediciones, S.A.	489	96	393	60
Terzia, S,p,A.	-	-	-	(2)
Distribución de Publicaciones Siglo XXI Guadalajara, S.L.	25	(1)	26	2
Distribuidora de Publicaciones del Sur, S.L.	63	(38)	101	(5)
Dutch companies (Note 7.2)	3,890	199	-	-
Other entities	252	43	314	128
	4,719	**299**	**834**	**183**

18. Financial Risk Exposure and climate risks

The management of the financial risks to which the Logista Group is exposed in the course of its business constitutes one of the basic pillars of its activities aimed at preserving the value of the Group's assets at all the business units and in all the countries in which it operates (mainly Spain, Italy, France, Portugal and Poland) and, as a result, the value of its shareholder's investments. The risk management system is structured and defined to achieve the strategic and operating objectives.

The Group's activities are exposed to various financial risks: market risk (including exchange risk), credit risk, liquidity risk and cash flow interest rate risk.

The Group's financial risk management is centralized in the Corporate Finance Division. This Division has the required mechanisms in place to control, based on the Group's financial position and structure and on the economic variables of the environment, the exposure to interest and exchange rate fluctuations and to the credit and liquidity risks, establishing the related credit limits and setting the policy for the doubtful debts allowance.

In relation to climate risks, Europe's leadership strategy towards climate neutrality in 2050 raises the initial commitment agreed in the Paris Agreement, which will require new regulation, affecting all sectors of activities and companies. This strategy covers, among other objectives, the decarbonization of the road transport sector.

Moreover, this will be complemented by an increasing restriction of vehicle access to cities. It is expected that these restrictions, that have been specific and supported by local regulations until now, can be generalized in all cities, supported by a common regulatory framework.

In this sense, the Group integrates the environmental perspective in the development of its strategy, and has committed to reduce by 30% and 54% the direct and indirect emissions generated by our activity until 2030 and 2050 respectively, taking as a reference the year 2013. These objectives have been developed in line with the Paris Agreement, and have been scientifically validated and approved through the "Science Based Target" initiative.

The initiatives carried out by the Group in the field of climate change have not had an accounting impact or a significant change in the estimates made by Management during the year. Both, the useful life of fixed assets and impairment indicators, are not considered to be affected since an anticipated replacement of them is not foreseen, taking into account also that their transport operations are subcontracted, and represent more than 90% of all Logista emissions. As of the date of these annual accounts, the Group has no implicit or contractual obligation that would give rise to an environmental provision.

Credit risk

The Company's main financial assets are cash, loans to Group companies and trade and other receivables. In general, the Group holds its cash and cash equivalents at banks with high credit ratings. Also, the Group is exposed to the credit risk or counter-party risk of the group Imperial Brands, PLC, as a result of the cash transfer agreements entered into therewith.

The Group controls the risks of doubtful debts and default by setting credit limits and establishing demanding conditions with respect to collection periods; this commercial risk is distributed among a large number of customers with short collection periods and historically very low rates of non-payment and, therefore, the credit risk vis-à-vis non-Group third parties is not significant, due to the parties solvency.

The Group considers that at 30 September 2022 the level of credit risk is not significant, given the solvency of the counterparts.

Interest rate risk

In relation to its cash and cash equivalents and bank borrowings, the Group is exposed to interest rate fluctuations which might affect its profit and cash flows.

In accordance with the disclosure requirements of IFRS 7, the Group performed a sensitivity analysis in relation to the possible interest rate fluctuations which might occur in the markets in which it operates. Based on these requirements, the Group considers that each interest rate drop of 10 basis points would give rise to a decrease in the Group's finance income of EUR 2,3 million (2021: EUR 2,3 million)

Foreign currency risk

The level of exposure of equity and the income statement to the effects of future changes in the foreign currency exchange rates in force is not significant because the volume of the Group's transactions in currencies other than the euro is not material (see Note 26).

The Group does not have significant investments in foreign entities which operate in currencies other than the euro and it does not carry out significant transactions in countries whose currency is not the euro.

Liquidity risk

The Group has to meet payments arising from its activities, including significant amounts relating to excise duties and VAT.

Also, at 30 September 2022, the Group had a working capital deficiency amounting to EUR 668,402 thousand (September 2021: EUR 728,989 thousand). However, because of the difference between the average collection and payment, the Group generates sufficient liquidity to meet these payments.

In any event, the Group, for the purpose of ensuring liquidity and enabling it to meet all the payment obligations arising from its business activities, has the cash and cash equivalents disclosed in its consolidated balance sheet, together with the cash-pooling facilities with companies in the Group to which it belongs (see Note 10).

Macroeconomic environment

The social, political and/or macroeconomic conditions worldwide, which affect Europe and particularly Spain, Portugal, France, Italy and to a lesser extent Poland, can condition Logista in the different enclaves in which it carries out its activities.

The post-pandemic economic recovery has been accompanied, since the beginning of the fiscal year 2002, by high inflation in costs worldwide that has had a significant impact on the price of fuels and electricity at European level. In addition, the conflict between Russia and Ukraine and the economic sanctions imposed by Russia, have exacerbated this trend.

Given the persistence of inflationary pressures, and the monetary policy adopted by the Federal Reserve in the United States since March, the European Central Bank has decided to raise interest rates twice in the last months of the fiscal year, being the last of them the largest increase executed in its history.

This macroeconomic scenario, together with the intensification of the conflict in Ukraine and the Russian threats regarding the supply of gas during the winter have led to an increase in uncertainty regarding the pace of recovery of the economies in the coming months.

Despite all this, Logista has reached good results and has achieved increases in the main headings of its income statement.

19. Provisions

The detail of the balance of short and long-term provisions in the accompanying consolidated balance sheets on 30 September 2022 and 2021 and of the main changes therein in the periods is as follows:

2022

	Thousands of Euros					
	Balance at 30/09/2021	Additions	Reversions	Provisions Used	Transfers	Balance at 30/09/2022
Excise duty and other assessments	7,464	-	(285)	-	-	7,179
Obligations to employees	19,662	1,900	(6,182)	(1,568)	61	13,873
Provision for contingencies and charges	6,178	1,103	(43)	(114)	(1,000)	6,124
Other	5,475	1,192	(807)	-	(3,993)	1,867
Non-current provisions	**38,779**	**4,195**	**(7,317)**	**(1,682)**	**(4,932)**	**29,043**
Provision for restructuring costs	3,513	4,318	(1,034)	(7,880)	3,897	2,814
Customer Refunds	1,203	69	(16)	-	-	1,256
Other	2,560	691	(535)	(1,153)	1,017	2,580
Current provisions	**7,276**	**5,078**	**(1,585)**	**(9,033)**	**4,914**	**6,650**

2021

	Thousands of Euros					
	Balance at 30/09/2020	Additions	Reversions	Provisions Used	Transfers	Balance at 30/09/2021
Excise duty and other assessments	9,544	1,697	(2,869)	(394)	(515)	7,464
Obligations to employees	20,801	2,022	(470)	(1,276)	(1,415)	19,662
Provision for contingencies and charges	6,409	1,329	(312)	-	(1,249)	6,178
Other	2,700	3,253	(277)	-	(200)	5,475
Non-current provisions	**39,454**	**8,301**	**(3,928)**	**(1,669)**	**(3,379)**	**38,779**
Provision for restructuring costs	8,997	329	(1,174)	(4,716)	76	3,513
Customer Refunds	1,194	29	(19)	-	-	1,204
Other	3,307	674	(924)	(1,971)	1,475	2,560
Current provisions	**13,498**	**1,033**	**(2,117)**	**(6,687)**	**1,551**	**7,276**

Provision for excise duty on tobacco products and for other assessments

Compañía de Distribución Integral Logista, S.A.U. has provisions, mainly, for assessments as a result of tax audits from the Spanish tax authorities of the corporate income tax from 2012 to 2016 for an amount of 3,064 thousand euros.

In previous years, tax assessments were issued to Compañía de Distribución Integral Logista, S.A.U. in relation foreign trade activity settlements for years 2012-2018 amounting to EUR 13,670 thousand, which have been appealed. Of this amount, EUR 3,605 thousand have been guaranteed and the remaining amount has been paid to avoid the possible accrual of late payment interest Per the assessment made and corroborated by its external advisers, the existing arguments to defend the Company's actions in this regard are sound and should prevail in the courts, for which reason an outflow of financial resources is not considered probable and, consequently, the Group has not recognised a provision for the first tax assessment and has recognised the payment of the other years as an asset in the accompanying consolidated balance sheet as at 30 September 2022 (See Note 10), due to its possible recovery. It is important to take into account that, by virtue of the agreements entered into by the Company, any impact arising from a possible increase in the tariff on the goods sold by the Company may be passed on to the supplier of the goods.

The aforementioned claims at the date of preparation of these consolidated financial statements are in the Supreme Court where the presentation of an appeal has been admitted, which has been presented on September 23 for an amount of 13,608 thousand euros, the amount of VAT for the year 2012 not paid, together with the rest of the VAT records of the years 2013 to 2015, the TEAC dictated resolution by which its amount turns out to be deductible, the minutes of the years 2016 to 2018, for an amount of 63 thousand euros are appealed in the National Court being suspended until the resolution of the Supreme Court estimating that they will be concluded in a period exceeding one year, which is why they are registered in the non-current asset.

At 30 September 2022, Logista Italia, S.p.A. has recognized a provision amounting to EUR 2,100 thousand (EUR 2,670 thousand on 30 September 2021) as a result of the Italian tax authorities' open inspection.

In 2021, the amounts of the provisions for these concepts were adjusted according to the progress in the different judicial processes with the administrations, mainly the reversal of 2,869 thousand euros of tax provisions in Italy. Additionally, there are recognized provisions to cover existing risks related to other assessments.

Provisions for employee benefit obligations

It includes mainly the present value of the obligations assumed by Compañía de Distribución Integral Logista, S.A.U. in terms of long-service bonuses and the "free tobacco" benefit and the provisions recognised by the Group companies to meet retirement obligations.

This provision was calculated on the basis of actuarial studies performed by independent experts using as their main assumptions PER2020_1_Orden_Col mortality tables, an inflation rate of 1.5% and an annual discount rate of 2,4% (0.8% annual in 2021) as the main assumptions. In 2022, the Group charged EUR 6,778 thousand to reserves (charge of 628 thousand of euros on 30 September 2021) corresponding to changes in the actuarial assumptions used to calculate the present value of the total obligation assumed by the Group.

In 2017, a provision of EUR 6,860 thousand was recognized as a result of a decision handed down by the Employment Tribunal of the National Appellate Court, which ordered that Compañía de Distribución Integral Logista, S.A.U. recognize the right of those employees formerly employed by Altadis, S.A.U. who had retired after 2005 to receive, once they had retired, the equivalent monetary value of the gift tobacco they would receive at present as active personnel. The Company appealed against this decision at the Supreme Court. On 25 September 2019, the Supreme Court has dismissed the appeal, ordering Compañía de Distribución Integral Logista, S.A.U. to pay the aforementioned amount, without any additional risk to be recognized.

Provision for restructuring costs

It includes mainly the estimate of the payments to be made in relation to the restructuring plans that are being implemented at the Group. In 2022 and 2021, provisions were recognized amounting to EUR 4,318 thousand and EUR 329 thousand, respectively, and indemnity payments were made amounting to EUR 7,880 thousand and EUR 4,716 thousand, respectively, with a charge to the provisions that were recognized for that purpose.

These provisions were reclassified to current liabilities on the basis of the directors' estimates as to the dates on which these proceedings will come to an end.

Provisions for customer refunds

The customers of publishing sector are entitled to the refund of those products which are finally not sold, and the Group may in turn exercise this entitlement to a refund vis-à-vis its suppliers. At each year-end, the Group recognises a provision based on past experience of the refunds on sales with a view to correcting the margins obtained in the course of the book and publications sales activity.

Provisions for contingencies and charges

"Provision for Contingencies and Charges" includes mainly several lawsuits in process in which the Group is involved with third parties, as well as other third-party liability.

20. Tax matters

Consolidated Tax Group

In 2022 some of the Group companies are taxed under a consolidated tax return with the Parent Company (see Note 4.16). The companies included together with the Parent Company in the consolidated tax return Group, for Corporation Tax purposes, are the following: Compañía de Distribución Integral Logista, SAU, Publicaciones y Libros, SAU, Logista-Dis , SAU, La Mancha 2000, SAU, Dronas, 2002, SLU, Logista Pharma Canarias, SAU, Distribuidora de Publicaciones Siglo XXI Guadalajara, SL, Logista Pharma, SAU, Logista Strator, SLU (previously Cyberpoint), , Compañía de Distribución Integral de Publicaciones Logista, SLU,, Logesta Gestión de Transporte, S.A.U., and Be to Be Pharma, S.L.U, Logista Payments and Logista Regional de Publicaciones, S.A.U.

As it was explained in Note 2.8.5, during year ended on 30 September 2022, Logista Regional Publicaciones S.A.U., has participated in a corporate operation intragroup consisting of a merger by absorption in which companies Distribuidora del Este, S.A.U., Distribuidora del Noroeste, S.L.U., Distribuidora de las Rías, S.A.U., and Promotora Vascongada de Distribuciones, S.A.U. (absorbed companies), transfers LOGISTA REGIONAL PUBLICACIONES, S.A.U., all of its assets and liabilities, at the moment of its dissolution. Therefore, the companies Distribuidora del Este, S.A.U., Distribuidora del Noroeste, S.L.U., Distribuidora de las Rías, S.A.U., are excluded from the tax group they belonged, it is not the case of Promotora Vascongada de Distribuciones, S.A.U., given that it was not part of the tax group.

In addition, Logista Holdings France, Logista Promotion y Transport, Logista France, S.A.S., Société Allumetière Française, S.A.S. and Logesta France S.A.S, are taxed under tax consolidation regime for the purposes of Corporation Tax in France, being the head of the group Logista Holdings France S.A.S, having been Supergroup excluded from the previously mentioned group, because of its sale to third parties (Note 2.8.5).

Logista Italia, S.p.A. and Terzia, S.p.A. file consolidated income tax returns in Italy as part of the group headed by Logista Italia, S.p.A.

Additionally, CDIL- Companhia de Distribuicao Integral Logista Portugal, S.A, Midsid – Sociedade portuguesa de Distribuiçao, S.A. and Logista Transportes, Transitarios e Pharma, Lda, are taxed under a tax consolidation regime for Corporate Income Tax purposes in Portugal, being the head of this group CDIL- Companhia de Distribuicao Integral Logista Portugal, S.A.U – succursal in Portugal.

The Group's other subsidiaries file individual tax returns in accordance with the tax legislation in force in each country.

Years open for review by the tax authorities

Consolidated entities have, in general, open for review by the tax authorities the main taxes that apply to them in accordance with the specific legislation of each country, which ranges from 3 to 10 years.

Compañía de Distribución Integral Logista, S.A.U. has open for review by the tax authorities the years 2020, 2021 and until September 2022 for excise taxes, and fiscal year 2019 and until September 2022 for foreign trade taxes, as inspections have been closed in previous exercises

Currently, there are no open inspection processes for Group companies, except Portugal, were the stamp tax corresponding to the years 2018 to 2021, is being reviewed.

The Company's Directors consider that the tax returns for the aforementioned taxes have been filed correctly and, therefore, even in the event of discrepancies in the interpretation of current tax legislation in relation to the tax treatment afforded to certain transactions, such liabilities that might arise would not have a material effect on the accompanying financial statements.

Tax receivables and payables

The detail of the tax receivables on 30 September 2022 and 2021 is as follows:

	Thousands of Euros	
		2021
Deferred tax assets:		
Provision for restructuring costs	208	985
Goodwill	1,032	1,174
Impairment losses and other	1,488	2,090
Provision for third-party liability	7,228	8,569
Other deferred tax assets	1,133	1,695
	11,088	**14,513**
Tax receivables (current):		
VAT refundable	1,946	3,397
Income tax refundable	4,099	62,363
Other	3,795	4,036
	9,840	**69,796**

The deferred tax assets relate mainly to temporary differences for provisions recognized for restructuring plans, termination benefits and obligations to employees that will become tax deductible in the coming years. Also, Law 16/2012, of 27 December, established for 2013 and 2014 a ceiling on the deductibility of the depreciation and amortization charge. Specifically, it was possible to deduct up to 70% of the depreciation and amortization charge, and the portion of the charge that was not deductible started to be recovered according to the remaining amortization period and lineal.

The detail of the tax payables at 30 September 2022 and 2021 is as follows:

	Thousands of Euros	
	2022	2021
Deferred tax liabilities:		
Assets contributed by Logista	335	355
Revaluation of land owned by the Parent (Note 15-d)	7,125	7,125
Goodwill	122,297	115,560
Business Combination	94,737	112,694
Other	7,180	3,600
	231,674	**239,334**
Tax payables (current):		
Excise duty on tobacco products	4,047,366	4,308,171
VAT payable	1,086,666	972,012
Customs duty settlements	2,630	3,639
Income tax, net of prepayments	(615)	25,018
Personal income tax withholdings	7,296	6,837
Social security taxes payable	17,462	16,759
Tax retention to tobacconists (France)	20,141	5,941
Other	1,673	1,375
	5,182,620	**5,339,752**

Short-term balances include mainly the "Excise Duty on Tobacco Products" accrued by Compañía de Distribución Integral Logista, S.A.U., Logistra France, S.A.S. and by Logista Italia, S.p.A. and pending payment to the tax authorities.

The deferred tax liabilities arising from business combinations relate mainly to the tax effect of the recognition of the agreements with the tobacco manufacturers of the subsidiary Logista France, S.A.S., within the context of the acquisition of this subsidiary in 2013 (see Notes 4.4 and 8).

Until 2011, each year Compañía de Distribución Integral Logista, S.A.U decreased its taxable profit by one twentieth of the implicit goodwill included in the acquisition price of its subsidiary in Italy. These reductions are considered to be temporary differences. On 30 March 2012, Royal Decree-Law 12/2012 came into force, introducing various tax and administrative measures aimed at reducing the public deficit. These measures include limiting the tax deductibility of such goodwill to 1% per year. Since 2017, the maximum tax credit is 5% per year. Since the execution of the operation of the spin off-merger carried out at year ended 30 September 2021, by which Compañía de Distribución Integral Logista Holdings S.A., is the first one that reduces its tax base annually in concept of the tax amortization of goodwill that emerged from the purchase of Logista Italia.

Reconciliation of the accounting profit to the taxable profit

The reconciliation of the accounting profit before tax to the aggregate taxable profit and of the accounting profit before tax to the income tax expense resulting from the application of the standard tax rate in force in Spain for the years ended 30 September 2022 and 2021 is as follows:

	Thousands of Euros	
	2022	2021
Accounting profit before tax	285,574	260,531
Permanent differences	43,166	20,731
Tax loss carryforwards compensation	(474)	(745)
Tax charge at 25%	82,066	70,129
Effect of different tax rates and changes thereto	(13,004)	(5,107)
Corporation tax adjustments	(418)	-
CVAE France and other local tax in Italy and Portugal	6,813	5,523
Deductions	(503)	(3,221)
Total income tax expense recognised in consolidated profit or loss	**74,954**	**67,324**

The Group is affected by the different income tax rates to which the Group companies' activities are subject:

- Spain: the current income tax rate is 25%.

- France: the current standard tax is 28,41%.

- Italy: the income tax rate is 24% and there is a supplementary business tax which can represent an additional 3.9%.

- Portugal: the income tax rate is 22.5%, and there is a supplementary business tax which can represent up to 4.5%, in this year 2.86%. Additionally, there is an obligation to make pre-payments even if an entity is reporting a loss.

- Poland: the income tax rate is 19%.

- Netherlands: the income tax rate amounts to 15% on the first tranche of the tax base of Eur 245 thousand and 25% on the rest.

The breakdown of the income tax expense is as follows:

	Thousands of Euros	
	2022	2021
Current tax:		
Continuing operations	82,679	77,364
Deferred tax:		
Continuing operations	(7,725)	(10,040)
Tax adjustment and others		
Total tax expense	**74,954**	**67,324**

Changes in deferred tax assets and liabilities

The changes in deferred tax assets and liabilities in 2022 and 2021 are as follows:

2022

	Thousands of Euros			
	Balance at 30/09/2021	Change in Profit or Loss	Others	Balance at 30/09/2022
Deferred tax assets:				
Provision for restructuring costs	985	(777)	-	208
Goodwill	1,174	(142)	-	1,032
Impairment losses and other	2,090	(602)	-	1,488
Provision for third-party liability	8,569	(1,374)	33	7,228
Other deferred tax assets	1,695	(563)	-	1,132
	14,513	**(3,459)**	**33**	**11,088**
Deferred tax liabilities:				
Assets contributed by Logista	(355)	20	-	(335)
Revaluation of land	(7,125)	-	-	(7,125)
Goodwill	(115,560)	(6,737)	-	(122,297)
Business combination	(112,694)	17,957	(3,525)	(98,262)
Other	(3,600)	(55)	-	(3,656)
	(239,334)	**11,185**	**(3,525)**	**(231,674)**

2021

	Thousands of Euros			
	Balance at 30/09/2020	Change in Profit or Loss	Others	Balance at 30/09/2021
Deferred tax assets:				
Provision for restructuring costs	1,698	(713)	-	985
Goodwill	1,787	(143)	(470)	1,174
Impairment losses and other	3,452	(1,361)	(1)	2,090
Provision for third-party liability	9,986	(1,029)	(387)	8,569
Other deferred tax assets	1,796	(102)	-	1,695
	18,719	**(3,348)**	**(858)**	**14,513**
Deferred tax liabilities:				
Assets contributed by Logista	(374)	19	-	(355)
Revaluation of land	(7,125)	-	-	(7,125)
Goodwill	(108,859)	(6,737)	36	(115,560)
Business combination	(130,666)	17,972	-	(112,694)
Other	(6,536)	26	2,910	(3,600)
	(253,560)	**11,280**	**2,946**	**(239,334)**

The deferred tax liability caption includes mainly the deferrals associate with the business combinations and goodwill recorded by the Group. During fiscal year 2022 there have been variations to the corporate income tax for the year.

Tax credit and tax loss carryforwards

At 30 September 2022 and 2021, the Group does not have any tax credits used by the tax group (which had been earned as part of the previous tax group.

The not capitalized tax loss carryforwards at the end of 2022 were basically as follows:

- Spain: it is expected that the tax loss carryforwards amount to EUR 5,255 thousand and were incurred mainly by S.A.U. Distribuidora de Ediciones and Distribuidora Valenciana de Ediciones, S.A. There is no time limit for their offset.

- Portugal: the tax losses not yet offset amount to EUR 10 thousand and were incurred by Logesta Lusa Lda., being its limit for their offset the period 2026-2028.

21. Other current and non-current financial liabilities

The detail of other current and non-current financial liablities on 30 September 2022 and 2021 is as follows:

	Thousands of Euros	
	2022	**2021**
Long term financial debt – IFRS 16 (Note 6.2)	94,947	94,151
Other non-current financial liabilities	8,853	4,214
Other non-current financial liabilities	**103,800**	**98,365**
Short term financial debt – IFRS 16 (Note 6.2)	28,910	28,941
Credit "UTE Compañia de Distribución Integral Logista, S.A.U. y IGT Spain Lottery, S.L.U. Unión Temporal de Empresas (Note 9)	-	29,938
Other current financial liabilities with related parties (Note 27)	11,939	13,567
Other current financial liabilities	**40,849**	**72,446**

<u>Credit facility "Compañia de Distribución Integral Logista, S.A.U. y IGT Spain Lottery, S.L.U. Unión Temporal de Empresas</u>

At 30 September 2021, this line item included mainly the balance at Compañía de Distribución Integral Logista, S.A.U relating to the credit facility granted by it to "Cía de distribución Integral Logista, S.A.U. y IGR Spain Lottery, S.L.U.", which amounted to EUR 29,938 thousand. This amount represented the balance payable by the Group to "UTE Compañía de Distribución Integral Logista, S.A.U. and IGT Spain Lottery, S.L.U. Unión Temporal de Empresas" derived from the debt acquired by the Group with the other shareholder of the UTE. Once the period of validity has ended, both credit and the temporary union, the UTE has been liquidated in year ended 2022. Therefore, at 30 September 2022, the UTE does not have neither assets nor liabilities recorded (see Note 10).

22. Trade and other payables

The detail of "Trade and Other Payables" in the accompanying consolidated balance sheet on 30 September 2022 and 2021 is as follows:

	Thousands of Euros	
	2022	2021
Accounts payable for purchases and services	1,280,160	998,579
Notes payable	24,937	26,336
Payable to related companies (Note 27)	149,789	123,768
Advances received on orders	79	120
	1,454,965	**1,148,803**

Trade and Other Payables" includes mainly the amounts outstanding for trade purchases and related costs. The average payment period for trade purchases in 2022 has been 35 days approximately (37 days in 2021)

23. Guarantee commitments to third parties and other information

Guarantees committed to third parties

On 30 September 2022, the Group has been provided with bank guarantees totaling EUR 182,006 thousand (30 September 2021: EUR 181,441 thousand) which, in general, secure the fulfilment of certain obligations assumed by the consolidated companies in the performance of their business activities.

Also, the Group has provided guarantees for its ordinary trading operations; in this regard, the Parent's directors consider that any liabilities not foreseen at 30 September 2022 that might arise from the aforementioned guarantees would not in any event be material.

On 30 September 2022, the Group had taken out insurance policies to cover possible contingencies including property damage, business interruption and certain liability insurances. The Directors believe that the cover insured is appropriate for the assets and risks of the Group.

Other Information

On 20 June 2017, the Spanish National Markets and Competition Commission (CNMC) resolved to commence enforcement proceedings against several companies, including Compañía de Distribución Integral Logista, S.A.U., for possible anti-competitive behaviour in the Spanish cigarette manufacturing, distribution and retail sale market.

On 12 April 2019, the Board of the CNMC issued its Decision of 10 April 2019 in relation to the enforcement proceedings concerning an alleged exchange by certain tobacco manufacturers of information relating to the sale of cigarettes from 2008 to 2017. Logista provided the aforementioned information in compliance with the principles of neutrality and non-discrimination.

The CNMC considers expressly in the aforementioned decision that the aim of the conduct in question was not to restrict competition and, therefore, it could not be classified as constituting a cartel. However, the CNMC imposed a penalty of EUR 20.9 million on Logista because it considered that such conduct was restrictive due to its, albeit potential, effects on the cigarette manufacturing and sale market. The CNMC did not substantiate or evidence that Logista’s sales information had given rise to the alleged restriction of competition between the manufacturers attributed to it.

Logista evidenced that the aforementioned information, which is free, was made available to all manufacturers that distributed their products through Logista, with the lawful purpose of such manufacturers being able to verify Logista’s strict compliance with the principle of neutrality when performing its activities as a wholesale distributor in the tobacco market.

Therefore, the Parent’s directors, supported by its legal advisors, believe that the Decision, which is not final, is unlawful; an appeal for judicial review had been lodged at the Spanish National Appellate Court against the Decision, which is not expected to impact the Group's equity position. At the date of issue of these consolidated financial statements, the appeal mentioned above is pending of resolution by the Spanish National Court.

Also, in 2017 France established a tax of 5.6% levied on tobacco suppliers’ sales, which was annulled since 1 January 2019 by the French authorities This tax was initially paid by Logista France, S.A.S. to the French authorities and subsequently rebilled to the tobacco manufacturers, certain of which refused to make the related payment filing a claim before the Commercial Court of Paris, which was set at EUR 26 million on 11 December 2019, Which was closed during fiscal year 2022 without any impact for the Group.

Based on the information available, the negotiations and communications that have taken place with the manufacturers and also the assessment of its legal advisers, the Group’s directors consider that this matter will not have any impact on the Group’s equity position.

24. Income and expenses

a) Income

The detail of “Revenue” in the consolidated income statements for 2022 and 2021 is as follows:

	Thousands of Euros	
	2022	2021
Iberia	3,742,947	3,325,301
Italy	4,000,758	3,556,124
France	3,773,683	3,982,656
Adjustment due to inter-segment sales	(53,742)	(47,249)
	11,463,646	**10,816,832**

b) Staff costs

The detail of the Group's "Staff Costs" in 2022 and 2021 is as follows:

	Thousands of Euros	
	2022	2021
Wages and salaries	(201,853)	(192,742)
Termination benefits	(6,847)	(7,481)
Employer social security costs	(59,416)	(58,310)
Other employee benefit costs (Note 4.12)	(4,140)	(2,839)
Other social costs	(15,515)	(15,976)
	287,771	**(277,438) (*)**

(*) "Research Expenditure" includes EUR 1,314 and EUR 1,486 thousand of staff costs in 2022 and 2021, respectively.

The average number of employees at the Group, by professional category, in 2022 and 2021, as well as the number of employees as of 30 September 2022 and 30 September 2021 was as follows:

2022

	Number of Persons							
	Headcount at 30/09/22				Average Headcount			
	Permanent Employees		Temporary Employees		Permanent Employees		Temporary Employees	
Category	Men	Women	Men	Women	Men	Women	Men	Women
Senior Management	31	7	-	-	34	7	-	-
Management	139	47	2	-	141	48	1	-
Senior Professional/Supervisor	237	121	3	1	243	131	2	1
Technicians and administration	1,285	1,131	89	116	1,325	1,152	89	121
Warehouse staff	1,447	467	258	152	1,437	444	279	203
	3,139	1,773	352	269	3,180	1,781	371	324
Total	**4,912**		**621**		**4,961**		**695**	

2021

	Number of Persons							
	Headcount at 30/09/21				Average Headcount			
	Permanent Employees		Temporary Employees		Permanent Employees		Temporary Employees	
Category	Men	Women	Men	Women	Men	Women	Men	Women
Senior Management	36	7	-	-	37	7	-	-
Management	151	47	-	-	154	44	-	-
Senior Professional/Supervisor	233	136	-	-	242	141	-	-
Technicians and administration	1,210	1,110	121	170	1,221	1,107	123	158
Warehouse staff	1,559	510	328	233	1,563	514	321	210
	3,189	1,810	449	403	3,217	1,813	444	368
Total	**4,999**		**852**		**5,030**		**812**	

The average number of disabled employees with a handicap higher than 33% at the Group in 2022 and 2021 was as follows:

	Average Number of Employees	
Category	2022	2021
Senior Management	-	-
Management	1	2
Senior Professional / Supervisor	2	2
Technicians and administration	38	18
Warehouse staff	27	34
	68	**56**

Remuneration of senior executives

The senior executive functions are discharged by members of the Management Committee, which consists of 9 members on 30 September 2022 (9 members in 2021) and the Internal Audit Director.

The remuneration accrued in 2022 by the members of the Management Committee of the Group amounted to EUR 6,304 thousand (2021: EUR 4,114 thousand). The aforementioned amounts include the amounts vested in the members of the Management Committee in 2022 and 2021 under the incentive plan described in Note 4.12.

The indemnities paid in 2022 amounted to 2,150 thousand (2021: 0 EUR)

The period contributions to the savings schemes for members of the Management Committee for 2022 and 2021 amounted to EUR 329 thousand and EUR 299 thousand, respectively.

c) Other operating expenses

The detail of "Other Operating Expenses" in the consolidated income statements is as follows:

Cost of logistics networks

	Thousands of Euros	
	2022	2021
Leases	(4,297)	(3,859)
Security and cleaning	(16,844)	(18,069)
Utilities	(23,041)	(17,941)
Other operating expenses	(132,835)	(141,797)
	(177,017)	**(181,666)**

Commercial expenses

	Thousands of Euros	
	2022	2021
Leases	(1,259)	(869)
Security and cleaning	-	-
Utilities	(892)	(650)
Other operating expenses	(21,324)	(17,191)
	(23,475)	**(18,710)**

Head Office costs

	Thousands of Euros	
	2022	2021
Leases	(658)	(611)
Security and cleaning	(941)	(1,018)
Utilities	(487)	(352)
Other operating expenses	(14,057)	(12,063)
	(16,143)	**(14,045)**

"Other Operating Expenses" mainly includes expenses related to Independent professional services and to various services registered in the consolidated statements for 2022 and 2021.

d) Future rental payment commitments

The Group has the following future rental payment commitments, classified by year of maturity, without considering future contingent rent revisions:

	Thousands of Euros	
	2022	2021
Within one year	(30,008)	(34,003)
Between one and five years	(65,703)	(73,395)
More than five years	(51,473)	(31,013)
	(147,184)	**(138,411)**

e) Finance income

The detail of "Finance Income" in the accompanying consolidated income statements is as follows:

	Thousands of Euros	
	2022	2021
Interest income (Note 27)	20,444	17,558
Other finance income	1,143	4,376
	21,587	**21,934**

f) Finance expenses

The detail of "Financial expenses" in the accompanying consolidated income statements is as follows:

	Thousands of Euros	
	2022	2021
Accrual for late payment interests and financial updateof provisions	(162)	(200)
Other financial costs	(2,257)	(1,531)
	(2,419)	**(1,731)**

g) Auditor's remuneration

The following table details the fees related to audit services and other services provided by the auditor of the Group's consolidated financial statements, Ernst & Young, SL, or by companies linked to them by control, common ownership or management, as well as the fees for services invoiced by the auditors of individual financial statements of the companies included in the consolidation and by the entities linked to them by control, common ownership or management.

	Thousands of Euros			
	Services Rendered by the Main Auditor		Services Rendered by Other Auditors	
	2022	2021	2022	2021
	EY	EY		
Audit services	744	758	220	219
Reporting package to Imperial Brands, Plc.	96	95	-	-
Other attest services	152	80	15	-
Total audit and related services	**992**	**933**	**235**	**219**
Transfer pricing counselling services	-	-	60	65
Other services	17	27	3	-
Total other services	**17**	**27**	**63**	**65**
Total professional services	**1,009**	**960**	**298**	**284**

In fiscal year 2022, from September 30, 2022 until the date of preparation of the consolidated financial statements, the fees invoiced for non-audit services, provided by the Group auditor, Ernst & Young, S.L., amounted to EUR 169 thousand.

In fiscal year 2021, from September 30, 2021 until the date of preparation of the consolidated financial statements, the fees invoiced for non-audit services, provided by the group auditor, Ernst & Young, S.L., amounted to EUR 29 thousand.

25. Segment reporting

Basis of segmentation

Segment reporting is structured by geographical segment. The Group's business activities are located mainly in Iberia (Spain, Portugal, Poland and Netherlands), France and Italy. Since fiscal year 2021 the Group eliminated the section on "Corporate and Others" to give a more adequate view of its structure and organization, assigning the activities of Poland to the Iberia segment, taking into account that this country, for the purposes of organizational and management, is the responsibility of the Iberia Management and that these are non-relevant figures; while the amounts of a Corporate have been assigned to the different segments based on their representativeness in the Group's sales figures. Likewise, with the recent acquisition in Netherlands (see Note 7.2), Netherlands is assigned to the segment of Iberia for the same reason as Poland.

Basis and methodology for segment reporting

The segment reporting below is based on monthly reports prepared by Logista Group management. The figure of highest instance of operational decision making to define the operating segments is the CEO of the Parent Company.

The segment's ordinary revenue relates to the ordinary income directly allocable to the segment plus the relevant proportion of the Group general revenue that can be allocated thereto using reasonable allocation bases. Each segment's ordinary revenue does not include interest or dividend income or gains arising from sale of investments.

The expenses of each segment are determined as the directly allocable expenses arising from its operating activities plus the relevant proportion of the expenses which may be allocated to the segment using reasonable allocation bases. The expenses allocated do not include interest or losses arising from the disposal of investments; similarly, they do not include the income tax expense.

The assets and liabilities of the segments are those that are directly related to their operations plus those that can be directly attributed to them on the basis of the aforementioned allocation system and include the proportional part of joint ventures. Segment liabilities do not include income tax liabilities.

Primary segment reporting

	Thousands of Euros							
	Iberia		Italy		France		Total Group	
	2022	2021	2022	2021	2022	2021	2022	2021
Revenue:								
External sales	3,742,947	3,325,301	4,000,758	3,556,124	3,773,683	3,982,656	11,517,388	10,864,082
Tobacco and related products	3,251,007	2,875,626	4,000,758	3,556,124	3,773,683	3,982,656	11,025,518	10,414,407
Transport	457,497	411,305	-	-	-	-	457,497	411,305
Pharmaceutical Distribution	206,481	180,754	-	-	-	-	206,481	180,754
Other businesses	18,400	18,211	-	-	-	-	18,400	18,211
Other adjustments	(190,508)	(160,596)	-	-	-	-	(190,508)	(160,596)
Inter-segment sales		-	-	-	-	-	(53,742)	(47,249)
Total revenue	**3,742,947**	**3,325,301**	**4,000,758**	**3,556,124**	**3,773,683**	**3,982,656**	**11,463,646**	**10,816,832**
Procurements:								
External procurements	(3,050,862)	(2,691,035)	(3,670,119)	(3,231,428)	(3,557,159)	(3,757,312)	(10,278,140)	(9,679,775)
Inter-segment procurements	-	-	-	-	-	-	49,736	42,467
Total procurements	**(3,050,862)**	**(2,691,035)**	**(3,670,119)**	**(3,231,428)**	**(3,557,159)**	**(3,757,312)**	**(10,228,404)**	**(9,637,307)**
Gross profit:								
External gross profit-	692,085	634,267	330,639	324,696	216,524	225,344	1,239,248	1,184,308
Tobacco and related products	331,991	303,231	330,639	324,696	216,524	225,344	879,154	853,272
Transport	318,076	290,483	-	-	-	-	318,076	290,483
Pharmaceutical Distribution	90,284	83,159	-	-	-	-	90,284	83,159
Other businesses	17,635	17,361	-	-	-	-	17,635	17,361
Other and adjustments	(65,901)	(59,967)	-	-	-	-	(65,901)	(59,967)
Inter-segment gross profit		-	-	-	-	-	(4,006)	(4,782)
Total gross profit	**692,085**	**634,267**	**330,639**	**324,696**	**216,524**	**225,344**	**1,235,242**	**1,179,524**
Profit (Loss):								
Segment result	165,199	134,708	95,229	91,734	3,181	11,652	263,609	238,094
Share of results of associates		-		-		-	2,797	2,232
Profit (Loss) from operations	**165,199**	**134,708**	**95,229**	**91,734**	**3,181**	**11,652**	**266,406**	**240,327**

Inter-segment sales are made at prevailing market prices. Also, the transfer prices are adequately supported and, therefore, the Group's directors consider that there are no material risks in this connection that might give rise to significant liabilities in the future.

The detail of the other disclosures related to the Group's business segments is as follows:

	Thousands of Euros							
	Iberia		Italy		France		Total Group	
	2022	2021	2022	2021	2022	2021	2022	2021
Other disclosures:								
Additions to non-current assets	51,603	31,018	27,675	17,980	22.845	10,407	102.123	59,405
Depreciation and amortisation charge	(42,173)	(41,510)	(18,330)	(17,538)	(62,517)	(64,496)	(123.019)	(123,543)
Balance sheet:								
Assets-								
Property, plant and equipment, investment properties and non-currents assets held for sale	198,864	203,029	75,271	75,684	48,239	83,466	322,374	362,180
Other non-current assets	98,079	73,955	670,950	674,210	508,210	560,893		1,309,058
Inventories	526,034	605,831	555,245	427,514	447,884	433,801	1,277,239	1,467,146
Trade receivables	639,280	587,970	411,801	595,786	849,583	891,416	1,529,163	2,075,171
Other current assets							2,664,542	2,374,233
Total consolidated assets							**7,693,982**	**7,587,788**
Liabilities-								
Non-current liabilities	176,701	168,061	76,279	78,901	111.537	129,515	364,517	376,477
Current liabilities	1,717,694	1,529,815	2,163,560	2,063,891	2,881,515	3,093,129	6,762,770	6,690,301
Equity							566,694	524,476
Total consolidated liabilities							**7,693,982**	**7,587,788**

26. Foreign currency transactions

The Logista Group's foreign currency transactions in 2022 and 2021, measured in euros at the average exchange rate for the year, were as follows:

	Thousands of Euros	
	2022	2021
Sales	18,823	16,253
Purchases	13,136	12,145
Services received	5,353	6,923

27. Balances and transactions with related parties

The balances on 30 September 2022 and 2021 with related companies were as follows:

2022

	Thousands of Euros			
	Receivables		Payables	
	Credit Facilities (Note 10)	Accounts Receivable (Note 12)	Accounts Payable (Note 22)	Loans (Note 21)
Altadis, S.A.U.	-	3,502	29,633	-
Altadis Canarias, S.A.	-	2,966	17,527	-
Imperial Brands Finance PLC	2,429,502	-	-	-
Seita, S.A.S.	-	934	30,836	-
Imperial tobacco Italia, Srl	-	859	43,955	-
Logista Libros, SL	36	817	36	11,939
Imperial Tobacco International Limited	-	430	21,960	-
MyBlu Spain, S.L.	-	187	4,296	-
Tabacalera, SL Central Overheads	-	-	-	-
Otros	-	498	1,546	-
	2,429,538	**10,193**	**149,789**	**11,939**

2021

	Thousands of Euros			
	Receivables		Payables	
	Credit Facilities (Note 10)	Accounts Receivable (Note 12)	Accounts Payable (Note 22)	Loans
Altadis, S.A.U.	-	2,629	26,777	-
Altadis Canarias, S.A.	-	2,563	12,676	-
Imperial Brands Finance PLC	2,096,874	-	-	-
Imperial Tobacco International Limited	-	1,137	9,450	-
Seita, S.A.S.	-	1,413	30,519	-
Imperial Tobacco Italia, Srl	-	952	36,091	-
Tabacalera, S.L. Central Overheads	-	-	-	-
MyBlu Spain, S.L.	-	548	5,286	-
Logista Libros, S.L.	13	794	158	13,566
Otros	-	765	2,811	-
	2,096,887	**10,801**	**123,768**	**13,566**

The accounts payable and accounts receivable stem from balances payable and receivable, respectively, related to commercial transactions, mainly purchases of tobacco and related products, between Logista Group companies and Imperial Brands PLC Group companies.

The "Credit Facilities" with Imperial Brands Finance PLC relate to cash among Logista Group and the Imperial Brands PLC Group (see Note 10).

The transactions with related companies in 2022 and 2021 were as follows:

2022

	Thousands of Euros			
	Operating Income	Finance Results (Note 24-e)	Purchases	Other Operating Expenses
Altadis, S.A.U.	11,849	-	340,671	-
Altadis Canarias, S.A	16,881	-	56,633	-
Imperial Tobacco Italy, s.r.l.	3,700	-	91,520	-
Imperial Tobacco Polska, S.A.	3,191	-	-	-
Imperial Tobacco Manufacturing Polska, S.A.	453	-	-	-
Imperial Brands Finance PLC	-	20,444	-	-
Imperial Tobacco International Limited	2,291	-	43,701	-
Imperial Tobacco Portugal SPPLC	2,887	-	-	-
Logista Libros, S.L.	5,056	(152)	245	102
SEITA, S.A.	3,241	-	178,264	-
Fontem Ventures BV	446	-	7,420	-
MyBlu Spain, S.L.	488	-	19,067	-
Otros	34	-		485
	50,518	**20,292**	**737,521**	**587**

2021

	Thousands of Euros			
	Operating Income	Finance Results (Note 24-e)	Purchases	Other Operating Expenses
Altadis, S.A.U.	12,996	-	312,583	-
Altadis Canarias, S.A.	14,781	-	33,068	-
Imperial Tobacco Italy, s.r.l.	4,308	-	92,084	(1,633)
Imperial Tobacco Polska, S.A.	3,056	-	-	-
Imperial Tobacco Manufacturing Polska, S.A.	429	-	-	-
Imperial Brands Finance PLC	-	17,558	-	-
Imperial Tobacco International Limited	3,800	-	36,061	(55)
Imperial Tobacco Portugal SPPLC	2,417	-	-	-
Macotab, S.A.S.	-	-	-	408
SEITA, S.A.	7,441	-	213,308	19
Fontem Ventures BV	867	-	3,511	-
MyBlu Spain, S.L.	2,085	-	11,132	-
Otros	4,385	(116)	236	813
	56,565	**17,442**	**701,983**	**(448)**

Operating income and other operating expenses relate to services provided by Group companies for the handling, logistics and storage of goods. In addition, statistical and market information services are occasionally provided.

The purchases are included as a result of acquiring tobacco and related products, as well as convenience products related to tobacco. Specifically, the transactions with Altadis, S.A.U., Imperial Tobacco Italy, Srl, Imperial Tobacco International, Ltd, Altadis Canarias, S.A. and Seita, S.A.S. relate to purchases of tobacco and related products from these companies to then be subsequently sold in the markets where the Group operates.

28. Remuneration of directors

Remuneration of the Parent's directors

In 2022 the remuneration accrued by the members of the Board of Directors as a result of their membership thereof or of any of its executive committees in all connections, including the remuneration accrued by the members of the Board who in turn are executives, amounted to EUR 4,966 thousand (2021: EUR 4,447 thousand).

The contributions to savings schemes for the executive directors for 2022 and 2021 amounted to EUR 251 thousand and EUR 279 thousand, respectively.

The life insurance premium corresponding to the Board of Directors amounted to EUR 6 thousand in 2022 (2021: EUR 5 thousand).

The Group has long-term incentive plans for executive directors which characteristics are detailed in Note 4.12.

Also, in 2022 and 2021 the Parent did not perform with the members of the Board of Directors any transactions not relating to its ordinary business operations or any transactions not carried out under customary conditions.

In 2022 the directors' third-party liability insurance amounted to EUR 139 thousand in 2022 and (2021: EUR 139 thousand).

On 30 September 2022 and 2021 the Board's composition is 7 male directors and 5 female directors.

Information regarding situations of conflict of interest involving the directors

Pursuant to Article 229 of the Spanish Capital Companies Law consolidated text, the directors have not reported any situation of direct or indirect conflict of interest that either they or persons related to them might have with the interests of the Group.

29. Disclosures on the payment periods to suppliers, Additional Provision Three "Disclosure obligation" provided for in Law 15/2010, of 5 July

Set forth below are the disclosures -the detail of payments made to suppliers- required by Additional Provision Three of Law 15/2010, of 5 July (amended by Final Provision Two of Law 31/2014, of 3 December), prepared in accordance with the Spanish Accounting and Audit Institute (ICAC) Resolution of 29 January 2016 on the disclosures to be included in notes to financial statements in relation to the average period of payment to suppliers in commercial transactions.

	Days	
	2022	2021
Average period of payment suppliers	35	37
Ratio of transactions settled	36	38
Ratio of transactions not yet settled	25	27

	Thousand Euros	
	2022	2021
Total payments made	11,745,701	11,006,670
Total payments outstanding	1,305,176	1,025,034

In accordance with the ICAC Resolution, the average period of payment to suppliers was calculated by taking into account the commercial transactions relating to the supply of goods or services for which payment has accrued since the date of entry into force of Law 31/2014, of 3 December.

30. Environmental matters

In-force environmental legislation does not significantly affect the activities carried on by the Group and, therefore, it does not have any environmental liability, expenses, income, grants, assets, provisions or contingencies that might be material with respect to the Group's equity, financial position and results. Therefore, no specific disclosures relating to environmental issues are included in these notes to the consolidated financial statements.

31. Events after the reporting period

In October 2022, once the suspensive conditions of the initial agreement have been met, the acquisition Carbó Collbatallé, S.L. was closed, by paying an amount of 51 million euros (Note 2.8.5).

Also in October 2022 the Group has closed the acquisition of the 60% of Herinvemol, S.L. (Transportes El Mosca) by paying an initial amount of 83.2 million euros plus an advance payment of 15 million euros whose final consolidation will depend on the fulfillment of future objectives (Note 2.8.5).

No additional significant events have occurred subsequent since the end of the year ended 30 September 2022 with a significant impact on the consolidated financial statements.

32. Explanation added for translation to English

These Consolidated Financial Statements are presented on the basis of IFRSs, as adopted by the European Union. Consequently, certain accounting practices applied by the Group that conform to IFRSs may not conform to other generally accepted accounting principles in other countries. Translation from the original issued in Spanish. In the event of discrepancy, the Spanish-language version prevail.

Appendix I

Subsidiaries and jointly controlled entities of the Logista Group

The following companies were fully consolidated because they are companies in which the Logista Group holds a majority of the voting power or were accounted for using the equity method:

2022

Company	Audit Firm	Location	%of Ownership By the Parent Company	
			Direct	Indirect
Compañía de Distribución Integral Logista, S.A.U. (a)	EY	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés	100	-
Compañía de Distribución Integral de Publicaciones Logista, S.L.U. (a)	EY	Avenida de Europa, 2 Edificio Alcor Plaza, Ala Este, Planta 4ª, Modulo 3, Alcorcón	100	-
Publicaciones y Libros, S.A.U. (a)	EY	Avenida de Europa, 2 Edificio Alcor Plaza, Ala Este, Planta 4ª, Modulo 3, Alcorcón	-	100
Distribución de Publicaciones Siglo XXI Guadalajara, S.L. (a)	Non audited	C/ Francisco Medina y Mendoza 2. Cabanillas del Campo (Guadalajara)	-	80
Distribuidora de Publicaciones del Sur, S.L. (a)	EY	Polígono Ind. ZAL, Ctra. De las Esclusas/n, Parcela 2, Módulo 4 (Sevilla)	-	50
Distribuidora Valenciana de Ediciones, S.A. (a)	EY	Polígono Industrial Vara de Quart. c/ Pedrapiquera, 5. Valencia	-	50
Logista Strator, S.L.U (formerly named Cyberpoint, S.L.U.) (e)	EY	Avenida de Europa, 2 Edificio Alcor Plaza, Ala Este, Planta 4ª, Modulo 3, Alcorcón	-	100
S.A.U. Distribuidora de Ediciones (a)	EY	C/ B, Sector B Polígono Zona Franca. Barcelona	-	70
La Mancha 2000, S.A.U. (a)	EY	Avda. de la Veguilla, 12-A. Cabanillas del Campo	100	-
Midsid - Sociedade Portuguesa de Distribuiçao, S.A. (a)	EY	Expansao del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)	-	100
Logista-Dis, S.A.U. (b)	EY	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés	100	-
Logesta Gestión de Transporte, S.A.U. (d)	EY	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés	100	-
Logesta Italia, s.r.l.(d)	EY	Via Valadier. 37 Roma (Italia)	-	100
Logesta Lusa Lda (d)	Non audited	Expansao del 60rea ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)	-	100
Logesta Polska Sp. z.o.o. (a)	EY	Al.Jerozolimskie, 96, Warszawa (Polonia)	49	51
Logesta Deutschland Gmbh (a)	Non audited	Unsöldstrabe,2 , 20538, München (Alemania)	-	100
Logesta France, s.a.r.l.(d)	EY	27 avenue des Murs du Parc, 94300 Vincennes – Francia	100	-
Dronas 2002, S.L.U. (c)	EY	Pol. Industrial Nordeste, c/ Energía 25-29. Sant Andreu de la Barca	100	-
Logista Pharma Gran Canaria, S.A.U. (c)	EY	Urbanización El Cebadal. C/ Entrerríos, 3. Las Palmas de Gran Canaria	100	-
Logista Pharma, S.A.U. (f)	EY	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés	100	-
Be to be pharma, S.L.U. (f)	Non audited	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés	-	100
Logista Italia, S.p.A. (a)	EY	Vía Valadier, 37. Roma (Italia)	100	-
Terzia, S.p.A. (b)	EY	Vía Valadier, 37. Roma (Italia)	-	100
Logista Transportes, Transitarios e Pharma, Lda. (d)	EY	Expansao del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)	-	100
Compañía de Distribución Integral Logista Polska, Sp z.o.o. (a)	EY	Al. Jerozolimskie 96. Warszawa. Polonia	100	-
Logista France, S.A.S. (a)	PwC	27 avenue des Murs du Parc, 94300 Vincennes – Francia	100	-
Société Allumetière Française, S.A.S. (b)	Deloitte	27 avenue des Murs du Parc, 94300 Vincennes – Francia	-	100
Speedlink Worldwide Express B.V.	Non audited	The Hub, Fowler Avenue Farnborough, GU14 7JF	-	70
24 Hours B.V.	Non audited	The Hub, Fowler Avenue Farnborough, GU14 7J	-	70
German-Ex B.V.	Non audited	The Hub, Fowler Avenue Farnborough, GU14 7J	-	70
Logista Payments, S.L.U. (g)	Non audited	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés	100	-
Logista Regional de Publicaciones, S.A.U. (a)	EY	Avenida de Europa, 2 Edificio Alcor Plaza, Ala Este, Planta 4ª, Modulo 3, Alcorcón	-	100

(a) All these companies engage in the distribution and dissemination of publications or the distribution of tobacco and other consumer products in Spain, Italy, France and Portugal.
(b) These companies engage in the purchase and sale of consumer products.
(c) The Dronas Group engages in integrated shipping, express shipping and pharmaceutical logistics.
(d) These companies' object is the performance of transport activities.
(e) This company is specialised in software development for the management of points of sale for publications.
(f) Companies specialising in the distribution of products from pharmacies and related.
(g) Company created in 2020 with the corporate purpose of sending money.

2021

Company	Audit Firm	Location	%of Ownership By the Parent Company	
			Direct	Indirect
Compañía de Distribución Integral Logista, S.A.U. (a)	EY	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés	100	-
Compañía de Distribución Integral de Publicaciones Logista, S.L.U. (a)	EY	Avenida de Europa, 2 Edificio Alcor Plaza, Ala Este, Planta 4ª, Modulo 3, Alcorcón	100	-
Publicaciones y Libros, S.A.U. (a)	EY	Avenida de Europa, 2 Edificio Alcor Plaza, Ala Este, Planta 4ª, Modulo 3, Alcorcón	-	100
Distribuidora del Noroeste, S.L. (a)	EY	Gandarón, 34 Interior- Vigo	49	51
Distribución de Publicaciones Siglo XXI Guadalajara, S.L. (a)	Non audited	C/ Francisco Medina y Mendoza 2. Cabanillas del Campo (Guadalajara)	-	80
Distribuidora de Publicaciones del Sur, S.L. (a)	EY	Polígono Ind. ZAL, Ctra. De las Esclusas/n, Parcela 2, Módulo 4 (Sevilla)	-	50
Promotora Vascongada de Distribuciones, S.A. (a)	Non audited	C/Guipúzcoa 5. Polígono Industrial Lezama Leguizamón, Echevarri (Vizcaya)	-	100
Distribuidora de las Rías, S.A.U (a)	Non audited	Polígono PO.CO.MA.CO, Parcela D-28. La Coruña	-	100
Distribuidora Valenciana de Ediciones, S.A. (a)	EY	Polígono Industrial Vara de Quart. c/ Pedrapiquera, 5. Valencia	-	50
Cyberpoint, S.L.U. (e)	Non audited	Avenida de Europa, 2 Edificio Alcor Plaza, Ala Este, Planta 4ª, Modulo 3, Alcorcón	-	100
Distribuidora del Este, S.A.U. (a)	EY	Calle Félix Rodríguez de la Fuente, 11 Parque empresarial de Elche, Elche	-	100
S.A.U. Distribuidora de Ediciones (a)	EY	C/ B, Sector B Polígono Zona Franca. Barcelona	-	70
La Mancha 2000, S.A.U. (a)	EY	Avda. de la Veguilla, 12-A. Cabanillas del Campo	100	-
Midsid - Sociedade Portuguesa de Distribuiçao, S.A. (a)	EY	Expansao del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)	-	100
Logista-Dis, S.A.U. (b)	EY	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés	100	-
Logesta Gestión de Transporte, S.A.U. (d)	EY	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés	100	-
Logesta Italia, s.r.l.(d)	EY	Via Valadier. 37 Roma (Italia)	-	100
Logesta Lusa Lda (d)	Non audited	Expansao del 60rea ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)	-	100
Logesta Polska Sp. z.o.o. (a)	EY	Al.Jerozolimskie, 96, Warszawa (Polonia)	49	51
Logesta Deutschland Gmbh (a)	Non audited	Unsöldstrabe,2 , 20538, München (Alemania)	-	100
Logesta France, s.a.r.l.(d)	EY	27 avenue des Murs du Parc, 94300 Vincennes – Francia	100	-
Dronas 2002, S.L.U. (c)	EY	Pol. Industrial Nordeste, c/ Energía 25-29. Sant Andreu de la Barca	100	-
Logista Pharma Gran Canaria, S.A.U. (c)	EY	Urbanización El Cebadal. C/ Entrerríos, 3. Las Palmas de Gran Canaria	100	-
Logista Pharma, S.A.U. (f)	EY	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés	100	-
Be to be pharma, S.L.U. (f)	Non audited	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés	-	100
Logista Italia, S.p.A. (a)	EY	Vía Valadier, 37. Roma (Italia)	100	-
Terzia, S.p.A. (b)	EY	Vía Valadier, 37. Roma (Italia)	-	100
Logista Transportes, Transitarios e Pharma, Lda. (d)	EY	Expansao del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)	-	100
Compañía de Distribución Integral Logista Polska, Sp z.o.o. (a)	EY	Al. Jerozolimskie 96. Warszawa. Polonia	100	-
Logista France, S.A.S. (a)	PwC	27 avenue des Murs du Parc, 94300 Vincennes – Francia	100	-
Société Allumetière Française, S.A.S. (b)	Deloitte	27 avenue des Murs du Parc, 94300 Vincennes – Francia	-	100
Supergroup, S.A.S. (b)	EY	27 avenue des Murs du Parc, 94300 Vincennes – Francia	-	100
Logista Payments, S.L.U. (g)	Non audited	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés	100	-
Logista Regional de Publicaciones, S.A.U. (a)	Non audited	Avenida de Europa, 2 Edificio Alcor Plaza, Ala Este, Planta 4ª, Modulo 3, Alcorcón	-	100

(a) All these companies engage in the distribution and dissemination of publications or the distribution of tobacco and other consumer products in Spain, Italy, France and Portugal.
(b) These companies engage in the purchase and sale of consumer products.
(c) The Dronas Group engages in integrated shipping, express shipping and pharmaceutical logistics.
(d) These companies' object is the performance of transport activities.
(e) This company is specialised in software development for the management of points of sale for publications.
(f) Companies specialising in the distribution of products from pharmacies and related.
(g) Company created in 2020 with the corporate purpose of sending money.

Appendix II

Logista Group Associates

The companies detailed below were accounted for using the equity method:

2022

Company	Audit Firm	Location	Activity	%of Ownership By the Parent Company	
				Direct	Indirect
Logista Libros, S.L.	EY	Avda Castilla La Mancha, 2, Nave 3-4 Polígono Ind La Quinta (Sector P-41) Cabanillas del Campo, Guadalajara	Distribution and dissemination of publications	-	50

2021

Company	Audit Firm	Location	Activity	%of Ownership By the Parent Company	
				Direct	Indirect
Logista Libros, S.L.	EY	Avda Castilla La Mancha, 2, Nave 3-4 Polígono Ind La Quinta (Sector P-41) Cabanillas del Campo, Guadalajara	Distribution and dissemination of publications	-	50

Compañía de Distribución Integral Logista Holdings, S.A.
And Subsidiaries

Consolidated Directors Report for
financial year ended
on September 30th 2022

COMPANY'S DESCRIPTION

Logista is one of the largest logistics operators in Southern Europe, specialising in distribution to local retail network.

We regularly serve almost 200,000 points of sale in Spain, France, Italy and Portugal, facilitating manufacturers with the best and fastest access to a wide array of convenience products, pharmaceutical products, electronic top-ups, books, publications, tobacco and lottery markets among others. We also offer international and domestic high value-add logistics services. Our operations in the Netherlands and Poland complete our catalogue of services.

We offer our clients innovation, sustainable growth and long-term value, tailoring our services to meet their specific and growing needs in a constantly changing world.

Organisation and structure

Logista's organisational structure is headed by the Chief Executive Officer and supported by a Management Committee.

The composition of the Management Committee is:

- three managing directors heading up each geographical area, to whom the heads of the business areas from each area report
- five corporate directors

The management of the accounting report is carried out following this primary segmentation by geography, with a secondary report, regarding Income and Economic Sales, by business lines.

Logista has four business lines: Tobacco and Related Products, Transport and Other.

- Tobacco and Related Products

Distribution of tobacco and other convenience products, including both tobacco and non-tobacco related products, to the tobacconist channels in Spain, France and Italy, and to the tobacco distribution channels in Portugal. In Spain and Italy, this also includes the distribution of convenience products to other local retail channels. It also includes logistic services in Poland.

- Transport

Through this business area, Logista provides transport services to its other businesses and to third parties, including management of full load and long-distance transport throughout Europe, and industrial and small parcel transport services in Spain and Portugal.

Courier transport services have been extended to other European countries after acquiring 70% of Speedlink Worldwide Express in Q2 FY2022 - a Dutch firm specialising in B2B time critical deliveries that are sent to or from Belgium and the Netherlands.

- Pharmaceutical distribution

Pharmaceutical product logistics and distribution services in Spain and Portugal.

- Other businesses

Publication distribution and logistics services in Spain.

The Group is composed of the **Compañía de Distribución Integral Logista Holdings, S.A**. whose head office is in Leganés, Madrid, and its direct and indirect subsidiaries. Details are as follows:

Compañía de Distribución Integral Logista Holdings, S.A.

- Compañía de Distribución Integral Logista S.A.U. (100%)
  - Logista Strator, S.L.U. (100%)
- Logista Pharma, S.A.U. (100%)
  - Be to Be Pharma, S.L.U (100%)
- Logista Pharma Canarias, S.A.U (100%)
- Dronas 2020, S.L.U. (100%)
- Logista-Dis, S.A.U. (100%)
- Logista Libros, S.L. (50%)
- La Mancha 2000, S.A.U. (100%)
- Logesta Gestión de Transporte, S.A.U. (100%)
  - Logesta Italia, SRL (100%)
  - Logesta France,SARL (50%)
  - Logesta Deutschland Gmbh (100%)
  - Logesta Lusa, Lda. (51%)
  - Logesta Polska, sp. z o.o. (51%)
- Compañía de Distribución Integral de Publicaciones Logista, S.L.U. (100%)
  - Logista Regional de Publicaciones, S.A.U. (100%)
  - Distribuidora Valenciana de Ediciones, S.A. (50%)
  - Distribuidora de Publicaciones del Sur, S.L. (50%)
  - Distribuidora de Aragón, S.L. (5%)
  - Sociedad Anónima Distribuidora de Ediciones (70%)
  - Publicaciones y Libros, S.A.U. (100%)
  - Distribución de Publicaciones Siglo XXI Guadalajara, S.L. (80%)
- Logista Payments, S.L.U. (100%)

- Logista France Holding S.A. (100%)
  - Logista Promotion et Transport SAS (100%)
    - ⁎ Logesta France, SARL (50%)
- Logista France SAS (100%)
  - Societé Allumetiére Francaise SAS (100%)
- Logista Italia, S.p.A. (100%)
  - Terzia, S.p.A. (100%)
- CDIL Companhia de Distribuiçao Integral Logista Portugal, S.A. (100%)
  - Midsid Sociedad Portuguesa de Distribuiçâo, S.A. (100%)
  - LTTP - Logista Transportes Transitários e Pharma, Unipessoal, Lda. (100%)
    - ⁎ Logesta Lusa, Lda. (49%)
- Logesta Polska sp. z o.o (49%)
- Compañía de Distribución Integral Logista Polska, sp. z o.o (100%)
- Logista Transport Europe B.V. (100%)
  - Speedlink Worldwide Express BV (70%)
  - 24 Hours BV (70%)
  - German-Ex BV (70%)

1. EVOLUTION OF LOGISTA (GROUP) DURING FISCAL YEAR 2022 AND GROUP SITUATION

Good results for the year:

- Business growth in a difficult geopolitical and macroeconomic scenario.
- Slightly higher operating margin, despite inflationary pressures.
- Capital gains from the sale of three non-operating assets.
- Negative impact of the Supergroup sale on Net Profit.

○ **Corporate transactions completed or announced during the period:**

- Acquisition of 70% of Speedlink Worldwide Express, a Dutch express courier company, on 16 February 2022.
- Announcement of an agreement to acquire 60% of Transportes El Mosca. This transaction was completed at the beginning of the 2023 financial year (28 October 2022).
- Announcement of the acquisition of 100% of Carbó Collbatallé S.L. This transaction was completed at the beginning of the 2023 financial year (1 October 2022).
- Sale of Supergroup, a French subsidiary carried as a held-for-sale asset at year-end 2021.

Financial highlights

Data in Million Euros	1 Oct. 2021 – 30 Sept. 2022	1 Oct. 2020 – 30 Sept. 2021	% variation
Revenue	11,464	10,817	+6.0%
Economic Sales[1]	1,235	1,180	+4.7%
Adjusted EBIT[1]	312	298	+5.0%
Economic Sales Margin[1]	25.3%	25.2%	+10 b.p.
Operating Profit	266	240	+10.9%
Net Profit	199	174	+14.3%

Estimated impact of COVID-19 on business performance and results

There were new waves of the pandemic in 2022 in the form of variants which, though in some cases more contagious than previous ones, had much milder effects. This, combined with a high vaccination rate and continued hygiene measures, helped to bring the situation in the countries where Logista operates virtually back to normal by the financial year-end.

Any adverse effects of COVID-19 on results that may have arisen during the financial year, as in the previous year, were offset thanks to cost cutting measures and by boosting activities in the business lines that have performed best since the start of the pandemic.

Business trend and income statement highlights for the year

The general context in which the current year unfolded was difficult due to a combination of various factors, the majority at the international level.

The post-pandemic economic recovery was accompanied by high global cost inflation from the start of the fiscal year, which had a significant impact on fuel and electricity prices in Europe. The conflict between Russia and Ukraine and the economic sanctions imposed on Russia by the international community exacerbated this trend.

In the face of persistent inflationary pressures and the monetary policy applied by the US Federal Reserve as from March, the European Central Bank decided to raise interest rates twice towards the end of the fiscal year, the second increase being the bank's largest ever.

This macroeconomic scenario, together with the intensification of the conflict in Ukraine and Russia's winter gas supply threats, fanned uncertainty as regards the pace of economic recovery in the coming months.

Despite all this, Logista's results were good and income statement highlights improved.

The Group's Revenue rose by 6% on the previous year thanks to growth across all businesses in Iberia and Italy, as well as in convenience product distribution in France.

Economic Sales[1] rose by 4.7% to €1,235 million due to improvements in all businesses in Iberia and Italy, as well as in the distribution of convenience products and e-commerce in France. Double-digit Economic Sales[1] growth was achieved in the convenience product distribution business in Italy and in some transport businesses.

Thanks to our business model and the cost containment measures routinely adopted by the Group, total operating costs[1] increased by 4.6%, despite the strong inflation trend observed during the year.

Adjusted EBIT[1] reached €312.4 million, up 5% on the previous year. The Adjusted EBIT margin on Economic Sales[1] was 25.3% v. 25.2% in 2021.

Changes in inventory values due to tax and tobacco price movements during the year had a positive net impact on results of around +€8 million, while the effect in 2021 was estimated at around +€5 million.

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[1] See appendix "Alternative Performance Measures"
"

Restructuring costs[1] were higher than the previous year at €10.9 million (€9.3 million in 2021).

Capital gains amounted to €14.3 million compared to €2.1 million in the previous year. They arose essentially on the sale of three non-operating assets in Spain.

EBIT rose by 10.9% to reach €266.4 million.

Net Financial Income fell slightly to €19.2 million as compared with €20.2 million in the previous year.

The tax rate was 26.2% v. 25.8% in the previous-year. In 2021 the effective tax rate was 26.8% but was cut in the income statement following the favourable ruling on tax litigation in Italy.

Net profits from continuing operations rose 9% up to €210.6 million, while a net loss of -€11.5 million was made from discontinued operations, as compared with a loss of -€19.1 million in the previous year due to the divestment of a subsidiary in France (Supergroup).

As a result, Net Profit climbed 14.3% up to €198.8 million.

Revenue trend (by segment and business)

Data in Million Euros	1 Oct. 2021 – 30 Sept. 2022	1 Oct. 2020 – 30 Sept. 2021	% variation
Iberia	**3,742.9**	**3,325.3**	**12.6%**
Tobacco and Related Products	3,251.1	2,875.6	13.1%
Transport	457.5	411.3	11.2%
Pharmaceutical Distribution	206.5	180.8	14.2%
Other Businesses	18.4	18.2	1.0%
Adjustments	(190.5)	(160.6)	(18.6)%
Italy	**4,000.8**	**3,556.1**	**12.5%**
Tobacco and Related Products	4,000.8	3,556.1	12.5%
France	**3,773.7**	**3,982.7**	**(5.2)%**
Tobacco and Related Products	3,773.7	3.982,7	(5.2)%
Adjustments	**(53.7)**	**(47.3)**	**(13.7)%**
Total Revenue	**11,463.6**	**10,816.8**	**6.0%**

Economic Sales[1] (by segment and business)

Data in Million Euros	1 Oct. 2021 – 30 Sept. 2022	1 Oct. 2020 – 30 Sept. 2021	% variation
Iberia	**692.1**	**634.3**	**9.1%**
Tobacco and Related Products	332.0	303.2	9.5%
Transport	318.1	290.5	9.5%
Pharmaceutical Distribution	90.3	83.2	8.6%
Other Businesses	17.6	17.4	1.6%
Adjustments	(65.9)	(60.0)	(9.9)%
Italy	**330.6**	**324.7**	**1.8%**
Tobacco and Related Products	330.6	324.7	1.8%
France	**216.5**	**225.3**	**(3.9)%**
Tobacco and Related Products	216.5	225.3	(3.9)%
Adjustments	**(4.0)**	**(4.8)**	**16.2%**
Total Economic Sales[1]	**1,235.2**	**1,179.5**	**4.7%**

Adjusted EBIT[1] trend (By Segment)

Data in Million Euros	1 Oct. 2021 – 30 Sept. 2022	1 Oct. 2020 – 30 Sept. 2021	% variation
Iberia	153.9	133.5	15.2%
Italy	101.2	98.5	2.8%
France	57.4	65.6	(12.5)%
Total Adjusted EBIT[1]	**312.4**	**297.5**	**5.0%**

[1] See appendix "Alternative Performance Measures"

Adjusted Operating Profit[1] (or, interchangeably, Adjusted EBIT[1]) is the main indicator employed by Group Management to analyse and measure business performance. This indicator is essentially calculated by discounting from EBIT costs that are not directly related to the Group's revenue in each period, which facilitates the analysis of trends in operating costs[1] and in the Group's margins. Set out below is the reconciliation of Adjusted EBIT[1] and EBIT for 2022 and 2021:

Data in Million Euros	1 Oct. 2021 – 30 Sept. 2022	1 Oct. 2020 – 30 Sept. 2021
Adjusted EBIT[1]	**312.4**	**297.5**
(-) Restructuring Costs[1]	(10.9)	(9.3)
(-) Amortisation of Assets from acquisitions	(52.7)	(52.2)
(+/-) Profit/(loss) on disposal and impairment	14.8	2.1
(+/-) Equity-accounted profit/(loss) and other	2.8	2.2
EBIT	**266.4**	**240.3**

1.1 Segment performance

1. Iberia: Spain, Portugal and Poland

Iberia Revenue totalled €3,743 million, having risen 12.6% against the previous year. Economic Sales[1] amounted to €692.1million, 9.1% above the €634.3 million recognised in 2021.

Revenue in the Tobacco and Related Products business line rose by 13.1%, due basically to the increase in prices and in tobacco volumes distributed.

Volumes distributed of cigarettes plus RYO and other (including heated tobacco units) in Iberia rose 4.4% against 2021, due primarily to the recovery of tourism in Spain, while figures in Portugal remained virtually the same as in the previous year.

From the start of the year, some tobacco manufacturers adjusted product selling prices, the most relevant being the €0.15 per packet price rise applied to certain products, while tobacco excise duties remained unchanged. This all had a positive impact on results since the value of inventories increased by around €8 million. This effect amounted to around €2 million in the previous year.

In 2022, Logista Polska opened a new bonded warehouse for a tobacco industry customer in the interests of operational flexibility. Business in Poland performed well during the year.

Revenues from convenience product distribution grew double-digit, with positive trends in distribution to tobacconists, new customers taken on in the previous year in new channels, distribution to service stations for existing customers and new customers (medium-sized international oil companies).

Economic Sales[1] of Tobacco and Related Products in Iberia rose by 9.5% on the previous year to reach €332 million thanks to the increase in tobacco volumes distributed, value-added services billed to tobacco manufacturers and growth in Economic Sales[1] of convenience products distributed in Iberia.

In mid-March of the current year, a part of the transport industry in Spain, mainly self-employed workers, went on strike for three weeks to demand public assistance in the face of rising fuel prices. This stoppage did not have a material impact on the Group's results and scarcely affected Logista Freight's business, although it did have a temporary minor effect on the activities of Logista Parcel and Nacex. This adverse impact was offset at the start of the third quarter, allowing a return to growth in Revenue and Economic Sales[1] in the Transport sector.

Revenue from the Transport business line grew by 11.2% up to €457.5 million, while Economic Sales[1] rose by 9.5% to €318.1 million.

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[1] See appendix "Alternative Performance Measures"

Nacex's Economic Sales[1] grew double-digit during the year.

In the Spain and Portugal business, growth in deliveries and rate rises in the B2B business line offset the impact of the reduction in the number of B2C e-commerce deliveries following the significant increase in the previous year. The addition of the Netherlands business boosted growth in Economic Sales[1].

On 16 February 2022, Logista announced the acquisition of 70% of Speedlink Worldwide Express, a Dutch company specialising in B2B time-critical deliveries to or from Belgium and the Netherlands, as well as an agreement to acquire the remaining 30% in the coming three years. Approximately €19 million will be paid in cash for the 70% ownership interest, based on the achievement of the targets set at the agreement date.

This acquisition will facilitate Nacex's international expansion in the Netherlands, the country with the largest number of distribution centres in Europe, strengthen the services offered by Logista to medical/healthcare distribution customers and provide a platform for Logista's other businesses in the region.

In addition, the gradual recovery of the industrial parcel business (Logista Parcel) since the beginning of the year and the rate increases to reflect fuel prices led to high single-digit growth in Economics Sales[1] in the year. Deliveries performed well in both the pharmaceutical and food industries.

Revenue from long-distance transport (Logista Freight) grew double-digit, performing well in all sectors served. Economic Sales[1] also grew double-digit thanks to the increase in activities and to a larger proportion of high-value businesses.

Two agreements were announced during the year to acquire transport and logistics companies that are not included in consolidated results for the financial year since the transactions were not completed by 30 September 2022. These transactions are as follows:

On 17 June 2022, an agreement was announced to acquire Transportes El Mosca, a Spanish company specialising in goods transport and storage, transport of refrigerated or frozen goods and high-volume transport, primarily for the food industry. Transportes El Mosca also consolidated its position as a domestic and international sea freight company highly specialised in handling dry and temperature-controlled goods. This company reported sales of approximately €250 million in 2021, over 60% of which were made in the international arena, and proforma EBITDA amounting 26.6 million euros after making the adjustments to reflect the perimeter of the acquired assets and adjusted to IFRS 16 standard.

Through this acquisition, Logista increased its catalogue of value-added services thanks to complementary temperature-controlled service capabilities including the refrigerated container sea freight service to the Balearic and Canary Islands or international markets, and a grouping service focused on the horticulture sector in particular.

The agreement envisages the acquisition of a 60% ownership interest in the Transportes el Mosca group and the acquisition of the remaining 40% in the coming three years. Finally, in October 2022 the transaction was closed by paying an initial amount of 83.2 million euros plus an advance payment of 15 million euros whose final consolidation will depend on the fulfillment of future objectives. The total payment for the acquisition of said 60%, amounting to 98.2 million euros, has been fully paid with cash. The proforma net financial debt amounts to 32.7 million euros.

On 23 September 2022, the acquisition of 100% of Carbó Collbatallé S.L., a Spanish company specialising in cold chain transport and logistics for the food industry, was announced. This company recorded consolidated sales of approximately €47 million and EBITDA of close to €11 million in 2021. The purchase price of the 100% ownership interest is €51 million. The acquisition was completed at the start of the 2023 financial year.

[1] See appendix "Alternative Performance Measures"

This deal will help to bolster Logista's position in the temperature-controlled transport sector in Spain and complement existing capabilities with a range of frozen goods services for the food industry.

Revenue from Pharmaceutical Distribution rose 14.2% up to €206.5 million and Economic Sales[1] climbed 8.6% to €90.3 million.

The constant addition of new customers and the increase in business with current customers via new services allowed us to keep up double-digit growth in revenues, despite the fact that the improvement in the overall pandemic situation caused a significant fall in the volume of medical supplies managed, particularly medicines that are critical to combat COVID-19, compared to the previous year. The new business includes customers engaged in distributing products to pharmacies, COVID-19 self-tests to pharmacies and other healthcare centres, and vaccines during the third-shot campaign.

Logista Pharma continued to develop new services for customers, including:

- distributing medicines to patients' homes for hospital pharmaceutical and health centre services;

- distributing veterinary medicines, in view of the thriving pet industry and the legislative change that came into effect in January bringing in new requirements for the distribution of medicines for animal use. We increased and strengthened distribution services to veterinary clinics and, in particular, to pharmacies, which are expected to become increasingly involved in the medicines-for-animal-use market;

- managing logistics for cannabis-related products (raw and processed) for medicinal use, which require highly secure services.

Revenue from the distribution of publications (Other Businesses) grew slightly, as did related Economic Sales[1], by 1.6% to reach €17.6 million. Logista Publicaciones began to distribute for two new international publishers in the children's books sector during the year.

Total operating costs[1] climbed 7.5% in Iberia during the period.

Adjusted EBIT[1] totalled €153.9 million, having risen by 15.2% on 2021.

Restructuring costs[1] amounted to €3.1 million in the current year v. €0.9 million in the previous year. Capital gains on asset sales were higher than in 2021 (€15 million and €2.1 million, respectively), however. An asset depreciation charge of €0.5 million was recognised in the current year due to the Speedlink acquisition. Equity-accounted profits (Book distribution) of €2.8 million were also recognised, improving on the previous-year figure of €2.2 million. EBIT rose by 22.7% up to €168 million as compared with €136.9 million in the previous year.

2. Italy

Revenue in Italy rose by 12.5% to €4,001 million thanks to growth in revenue from the sale of convenience products and from the distribution of tobacco products and next-generation products compared to 2021.

Volumes distributed of cigarettes plus RYO and other (including heated tobacco units) climbed 3.3% on the previous year due to the sound performance of the new product categories, which offset the decline in cigarette volumes (-1.2%). Volumes distributed of heated tobacco units continue recording a very positive performance growing above 40%.

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[1] See appendix "Alternative Performance Measures"

There were changes in excise duties on traditional tobacco during the year due to the automatic annual update of excise duties that was implemented as of January 2022.Tobacco manufacturers did not make significant changes to retail prices of traditional tobacco products so as to pass on this tax update, although in some cases they did increase the price of heated tobacco products above the tax increase.

Overall, changes in prices and excise duties had an immaterial net impact in the current year, as compared to a positive net impact of between €4 million and €5 million on results for the previous year.

The solid performance in tobacco and next-generation product volumes distributed, in revenue from value-added services to manufacturers and in revenue from the sale of convenience products offset the impact of this year-on-year difference, leading to 1.8% growth in Economic Sales[1] in Italy up to €331 million.

In addition, double-digit growth in convenience products distributed in the current year and in Economic Sales[1] continued.

The strong pace of sales, despite the negative external factors, was possible thanks to two key drivers:

- our commercial offering was widened by adding new products/categories (for example, disposable electronic cigarettes and beverages by marketing new leading brands); and

- the sales force invigoration process helped to achieve sales targets and continue to grow the customer base.

In parallel, the launch of new services designed for manufacturers, as an evolution of our business model, allowed us to start expanding our activities into new proximity channels.

Total operating costs[1] in Italy increased by 1.4% against the previous year, so Adjusted EBIT[1] rose 2.8% to reach €101.2 million, as compared with €98.5 million in the previous year.

Restructuring costs[1] relating primarily to the distribution network reorganisation involving the closure of a warehouse in the south of Spain were below the previous-year figure (€6 million v. €6.8 million in 2021).

EBIT amounted to €95.2 million, 3.8% higher than the previous-year figure of €91.7 million.

3. France

Revenue fell by 5.2% to €3,774 million in France, due primarily to a decline in tobacco distribution revenue in relation to the same period of 2021.

Tobacco volumes distributed fell by 7.4% in the case of cigarettes plus RYO and others (including heated tobacco units) compared to the previous year due to a large extent to the increase in cross-border sales, this being the main reason for the decline in revenue, as there were no significant changes in tobacco prices, unlike the previous year, when prices climbed due to the latest of the tax increases scheduled by the French government so as to reach a price of €10 per pack of 20 cigarettes in 2020.

Movements in tobacco taxes and prices did not have a material impact during the year. However, in 2021 they did have an adverse impact on results of around €2 million.

Economic sales[1] in France fell 3.9% down to €216.5 million. Growth in the distribution of electronic transactions and convenience products partially offset the poor Economic Sales[1] from tobacco distribution.

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[1] See appendix "Alternative Performance Measures"

Performance in convenience product distribution varied depending on the categories in question. The increases in food and electronic cigarettes offset the falls in products more directly related to rolling tobacco (RYO) consumption.

Total operating costs[1] were down 0.3% in France, while Adjusted EBIT[1] fell by 12.5% to €57.4 million, as compared with €65.6 million in the previous year.

Restructuring costs[1] amounted to €1.8 million and €1.6 million in 2022 and 2021, respectively, and the same amortisation charge was recognised for the assets arising from the acquisition of the business in France, amounting to €52.2 million in both years, as well as capital losses of -€0.3 million and -€0.1 million, respectively. EBIT fell to €3.2 million, down from the previous-year figure of €11.7 million.

1.2 Net financial income/(expense)

The Group has a reciprocal credit line agreement with its majority shareholder (Imperial Brands Plc.), whereby cash surpluses are lent daily up to a limit of €2,600 million or the cash needed to meet payment obligations is received.

Interest accrues on balances under this agreement at the European Central Bank's reference rate plus a spread of 75 basis points.

The ECB's reference rate rose twice during the current year, so interest accruing to Logista on amounts borrowed by its majority shareholder was as follows:

- from 1 October 2021 to 26 July 2022, the reference rate remained at 0% and interest accrued at a rate of 0.75%;
- from 27 July 2022 to 13 September 2022, the reference rate rose to 0.5% and interest accrued at a rate of 1.25%;
- from 14 September 2022 to 30 September 2022, the reference rate rose to 1.25% and the interest rate increased to 2%.

The European Central Bank's reference rate remained at 0% and the interest accrued at a rate of 0.75% throughout the previous year.

Cash resources averaged €2,290 million during the current year, as compared to €2,310 million in the preceding year.

Financial income for the year amounted to €21.6 million, slightly below the 2021 figure of €21.9 million. In the previous year, besides the interest accruing on cash resources invested, financial income included interest received on the excess corporate income tax interim payments made in Spain in 2017 and 2018, based on a Constitutional Court judgement (€3.6 million).

Financial expenses for the year amounted to €2.4 million, above the previous-year figure of €1.7 million.

Net financial income/(expense) for the year therefore totalled €19.2 million, 5.1% down on the €20.2 million obtained in 2021.

1.3 Net Profit

Restructuring costs[1] recognised in the current year were above the previous year (€10.9 million v. €9.3 million). Capital gains were higher (€14.3 million) than in 2021 (€2.1 million), amply offsetting the fall in net financial income/(expense) and the rise in restructuring costs. This, together with the good business performance, led to a 9.6% increase in Pre-Tax Profit up to €285.6 million.

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[1] See appendix "Alternative Performance Measures"

The tax rate was 26.2% v. 25.8% in the previous year. In 2021, the effective tax rate was 26.8% but was reduced in the income statement to 25.8% due to the favourable ruling on tax litigation in Italy.

Profit from continuing operations for the year increased to €210.6 million, 9% up on the 2021 figure of €193.2 million.

The Company decided to classify Supergroup (the Group subsidiary engaged in distributing convenience products to points of sale other than tobacconists in France) as an "available-for-sale" asset at the fiscal year-end, so its results for the year and estimated restructuring costs (included in 2021) are reflected under discontinued operations from that point onwards. The results from discontinued operations amounting to -€11.5 million in 2022 and -€19.1 million in 2021.

On 2 February 2022, the sale of the company was completed. The impact on operating income from this business on results from discontinued operations up to date of sale was -€1.5 million. The remaining -€10 million reflects contributions made to restore the company's equity position prior to the sale.

Net profit, including continuing and discontinued operations, totalled €198.9 million, up 14.3% on the previous year.

Basic earnings per share amounted to €1.51 v. €1.32 in the previous year, the number of shares remaining the same. The Company held 877,939 treasury shares at 30 September 2022 (0.7% of share capital). Most of these shares were purchased to cover future commitments to deliver shares under long-term executive remuneration plans. The other shares secure the liquidity agreement entered into on 20 January 2021 with Banco Santander, S.A.

1.4 Cash Flows

The positive business performance during the year led to a 3.5% increase in earnings before interest, taxes, depreciation and amortisation (EBITDA) under IFRS 16, compared to the same period of the previous year. This increase and the funds obtained through the year's asset divestments almost entirely offset the following factors:

- rise in cash outflows due to restructuring processes, including the contribution to rebalance Supergroup's equity situation before it was sold;
- decrease in the contribution from net financial income/(expense); and
- growth in the amount of normalised taxes;

resulting in a 0.4% fall in normalised cash generated compared to the previous year (€259.1 million), at €258.1 million.

The change in working capital had a positive impact on cash generation for the current year, which contrasts with the negative effect of the decline in working capital in 2021 caused by the end of the temporary change in excise duty payment conditions that had been implemented in some countries. The refund of corporate income tax interim payments made in 2020 had a positive impact of €66.6 million on cash generation for the year. These two effects amply offset the cash outflow due to the Speedlink acquisition (€15.2 million).

Free cash flow generated at 30 September 2022 was positive, having reached €579.7 million. For information purposes, rent paid in 2022 and 2021 but not included in this free cash flow figure amounted to €33.6 million and €29.3 million, respectively.

1.5 Research and Development activities

Logista invested 3.4 million euros in R & D & i during the fiscal year 2022. These investments correspond to developments in commercial management processes and interrelation with clients acting in operations in the supply chain.

Treasury Shares

At September 30 2022, Logista held in its balance sheet 877,939 own-shares, representing the 0.7% of the share capital. Own-shares were acquired. mainly to meet the share distribution commitments resulting from the Company's incentives plans, as well as the liquidity agreement undersigned the 20 January 2021 with Santander Bank S.A

1.6 Average Payment Period To Suppliers

The average payment period for commercial purchases during fiscal year 2022 has been 35 days.

1.7 Dividend policy

At the Annual General Meeting, the Company's Board of Directors intends to propose distributing an additional dividend for the 2022 financial year of €126 million (€0.95 per share), payable during the first quarter of the 2023 calendar year.

On 20 July 2022, the Board of Directors also approved the payment of an interim dividend of €56.7 million (€0.43 per share) out of 2022 profits, which was paid on 24 August 2022.

The dividend for 2022 will therefore total €183 million (€1.38 per share), up 11% on the previous year (€1.24 per share).

1.8 Outlook

In view of the current market situation, Adjusted EBIT[1] at year-end 2023 is expected to grow above mid-single-digit over Adjusted EBIT[1] 2022, taking account of the foreseeable contribution from the businesses acquired, once they have been included in the consolidation scope.

In line with Logista's strategic plan, the essential focus of which is additional growth and diversification of the existing businesses, the Group continues to seek opportunities to acquire complementary and synergistic companies.

Logista will continue to prioritise the same dividend policy applied to date.

2. SHARE PRICE EVOLUTION

Logista share price amounted €18.7 at the end of fiscal year 2022 (September 30, 2022), so, Logista's market capitalization reached 2,475.8 million € at closing of fiscal year 2022.

During the fiscal year 2020, 72,300,906 shares were negotiated, reaching a rotation of the 54.5% of the total share capital. The daily average volume negotiated was 281,326 shares.

	1 Oct. 2021 – 30 Sept. 2022	**1 Oct. 2020– 30 Sept. 2021**
Market capitalization at the end of the period (€mill)	2,475.8	2,417.4
Revaluation (%)	+2.4%	+24.7%
Closing price (€)	18.7	18.2
Maximum price (€)	20.6	19.3
Minimum price (€)	15.0	14.0
Total negotiated volume (shares)	72,300,906	62,762,606
Average daily volume (shares)	281,326	244,173
Rotation (% of share capital)	54.5%	47.3%

[1] See appendix "Alternative Performance Measures"

3. NON FINANCIAL INFORMATION STATEMENT

The Non-Financial Information Statement, referred to in articles 262 of the Capital Companies Act and 49 of the Commercial Code, is presented in a separate report called 2022 Integrated Annual Report, consolidated of Compañía de Distribución Integral Logista Holdings, S.A. and its Subsidiaries corresponding to fiscal year 2022, in which it is expressly indicated that the information contained in said document is a part of Logista's consolidated Management Report.

That document has been verified by an independent verification service provider and is subject to the same approval, deposit and publication criteria as Logista's consolidated Management Report.

4. RISK EXPOSURE

The system of corporate Risk Management of Logista and its subsidiary companies is included in the Group's General Policy on Risk Management, approved on 21st July, 2020, and modified on 22nd September, 2021, as well as its procedure intend to introduce an integrated system of risk management designed as a tool to help Logista's Board of Directors and Management to optimise results, thereby increasing their capacity to create and maintain value.

This Policy specifies the obligatory actions that have to be taken to control and manage external and internal risks of whatever kind that could at any time affect the achievement of Logista's objectives. It also assigns responsibilities, defines the categories of risks and the appetite for risk, sets out measures by which to manage it and to monitor the system regularly so that it also enables resources to be allocated efficiently, ensures the reliability of financial and non-financial information, sets the standards in relation to transparency and good corporate governance and enlarges the range of available opportunities.

The categories or types of risk defined in this Policy include risks from the surroundings, business and financial risks, those connected with compliance with regulations, operational and technological risks, and risks to reputation. Included in the financial risks are fiscal risks deriving from Logista's operations.

Logista's General Policy on Internal Control, of 25th April, 2017, sets out the general framework for the control and management of the external and internal risks of whatever kind which, according to the Map of Risks in effect at any time, could affect the achievement of the Company's objectives.

The main non-financial risks and uncertainties faced by Logista, by category, are the following:

- Business environment risks: The evolution of the different activities is conditioned by the environment, by the political, social and/or macroeconomic conditions at a global and local level, in the countries where Logista is present. Aspects such as inflationary pressures, supply chain disruptions and a negative performance of the main macroeconomic indicators affect how Logista's businesses perform, subjecting them to new regulations, rising costs, changes in consumer habits and even events such as sector specific or general strikes, all of which impact on the Company's operations and/or its need to restructure.

- Business risks: Risks inherent in the successful expansion of Logista's different businesses – to offset a possible faster rate of decline in the tobacco market – together with a misalignment with the market with regard to sustainability policies. In this regard, there is a risk associated with market liberalisation in the tobacco markets where Logista operates within the context of a state retail monopoly for these products, and the impact this could have on results if the Company fails to implement certain measures that have already been identified.

- Operational and technological risks: Damage to systems as a result of deliberate attacks by third parties, as the Group is exposed to threats and vulnerabilities due to the habitual use of information technologies and systems in the development of its activities, which may jeopardize the protection of information and continuity of the systems, including compromising the privacy and integrity of the information, or suffering data theft or fraud. On the other hand, Logista is also exposed to the risk of tobacco theft in facilities and during transportation, as well as those related to large-scale events, in the event that the planned contingency plans are not sufficient. Finally, there is a growing concern on the part of Logista, and of the stakeholders in relation to the impact and consequence of climate change. In this sense, there is therefore a risk of not being able to fulfill Logista's commitment to developing good practices in quality and the environment in order to minimize the environmental impact derived from its activity, optimize the use of resources and prevent pollution in business processes, in accordance with strict regulatory compliance (reduction of the carbon footprint, use of renewable energies, waste management, collaboration with environmental organizations and institutions, and energy efficiency standards).

- Risks connected with compliance with regulations: as Businesses are subject to compliance with numerous general and sectoral laws and regulations, of different scope, are exposed, on the one hand, to the possibility of occasional non-compliance and its corresponding penalty or legal action, and on the other hand, to higher costs for the monitoring of compliance. In addition, those which could arise in the ordinary course of business when Logista is involved in lawsuits of any kind, whether as plaintiff or defendant, with outcomes which are, *a priori*, uncertain.

Moreover, from the financial perspective, Logista's main financial assets are balances of cash and cash equivalents, trade debtors and other accounts receivable, and Logista's financial investments, which represent its maximum exposure to financial risk. The principal financial and climate change risks which the Group has to face can therefore be summarised as:

- One of the basic objectives of the Logista's Financial Management is to maintain the value of the Group's assets in all the business units and countries in which it operates by analysing and preventing risks and optimising the management of the main incidents, taking out external insurance cover when this is considered appropriate. Moreover, there is a risk of impairment of the fair value of the assets, connected with the high recorded amounts of goodwill, as Logista has a large number of assets and investments for which impairment tests have to be performed in accordance with the International Accounting Standards.

- With regard to the credit risk, Logista generally has its liquid and other equivalent assets deposited in entities with high credit ratings. Moreover, Logista has a credit or counterparty risk exposure with Imperial Brands, by virtue of the signed agreements to transfer liquidity. Logista controls the risks of insolvency and default by fixing credit limits and strict time limits for collections; this commercial risk is shared among a large number of customers with short collection periods, the majority of Logista's customers being retailers. Thus the credit risk exposure to third parties outside is not very high, and whenever appropriate is covered by insurance policies to reduce the impact of any unpaid bills. Historically, the rates of default in all the geographical areas in which Logista operates are very low.

- With regard to the risk to liquidity, Logista maintains sufficient cash and its equivalents to make the necessary payments in its normal activities. If necessary, Logista has a number of credit lines available to it.

- Concerning exposure to the interest-rate risk, given the low level of financial indebtedness, the Management considers that any increase in interest rates would not have a significant impact on the attached consolidated annual accounts.

- Furthermore, the extent of exposure of the net equity and the profit & loss account to the effects of future changes in interest rates is not important, since the volume of the Logista's transactions in currencies other than the euro is not significant.

- Just as in any other wholesale business, the payment cycles for products bought from tobacco manufacturers and the collection cycles of the points of sale do not coincide. In addition, the Logista's payment of its taxes to the fiscal authorities is made in a cycle that is different from those of the manufacturers and the points of sale. When there is a change in the cycles for the payment of taxes, or when there is a substantial increase in taxes such as VAT or excise duties, there would be an adverse effect on the business, because there would be a worsening of the prospects for the Group's financial situation, operating profit and cash management.

- In relation to climate risks, Europe's leadership strategy towards climate neutrality in 2050 raises the initial commitment made in the Paris Agreement, which will require new regulation, affecting all activity sectors and companies. This strategy encompasses, among other objectives, the decarbonisation of the road transport sector. In addition, this will be complemented by an increasing restriction of vehicle access to cities. It is expected that these restrictions, until now specific and supported by local regulations, can be generalized in all cities, supported by a common regulatory framework.

  In this sense, the Group integrates the environmental perspective in the development of its strategy, and has committed to reducing the direct and indirect emissions generated by our activity by 30% and 54% by 2030 and 2050, respectively, taking as a reference the year 2013. These targets have been developed in line with the Paris Agreement, and have been scientifically validated and approved through the "Science Based Target" initiative.

  The initiatives carried out by the Group in the area of climate change have not entailed an accounting impact or a significant change in the estimates made by Management during the financial year. The useful life of the fixed assets, as well as signs of deterioration, are not considered to be affected given that an early replacement of the same is not foreseen, also taking into account that its transport operations are subcontracted, and represent more than 90% of all Logista emissions. At the date of these annual accounts, the Group does not have an implicit or contractual obligation that would give rise to an environmental provision.

Among the main objectives of the Logista's fiscal strategy, defined in its fiscal Policy, are the following:

- To minimize the fiscal risks associated with the operations and with the strategic decisions of each company so that the taxation is adapted to, and commensurate with, the operation of the Businesses, material and human resources, and business risks.

- To define the fiscal risks, to determine the aims and activities of Internal Control, and to set up a system of reporting on fiscal compliance and the maintenance of documentation, incorporated into the general framework of Internal Control.

In this regard, Logista, to fulfil its fiscal obligations, complies strictly with the applicable tax regulations, monitoring and supervising fulfilment of those fiscal obligations in a centralised manner, and relying on the collaboration of tax consultants and reputable law firms as a support in the presentation of tax returns and their subsequent settlement, in special transactions and, when necessary, in a legal defence of the Group's position.

From the fiscal point of view, the risks to which the Group is exposed are therefore the following:

- The principal activity of selling tobacco is subject to specific tax regulations which are complex because of the different geographical areas in which the Group operates. In this connection there are several disputes about fiscal matters which are awaiting a decision, and which require Logista to make value judgements in order to estimate the degree of probability of these liabilities materialising, this risk being provisioned in accordance with the opinion of the legal experts and the feasibility of passing the liabilities on to third parties.

- Under the current legislation, taxes cannot be considered as definitively settled until the declarations submitted have been inspected by the fiscal authorities or until the corresponding limitation period has elapsed. At present, some of the Logista's specific taxes from certain fiscal years are still subject to inspection.

With regard to the materialisation of the risks to which the Company has been exposed:

- Logista is affected by the complexity of the economic, political and social environment in the current world context, which is having a direct impact on the countries in which it has a presence, mainly in Spain, France, Portugal and Italy, the most visible consequence of which is it is the inflationary spiral, as well as, to a lesser extent, the delay in the reception of some supplies. In this sense, the rise in prices has a general impact, albeit partially mitigated, with an impact on road transport costs, to which is added the shortage of drivers, which, in practice, is another conditioning factor for prices.

- Typical operational risks in the normal course of business, and in particular, thefts of tobacco from premises and during transport: no impact on the results because the merchandise is insured.

- Liability for settlement in contentious fiscal proceedings when the ruling was against Logista: no significant impact on the results because such cases are provisioned, as are other lawsuits of a non-fiscal nature.

In both cases the control systems in place enabled both the impact of the materialised risk and the probability of its occurring to be reduced. In general, Logista´s systems of internal control and risk management have resulted in low levels of exposure to various risks, some of which had no adverse effect at all.

5. USE OF DERIVATIVE FINANCIAL INSTRUMENTS

No Group company uses derivative financial instruments.

6. SIGNIFICANT EVENTS FOR THE GROUP AFTER THE REPORTING PERIOD

In October 2022, once the suspensive conditions of the initial agreement have been met, the acquisition Carbó Collbatallé, S.L. was closed, by paying an initial amount of 51 million of euros.

Also in October 2022 the Group has finalized the acquisition of the 60% of Herinvemol, S.L. (Transportes El Mosca) (Note 2.8.5).

No significant events took place after the reporting period that could affect a significant impact on the accompanying consolidated financial accounts.

APPENDIX: ALTERNATIVE PERFORMANCE MEASURES

- **Economic Sales**: equivalent to Gross Profit; used interchangeably by Group Management to refer to the figure obtained by subtracting Raw materials and consumables from Revenue.

  Group management considers this figure to be a significant measure of the tariff revenue generated by distribution services that provides investors with a useful view of the Group's financial performance.

	Million €	
	1 Oct. 2021 – 30 Sep. 2022	**1 Oct. 2020 – 30 Sep. 2021**
Revenue	11,463.6	10,816.8
Raw materials and consumables	(10,228.4)	(9,637.3)
Gross Profit	**1,235.2**	**1,179.5**

- **Adjusted Operating Profit (Adjusted EBIT)**: This indicator is basically calculated by discounting from EBIT costs that are not directly related to the revenue obtained by the Group in each period. which facilitates the analysis of the Group's operating cost and margin trends.

  Adjusted Operating Profit (Adjusted EBIT) is the main indicator employed by Group Management to analyse and measure business performance.

	Million €	
	1 Oct. 2021 – 30 Sep. 2022	**1 Oct. 2020 – 30 Sep. 2021**
Adjusted EBIT	**312.4**	**297.5**
(-) Restructuring costs	(10.9)	(9.3)
(-) Amortisation of assets from acquisitions	(52.7)	(52.2)
(+/-) Profit/(loss) on disposal and impairment	14.8	2.1
(+/-) Equity-accounted profit/(loss) and other	2.8	2.2
EBIT	**266.4**	**240.3**

- **Adjusted EBIT Margin on Economic Sales:** calculated as Adjusted EBIT divided by Economic Sales (or, interchangeably, Gross Profit).

  This ratio is the main indicator employed by Group Management to analyse and measure the trend in profits obtained from the Group's ordinary business activities in a certain period.

	Million €		
	1 Oct. 2021 – 30 Sep. 2022	**1 Oct. 2020 – 30 Sep. 2021**	**% variation**
Economic Sales	1,235.2	1,179.5	4.7%
Adjusted EBIT	312.4	297.5	5.0%
Economic Sales Margin	**25.3%**	**25.2%**	**+10 b.p.**

- **Operating expenses**: these include the costs of logistics networks, commercial expenses, research expenses and head office expenses that are directly related to the revenues obtained by the Group in each period. It is the main figure used by the Group's Management to analyse and measure the performance of the costs structure. It does not include restructuring costs or amortisation of the assets derived from the acquisition of companies, because they are not directly related to the revenues obtained by the Group in each period.
  Operating costs of each segment do not include the expenses of the corporate center. However, the expenses of the corporate center are included in the total Group's operating costs in order to show the operating behaviour of each geographical area.

Reconciliation with Annual Accounts:

Million €	**1 Oct. 2021 – 30 Sep. 2022**	**1 Oct. 2020 – 30 Sep. 2021**
Logistics network costs	843.0	808.2
Commercial expenses	54.6	48.1
Research expenditure	1.9	2.5
Central office expenses	86.0	84.6
(-) Restructuring cost in operating expenses	(10.0)	(9.3)
(-) Amortisation of assets from acquisitions	(52.7)	(52.2)
Operating costs or expenses in management accounts	**922.8**	**882.0**

- **Non-recurring costs**: This term refers to costs which may be incurred in more than one period but are not continuous over time (unlike operating costs) and only affect the accounts at a given moment.

  This figure helps Group Management to analyse and measure the Group's business trends during each period.

- **Recurring operating costs**: This term refers to costs incurred on a continuous basis that allow the Group's business to continue and are estimated as total operating costs less the non-recurring costs defined in the previous point.

  This figure helps Group Management to analyse and measure the Group's business efficiency.

- **Restructuring costs**: costs incurred by the Group to enhance operational. administrative or commercial efficiency in the organisation. including those related to reorganisation. lay-offs and the closure or transfer of warehouses or other facilities.

- **Non-recurring results:** this refers to results for the year that are not obtained continuously during the year and affect the accounts at a given time. They are included in EBIT.

ANNEX I TEMPLATE
ANNUAL REPORT ON DIRECTORS REMUNERATION OF LISTED COMPANIES

ISSUER IDENTIFICATION DETAILS

YEAR END-DATE **30/09/2022**

TAX ID (CIF) A-87008579

Company name:

COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A.

Registered Office:

C/ TRIGO 39 – Polígono Industrial Polvoranca – 28914 Leganés (Madrid)

ANNUAL REPORT ON DIRECTORS REMUNERATION OF LISTED COMPANIES

A REMUNERATION POLICY OF THE COMPANY FOR THE CURRENT FINANCIAL YEAR

A.1.1 Explain the current Director remuneration policy applicable to the year in progress. To the extent that it is relevant, certain information may be included in relation to the remuneration policy approved by the General Shareholders' Meeting, provided that these references are clear, specific and concrete.

Such specific determinations for the current year as the board may have made in accordance with the contracts signed with the executive Directors and with the remuneration policy approved by the General Shareholders' Meeting must be described, as regards Directors' remuneration both in their capacity as such and for executive functions carried out.

In any case, the following aspects must be reported, as a minimum:

a) Description of the procedures and company bodies involved in determining and approving the remuneration policy and its terms and conditions.
b) Indicate and, where applicable, explain whether comparable companies have been taken into account in order to establish the company's remuneration policy.
c) Information on whether any external advisors took part in this process and, if so, their identity.
d) Procedures contemplated in the current remuneration policy for directors to apply temporary exceptions to the policy, conditions under which these exceptions can be used and components that may be subject to exception according to the policy.

The General Meeting of Shareholders of Compañía de Distribución Integral Logista Holdings, S.A. (hereinafter, indistinctly, "the Company" or "the Business"), held on 3 February 2022, approved the **Remuneration Policy 2022-2024** (or "the Policy") which retains the main regulations as in the previous one, but adapted to the requirements of the new wording of art. 529 novodecies of the Capital Companies Act.

In setting out this Policy, the Board has taken into consideration the following general principles:

Competitiveness	By establishing a compensation framework that is aligned with best market practices and that is competitive in relation to other comparable companies, allowing attracting and retaining the best professionals.
Fairness and adequacy	Adequately compensate according to the professional career, experience, qualification, dedication and level of responsibility, without constituting an obstacle to their duty of loyalty and the independence of judgment of the directors in their capacity as such.
Non-discrimination ***("Equal Pay")***	Policies and practices ensure that criteria involving discrimination based on sex, age, culture, religion or race are not applied.
Transparency	The Company is committed to transparency and communication with all its stakeholders, including shareholders, employees and analysts, so that the Policy can be easily understood by all stakeholders.

This policy adopts sound remuneration practices, and distinguishes between remuneration received for non-executive and executive functions:

- **Non-executive functions**, the directors in their capacity as such receive fixed remuneration and per diem allowances, the possibility of share-based remuneration and any type of variable remuneration having been removed in the Articles of Association, according to best corporate governance practices.
- **Executive functions**: remuneration for executive functions includes:
    - fixed remuneration
    - short-term variable remuneration (annual) in cash
    - long-term variable remuneration (multiannual), in shares
    - Executive Directors also participate in a complementary social security system, linked to retirement and other contingencies, and other remuneration in kind, in line with that received by the Group's management team.

It should be noted that executive Directors receive remuneration for their membership of the Board of Directors besides the remuneration for executive functions.

The Remuneration Policy 2022-2024 was examined and reported on by the Appointments and Remuneration Committee at its meeting on 2 December 2021, prior to the Board agreeing to propose it to the General Shareholders' Meeting in February 2022, where it was finally approved. Given that this policy includes the principles validated in the previous policy, the company was advised by Garrigues on formulating it according to the new Law and its structure in a more up-to-date format.

Moreover, the remuneration for executive and non-executive functions for the financial year 2022-2023 was approved at the meeting of the Board of Directors of the Company on 3 November 2022, following an analysis by the Appointments and Remuneration Committee. At that meeting, the Board also set the annual and multi-annual variable remuneration targets for executive Directors for the financial year, as well as the consolidation and percentage of achievement of the variable remuneration for the previous financial year.

The current Remuneration Policy contains two exceptions to the components of the policy:

- the option to increase the percentage of the short-term variable for executive Directors, subject to the approval of the Board of Directors
- two extraordinary payments to the Secretary Director based on fulfilling long-term objectives, which are included in her contract and cannot be consolidated.

There are no further possible exceptions to this policy.

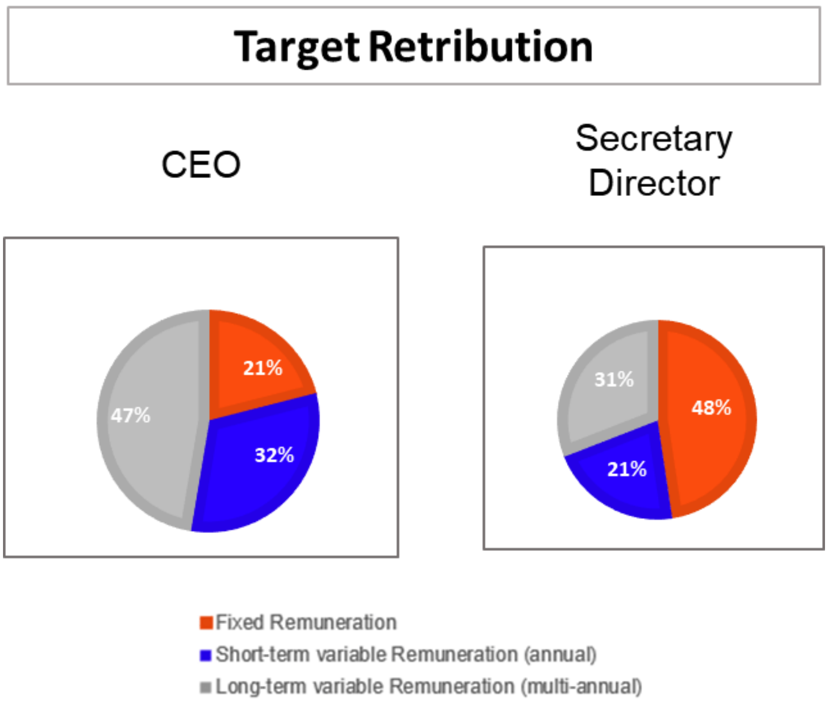
A1.2 Relative importance of variable remuneration items vis-à-vis fixed remuneration (remuneration mix) and the criteria and objectives taken into consideration in their determination and to ensure an appropriate balance between the fixed and variable components of the remuneration. In particular, indicate the actions taken by the company in relation to the remuneration system to reduce exposure to excessive risks and to align it with the long-term objectives, values and interests of the company, which will include, as the case may be, mention of the measures taken to ensure that the long-term results of the company are taken into account in the remuneration policy, the measures adopted in relation to those categories of personnel whose professional activities have a material impact on the risk profile of the company and measures in place to avoid conflicts of interest.

Furthermore, indicate whether the company has established any period for the accrual or consolidation of certain variable remuneration items, in cash, shares or other financial instruments, any deferral period in the payment of amounts or delivery of accrued and vested financial instruments, or whether any clause has been agreed reducing the deferred remuneration not yet vested or obliging the Director to return remuneration received, when such remuneration has been based on figures that have since been clearly shown to be inaccurate.

The Directors' Remuneration policy, regarding **their executive functions,** includes the following specific principles, besides those mentioned in the previous section:

Linkage to business strategy, interests and long-term sustainability	It will contribute to the business strategy and to the long-term interests and sustainability of the Company, in particular, creating value for the shareholder in a sustainable way over time.
Pay for performance	Establishing a direct link with the achievement of strategic objectives (financial and non-financial), concrete, quantifiable and aligned with the Business Plan, that focus on the creation of sustainable value. Setting a balanced compensation mix, with a significant weighting of the remuneration linked to results, in particular, in the long term.
Risk control	The variable remuneration is not guaranteed, so it is possible not to pay this component if certain objectives are not achieved and it is subject to certain adjustment mechanisms (malus and clawback clauses) that allow it to be sufficiently flexible. The weighting of fixed and variable elements in the compensation mix allows for adequate risk management.

According to these principles, a balanced and efficient relationship is established between the fixed and variable components of both Directors, the percentage of which has been set by bearing in mind the different executive functions performed by each.



The **greater weight of variable remuneration** in both schemes makes it possible to retain a competitive remuneration scheme that promotes achieving business and corporate objectives, while preventing excessive risk-taking.

Short-term fixed and variable remuneration is paid in cash, while multi-annual variable remuneration is structured around a mechanism of providing shares in the Company itself, which is deferred over three-year cycles.

The **variable remuneration objective** are set to boost the performance of the directors in strategic terms, guaranteeing the Company's long-term interests by making it profitable and sustainable:

Annual variable remuneration**:**	**Long-term variable** remuneration**:**
Addresses short-term operational, economic or financial objectives. The objectives set out in the individual Directors' appraisal include core sustainability objectives: workplace safety, diversity and the environment. These objectives are rolled out in the variable remuneration scheme for all management.	Besides financial objectives, it addresses objectives linked to creating shareholder value (comparative shareholder return) as well as environmental sustainability, thus specifically putting in place a long-term approach and linked to creating value in the Company.

The **reduction in risk exposure** has been structured around the following factors:

- Variable remuneration has been set out with minimum compliance criteria, so that, according to this premise, it is possible that executive Directors may not receive any sum for this item if these thresholds are not reached.
- The Board of Directors determines the degree of compliance with the operational objectives after the Company's annual accounts have been audited, which allows it to bear in mind, where applicable, any qualifications that may be made to reduce the amount of the variable remuneration. Likewise, the sustainability objectives have been linked to compliance with certain environmental sustainability objectives (reduction of quantified CO_2 emissions, inclusion and remaining on environmental sustainability indices).
- Setting for executive Directors a 3-year time horizon remuneration as part of their variable remuneration scheme, which is specifically designed to ensure that the assessment process considers long-term performance bearing in mind the Group's underlying business cycle. Shares accruing to executive Directors under these plans only vest 3 years after the launch of the relevant cycle and after the Board has determined the extent to which targets for each period have been met.

- The obligation to hold shares: to minimise exposure to the risk of long-term variable remuneration, executive Directors are required to hold a package of shares equivalent to 2 years' worth of annual fixed remuneration.
- Executive Directors' contracts contain "malus" clauses to cancel the payment of long-term variable remuneration, and clawback clauses as explained below.

A.1.3 Amount and nature of fixed components that are due to be accrued during the year by Directors in their capacity as such.

The directors' remuneration in their capacity as such consists of a **fixed** annual **remuneration** and **per diem allowances** per attendance at the relevant meetings.

The amounts of these items were set at the Board of Directors' meeting held on 3 November 2022, at the proposal of the Nomination and Remuneration Committee, which agreed to keep them unchanged from the previous year. These amounts are as follows:

Fixed monthly cash remuneration:	
Chairman of the Board	€30,600
Director	€5,100
Chairman of the Appointments and Remuneration Committee	€1,700
Chairman of the Audit and Control Committee	€1,700

Per diem allowances per attendance at meetings (per meeting):	
Board of Directors	€2,805
Appointments and Remuneration Committee	€1,020
Audit and Control Committee	€1,632

According to the recommendations of the CNMV's Code of Good Governance**, the directors in their capacity as such do not have** (i) **variable remuneration** systems paid in cash, shares or rights over shares, or instruments pegged to the value of the share (ii) **life insurance**, or (iii) long-term **savings systems** or other social welfare systems.

Proprietary directors waive the right to receive any remuneration as directors of the Company.

In the case of the Chairman of the Board and the Chairmen of the Committees, besides the remuneration corresponding to their status as directors, there is the remuneration set out for exercising these chairmanship functions.

The fixed remuneration for the current financial year will therefore be € 836,400. The remuneration to be accrued as per diem allowances will depend on the number of meetings of the various bodies of the Board that are in fact held.

As in previous years, when determining the amount of this remuneration, the Board has borne in mind (1) that it is **appropriate to market standards**, to which end the information contained in the CNMV Report on remuneration of directors of listed companies for 2021 has been consulted, and (2) that it is set according to the **positions** that the Director holds on the Board and its Committees.

A.1.4 Amount and nature of the fixed components that will accrue during the year for the performance of senior management functions by executive Directors.

The executive Directors receive a fixed remuneration, paid in cash, for performing their management duties at the Company. Such remuneration was set at the following amounts for 2023 (1 January to 31 December):

	Fixed salary 2022	% increase	Fixed salary 2023
Chief Executive Officer	828,240 euros	4%	861,370 euros
Secretary Director	239,286 euros	4%	248,857 euros

These amounts were set at the Board of Directors' meeting on 3 November 2022 as proposed by the Appointments and Remuneration Committee.

To determine this increase, the Board has taken into account the market information on salary increase forecasts provided by the main consulting firms in the field, Willis Towers Watson and Korn Ferry.

The fixed remuneration of executive Directors is set on a calendar year basis.

A.1.5 Amount and nature of any component of remuneration in kind that will accrue during the year, including, but not limited to, insurance premiums paid in favour of the Director.

Only executive Directors receive a package of remuneration in kind similar to that of the Company's management team. Specifically, executive Directors are beneficiaries of a life insurance. This package also includes medical insurance and a company car.

The Company has taken out and pays the global premium corresponding to a directors' and senior managers' public liability insurance policy covering all directors, both executive and non-executive. In this policy, the directors are considered insured parties, for the liabilities that may be demanded of them due to performing the activities inherent in their duties. In particular, both the contracts of the Chief Executive Officer and the Secretary Director require the Company to take out a public liability insurance policy. Since the public liability insurance is taken out on an overall basis, it is not possible to calculate the part of it that is attributable to the directors as remuneration in kind, but in any case its individual amount is not large.

A.1.6 Amount and nature of variable components, differentiating between those established in the short and long terms. Financial and non-financial, including social, environmental and climate change parameters selected to determine variable remuneration for the current year, explaining the extent to which these parameters are related to performance, both of the Director and of the company, and to its risk profile, and the methodology, necessary period and techniques envisaged to be able to determine the effective degree of compliance, at the end of the year, with the parameters used in the design of the variable remuneration, explaining the criteria and factors applied in regard to the time required and methods of verifying that the performance or any other conditions linked to the accrual and consolidation of each component of variable remuneration have effectively been met.

Indicate the range, in monetary terms, of the different variable components according to the degree of fulfilment of the objectives and parameters established, and whether any maximum monetary amounts exist in absolute terms.

Executive Directors receive both long and short-term variable remuneration. The metrics of this remuneration are made up of financial and non-financial criteria, in line with the company's short and long-term objectives.

The financial metrics are based on relevant indicators of Company performance and shareholder return; the latter is considered for the purposes of long-term remuneration. Non-financial metrics complement those aimed at ensuring the Company's sustainability and its commitment to key stakeholders, including employees, suppliers and customers.

Short-term Variable Remuneration (Annual)

The compliance targets, their weighting, and their target and maximum amounts for the Chief Executive Officer in this financial year are as follows:

Chief Executive Officer

			Weighting	Target Amount	Maximum amount
150% of the fixed remuneration	Business Objectives				
		Adjusted Ebit	60%	€ 775,232	€ 930,279
		Working Capital	15%	€ 193,808	€ 232,570
	Personal contribution		25%	€ 323,014	€ 323,014
	Total		100%	**€ 1,292,054**	**€ 1,485,863**

The compliance targets, their weighting, and their target and maximum amounts for the Secretary Director for this year are as follows:

Secretary Director

			Weighting	Target Amount	Maximum amount
45% of the fixed remuneration	Business Objectives				
		Adjusted Ebit	40%	€ 44,746	€ 53,695
		Working Capital	10%	€ 11,186	€ 13,424
	Personal contribution		50%	€ 55,932	€ 55,932
	Total		100%	**€ 111,864**	**€ 123,051**

Both directors have set maximum limits for an overachievement scenario that motivate and enhance the achievement of the Company's results, for which it is considered appropriate to incentivize extraordinary results.

It is important to underline that the Company continues to safeguard austerity and risk management, such that the limits on short-term variable remuneration have not been extended to 200% of fixed remuneration, which is common practice in listed companies.

The Board of Directors, at the proposal of the Appointments and Remuneration Committee, sets for each financial year the various objectives to be met, and the objective quantification of each of these objectives.

t is important to remark that the personal contribution includes parameters linked to sustainability, which for the current financial year are linked to the following areas: occupational safety (reduction of accidents at work), talent development, diversity (women in leadership positions and reduction of the wage gap) and the environment (increase in the number of kilometers driven by our fleet with low-emission vehicles).

Long-Term Variable Remuneration (Multi-annual)

Due to overlapping in time, the following Long-Term Incentive Plans remain in force during the 2022-2023 financial year:

- **Long-Term Incentive Plan 2020 (General and Special Plan)**: with a single consolidation period, consolidation in September 2023, which was agreed to be launched in October 2020.
- **Long-Term Incentive Plan 2021-2023**: with three consolidation cycles, the first of which was launched in October 2021 and accrues in September 2024.
- **Long-Term Incentive Plan 2021-2023 Second Consolidation period**, launched in October 2023 and accrues in September 2025.

Accordingly, during the current financial year, accrual of the General and Special 2020 Long-Term Incentive Plan will occur on 30 September 2023, and the invitation for the Second Consolidation period of the 21-23 Plan will be launched. Both executive Directors participate in both Plans.

The operation of these Long-Term Incentive Plans is based on the initial recognition of a number of potentially-consolidating shares, which are settled over 3 years, depending on the degree to which the objectives set are achieved.

The objectives and weights for the consolidation of the General and Special Incentive Plan 2020, as well as for the second cycle of the Long-Term Incentive Plan 2021-2023 are:

	Weighting
Adjusted EBIT	65%
Profitability Comparison with other companies*.	25%
Sustainability:	10%
CDP-List Kilometres travelled by the fleet with low-emission vehicles	
Total	100%

*When assessing the extent to which the objective of comparative profitability with respect to other companies has been met, the Board has determined the group of **comparable companies**, selected in the context of the Company's activities: from among its main customers and competitors with similar characteristics (BAT Plc., Deustche Post AG, ID Logistics, Imperial Brands Plc., JTI Inc., McKesson Corp., Philip Morris International, Inc. Stef, S.A., XPO Logistics). The share price's performance against certain relevant **stock market indices** is also borne in mind given the Company's characteristics (IBEX medium cap index, IBEX top dividend total return index).

The maximum number of shares to be received at the end of the Consolidation period of the **General Long-Term Incentive Plan** 2020 is equivalent to 100% of the amount of the annual variable remuneration accrued by each Director during the previous financial year (or 100% of the amount of the expected annual variable remuneration if he/she was not an executive Director in the previous financial year), divided by the weighted average price of the Company's shares in the thirty trading sessions prior to the recognition date. Regarding the **2020 Special Long-Term Incentive Plan**, this value is 75% of the fixed remuneration.

Accordingly, the **maximum number of actions** to be consolidated, subject to fulfilling each Plan's objectives, is

	General Plan 2020:	Special Plan 2020:
Chief Executive Officer	80,110	41,294
Secretary Director	4,977	3,166

For the **Second Consolidation period of the Long-Term Incentive Plan 2021-2023**, the number of shares to be recognised is:

a) Chief Executive Officer: 225% of the corresponding fixed remuneration, on which basis a percentage may be applied to encourage over-performance up to an initial incentive of 116.25%.
b) Secretary Director: 65% of the corresponding fixed remuneration, on which an incentive percentage of up to 116.25% may be applied to encourage over-compliance.

Accordingly, the **number of shares** potentially recognised in the Second Period of the 2021-2023 Incentive Plan for both Directors was decided by the Board of Directors on 3 November 2022 and is as follows:

	Second Consolidation period Plan 21-23
Chief Executive Officer	95,566
Secretary Director	7,976

As explained above, the determination of the degree of fulfilment of the objectives is not made until the duly audited annual accounts are available.

Likewise, as an element to minimise exposure to risk, the obligation for Executive Directors to maintain a package of shares of those delivered according to the long-term incentives equivalent to 2 years' annual fixed remuneration is foreseen.

Other variable remuneration

The Remuneration Policy 2022-2024 provides for, on an exceptional basis, and in view of the contractual conditions prior to her appointment as Secretary Director, two extraordinary cash payments being made to that Director, linked to fulfilling the objectives set out in the Long-Term Incentive Plans. Based on this extraordinary bonus, which may reach a maximum of 64,400 euros/year, the second and last payment thereof will be made this year, in December 2022, subject to the same degree of fulfilment of the objectives of the Long-Term Objectives Plans consolidated in September 2022. This extraordinary bonus is not consolidated.

A.1.7 Main characteristics of long-term savings schemes. Among other information, indicate the contingencies covered by the scheme, whether it is a defined contribution or a defined benefit scheme, the annual contribution that has to be made to defined contribution schemes, the benefits to which Directors are entitled in the case of defined benefit schemes, the consolidation conditions of the economic rights of Directors and their compatibility with any other type of payment or indemnification for early termination or dismissal, or deriving from the termination of the contractual relationship, in the terms provided, between the company and the Director.

Indicate whether the accrual or consolidation of any of the long-term savings' plans is linked to the attainment of certain objectives or parameters relating to the Director's short- or long-term performance.

The executive Directors participate in the Group's Employment Pension Plan (which is generally applicable to Group employees). This Plan is a set contribution plan and the monthly contributions made by the Company correspond to 6.9% of the regulatory salary (Base Salary of the Logista Collective Bargaining Agreement for Level III of the "Management" professional group).

Executive Directors also participate in the Directors' Social Welfare Plan, to which the Group makes contributions calculated on the basis of a percentage of approximately 10% of each executive Director's salary and annual short-term variable remuneration.

The Plans are not linked to achieving certain objectives, although the Executives' Welfare Plan bears in mind, for the purposes of Logista's contribution, the short-term variable remuneration earned in the previous year.

The contingencies covered are those of retirement, permanent disability and death, and moreover, those of general illness, in the case of the Executives' Welfare Plan.

The consolidated financial rights derived from both Plans are compatible with the compensation for termination or early retirement or that derived from the contractual relationship, since these plans are not compensation plans, but rather additional benefits that form part of the annual remuneration to which executive Directors are contractually entitled.

A.1.8 Any type of payment or indemnification for early termination or dismissal, or deriving from the termination of the contractual relationship, in the terms provided, between the company and the Director, whether at the company's or the Director's initiative, as well as any type of agreement reached, such as exclusivity, post-contractual non-competition, minimum contract term or loyalty, that entitles the Director to any kind of remuneration.

No compensation payments are envisaged for Directors if they are terminated from their functions, as such. Compensation payments are only envisaged in the event of termination in the exercise of the executive functions they perform, if any. In this respect, the **scheme applicable to executive Directors** is as follows:

Change of control clause	In the event of a change of control, executive Directors shall be entitled to a severance payment equivalent to one year's fixed and short-term variable remuneration.
Severance pay	The Chief Executive Officer and the Secretary are entitled to receive an indemnity if the relationship is terminated by unilateral decision of the Company without just cause equivalent to one year's fixed and short-term variable remuneration.
Compensation for a unilateral decision by the Director with just cause	Besides the event of a change of control, the Chief Executive Officer is entitled to an indemnity equal to one year's fixed and variable short-term remuneration if the company is in serious and culpable breach of its obligations, or if the Chief Executive Officer ceases to be the Company's sole Chief Executive Officer. As regards the Secretary Director, she is entitled to the same indemnity in the event of a serious breach by the Company of its obligations, including the loss of the position of Secretary Director or General Secretary-Legal Director.
Restrictive covenants	The Chief Executive Officer's contract includes a post-contractual restrictive covenant for 12 months. This covenant is remunerated, the compensation for the non-competition restriction being an annuity of fixed remuneration and short-term annual variable remuneration. As regards the Secretary Director, following her incorporation into the severance plan implemented by the Company ("Plan 60"), to which we shall refer below, she assumes a 12-month restrictive covenant, if her departure from the Company takes place within the framework of said plan.

Malus and claw back clauses	The executive Directors' contracts have malus clauses that allow the Company to cancel the payment of long-term variable remuneration, as well as clawback clauses to demand the return of both short and long-term remuneration already paid, in certain circumstances during the 2 years following their settlement and payment. These events are set out in the Remuneration Policy 2022-2024 and are as follows: - It shows that the settlement and payment of such remuneration has been made in whole or in part on the basis of information which is manifestly false or seriously inaccurate and subsequently proven to be false. - Material restatement with a material adverse impact on the financial statements when considered by the external auditors (except for changes in accounting standards). - Sanction of the executive Director for serious breach of the law or of the Code of Conduct and other applicable internal regulations, if the breach has seriously damaged the image and reputation of the Logista Group or its perception by the markets, customers, suppliers or regulators, among others.

At its meeting of 22 September 2021, the Board of Directors decided, under the previous Remuneration Policy, to implement a standard practice in the market, a **severance plan for the Company's senior management ("Plan 60"),** essential to contribute to scheduling orderly succession in key positions of the Company, while encouraging very long-term commitment on the part of these executives due to its incentivising nature. This plan helps to minimise the financial impact of terminations in the financial years in which they occur.

In designing this scheme, we were advised by two prestigious companies that have participated in designing the mechanism, namely Mercer Consulting S.L.U and J&A Garrigues S.L.P.

Plan 60 is addressed to members of senior management, who are invited on a case-by-case basis. The Board agreed to invite the Secretary Director, in her capacity as Secretary General and as a member of senior management. However, the Chief Executive Officer is not a beneficiary of this scheme.

To cover this extraordinary remuneration, the Company shall make annual contributions to a deferred life insurance policy, of which the Company itself is the policyholder and beneficiary, quantified at 20% of the Total Annual Remuneration (fixed remuneration plus annual variable remuneration target of 100%) of the Secretary Director. The Director's entitlement to receive the extraordinary remuneration, which includes the amounts contributed to that point and their financial return, arises when she leaves from the Company by mutual agreement after a certain age or in extraordinary circumstances of disability, permanent incapacity and similar. The receipt of such amounts shall be incompatible with the payment of any compensation that the director may be entitled to receive due to her relationship with the Company being terminated. The receipt of these amounts includes the acceptance of a contractual restrictive covenant for 12 months.

The contribution corresponding to the financial year 2023 to be made by the Company in this financial year shall be € 72,168,66, although the amounts contributed will only be accrued by said Director when the Contract is terminated according to the terms of the aforementioned Plan 60.

According to Recommendation 64 of the CNMV's Code of Good Governance of Listed Companies and the recommendations of the proxy advisors, the Secretary Director's contract includes the provision that the total amount of the guaranteed extraordinary remuneration shall not exceed the equivalent of two years' total annual remuneration of the Secretary Director at the time such remuneration is accrued.

Regarding the Chief Executive Officer, it should be noted that the amount of compensation he may receive if his contract is terminated is already contractually below this limit (one year's fixed and variable remuneration in the short term in all cases of termination, plus one year's fixed and variable annual remuneration for restrictive covenants).

A.1.9 Indicate the conditions that contracts of executive Directors performing senior management functions must contain. Among other things, information must be provided on the duration, limits on amounts of indemnification, minimum contract term clauses, notice periods and payment in lieu of these notice periods, and any other clauses relating to signing bonuses, as well as compensation or golden parachute clauses for early termination of the contractual relationship between the company and the executive Director. Include, among others, the pacts or agreement on non-competition, exclusivity, minimum contract terms and loyalty, and post-contractual non-competition, unless these have been explained in the previous section.

Besides what is explained in the foregoing section, the content of the contractual clauses was reviewed by the Board of Directors in the financial year 2019-2020 to bring them in line with best market practices when new executive Directors join.

The duration of the executive Directors' contracts is indefinite and includes no performance clauses.

The notice clauses are as follows:

Chief Executive Officer	Secretary Director:
• By voluntary unilateral decision of the Chief Executive Officer: at least 12 months' notice, with the obligation to pay the Company, in the event of breach of this period, compensation equivalent to one year's fixed and short-term variable remuneration corresponding to the notice period not worked. • By unilateral decision without just cause by the Company: minimum 12 months' notice, with the obligation to pay the CEO, in the event of breach of this period, compensation equivalent to one year's fixed and short-term variable remuneration corresponding to the notice period not worked.	• By voluntary unilateral decision of the Secretary: at least 3 months' notice, with the obligation to pay the Company, in the event of breach of this period, compensation equivalent to one year's fixed and short-term variable remuneration corresponding to the notice period not worked. • By unilateral decision without just cause by the Company: at least 3 months' notice, with the obligation to pay the CEO, in the event of breach of this period, compensation equivalent to one year's fixed and short-term variable remuneration corresponding to the notice period not worked.

The contracts of both executive Directors include "Gardening leave" clauses, according to which, should the Director notify the Company of his/her desire to terminate the contractual relationship by unilateral decision of the executive Director, the Company may agree to terminate the Director's duties and require him/her to cease rendering services, in which case he/she shall remain on paid leave until the termination.

A.1.10 The nature and estimated amount of any other supplementary remuneration that will be accrued by Directors in the current year in consideration for services rendered other than those inherent in their position.

As of the date this report was issued, there was no additional remuneration accrued to Directors for services rendered other than those inherent in their post.

A.1.11 Other items of remuneration such as any deriving from the company's granting the Director advances, loans or guarantees or any other remuneration.

As of the date this report was issued, no advances, loans or guarantees had been granted to any Director.

A.1.12 The nature and estimated amount of any other planned supplementary remuneration to be accrued by Directors in the current year that is not included in the foregoing sections, whether paid by the company or by another group company.

At the date of issue of this report, there is no other additional remuneration that is not included in the above sections.

A. 2 Explain any significant change in the remuneration policy applicable in the current year resulting from:

a) A new policy or an amendment to the policy already approved by the General Meeting.

b) Significant changes in the specific determinations established by the board for the current year regarding the remuneration policy in force with respect to those applied in the previous year.

c) Proposals that the Board of Directors has agreed to submit to the general shareholders' meeting to which this annual report will be submitted and for which it is proposed that they be applicable to the current year.

No changes to the current policy, Remuneration Policy 22-24, are expected in the current financial year.

A.3 Identify the direct link to the document containing the company's current remuneration policy, which must be available on the company's website.

The direct link to the document published on the Company's website, which contains the Remuneration Policy 2022-2024 for the financial year, is as follows Corporate Policies (logista.com):

A.4 Explain, taking into account the data provided in Section B.4, how account has been taken of the voting of shareholders at the General Shareholders' Meeting to which the annual report on remuneration for the previous year was submitted on a consultative.

96,79% of shareholders supported the Remuneration Report for the 2020-2021 financial year. In response to this vote and the recommendations of the proxy advisors, in this report, following the analysis conducted by the Appointments and Remuneration Committee, the Board has focused its efforts on increasing the transparency and clarity of the information presented, systematizing the information in the various sections to clearly differentiate the aspects concerning the application of the Remuneration Policy in the current financial year (2022-2024) from its application in the financial year ended (2021-2022), and to provide additional data and complementary explanations that would give a better understanding of the application of the Remuneration Policy of the Company's Directors.

Thus, data have been provided on the targets applied to determine the amounts to be received by executive Directors under the short- and long-term variable remuneration scheme, as well as further explanations of the objectives pursued in setting the limits for annual variable remuneration.

Likewise, bearing in mind Recommendation 64 of the CNMV's Code of Good Governance for listed companies and the reflections of the proxy advisors regarding compensation, it has decided to improve the explanations of the compensation set for the Chief Executive Officer and the Secretary Director, which in no case may exceed the equivalent of two years' total annual remuneration.

B OVERALL SUMMARY OF HOW REMUNERATION POLICY WAS APPLIED DURING THE YEAR LAST ENDED

B.1.1 Explain the process followed to apply the remuneration policy and determine the individual remuneration contained in Section C of this report. This information will include the role played by the remuneration committee, the decisions taken by the Board of Directors and the identity and role of any external advisors whose services may have been used in the process of applying the remuneration policy in the year last ended.

As stated in section A, during the financial year 2021-2022, the Remuneration Policy 2022-2024 was submitted to the General Shareholders' Meeting for approval, due to its having been necessarily adapted to the regulations set out in Law 5/2021, amending art. 529 novodecies of the Capital Companies Act.

The new policy incorporates all regulations already in the previous policy and seeks to provide greater detail in the remuneration of Directors and Executive Directors. In carrying out these tasks, the Company has been assisted by J&A Garrigues S.L.P.

The individual remuneration of the Directors in their capacity as such was approved at the Board meeting on 04 November 2021, at which it was agreed to continue with the sums received until then unchanged. This decision was preceded by a meeting of the Appointments and Remuneration Committee.

At the same meeting, it was agreed to update the fixed remuneration of the executive Directors for performing executive duties, as well as settling their variable remuneration for the previous year. This settlement was therefore made when the annual accounts for the 2020-2021 financial year were drawn up; they contained no qualifications by the external auditor.

B.1.2. Explain any deviation from the established procedure for the application of the remuneration policy that has occurred during the financial year

There have been no deviations from the procedure set out in the previous financial year.

B.1.3 Indicate whether any temporary exceptions to the remuneration policy have been applied and, if applied, explain the exceptional circumstances that led to the application of these exceptions, the specific components of the remuneration policy affected, and the reasons why the company considers that those exceptions have been necessary to serve the long-term interests and sustainability of the company as a whole or to ensure its viability. Please also quantify the impact that the application of these exceptions has had on the remuneration of each director in the year.

There were no temporary exceptions to the remuneration policy during the financial year.

B. 2 Explain the different actions taken by the company in relation to the remuneration system and how they have contributed to reducing exposure to excessive risks and aligning it with the long-term objectives, values and interests of the company, including a reference to the measures adopted to ensure that the long-term results of the company have been taken into consideration in the remuneration accrued and that an appropriate balance has been attained between the fixed and variable components of the remuneration, the measures adopted in relation to those categories of personnel whose professional activities have a material effect on the company's risk profile and the measures in place to avoid any possible conflicts of interest.

The Board of Directors and the Appointments and Remuneration Committee have followed a **formal and transparent procedure** for both proposing the design of the Remuneration Policy and establishing the remuneration packages for directors according to the regulations and principles set out therein.

The remuneration policy approved by the General Meeting of Shareholders was therefore rigorously applied during the financial year ended. There were no deviations in the procedure for applying this policy and the maximum limits set out therein were not exceeded.

No executive Director was involved in decisions regarding his or her own remuneration.

Regarding remuneration for the exercise of non-executive functions, setting fixed remuneration and per diem allowances, without including any variable or over-incentivised item for all Directors is considered an effective instrument to reduce exposure to excessive risks.

Regarding the exercise of executive functions, as explained in section A above, the measures taken to eliminate excessive risk-taking are linked:

- the specific business objectives set, which were only assessed after the annual accounts had been drawn up and audited,
- the existence of malus and clawback clauses,
- and setting out a long-term remuneration plan, which includes both operational financial objectives and objectives for creating shareholder value and sustainability with a long-term time horizon, adjusted to the Company's economic cycles. This is complemented by the obligation that executive Directors must hold a number of the shares delivered under the various remuneration plans equivalent to two years' worth of their annual fixed remuneration.

The variable remuneration of the current executive Directors was determined once the audited accounts of the Company were made available to the Board of Directors.

B.3 Explain how the remuneration accruing and vested during the year complies with the provisions of the current remuneration policy and, in particular, how it contributes to the sustainable long-term performance of the company.

Furthermore, report on the relationship between the remuneration obtained by the Directors and the results or other performance measures of the company in the short and long term, explaining, if applicable, how variations in the company's performance have influenced changes in Directors' remuneration, including any accrued remuneration payment of which has been deferred, and how such remuneration contributes to the short- and long-term results of the company.

Regarding the remuneration of the Board for the exercise of non-executive functions, it should be noted that the total remuneration accrued during the financial year does not exceed the maximum amount set out in the Remuneration Policy.

Regarding the amount of the **annual variable remuneration of the executive Directors**, the part of the objectives concerning **financial results** is fundamentally linked to the evolution of the Company's main financial indicators. During this financial year, the company's financial result was 285.574 euros' profit before tax, hence the percentage variable achievement of the financial objectives of both Directors was in line with these results, as will be explained later in section B.7.

Regarding the annual variable remuneration linked to **individual contribution**, it is important to note that the Board determines the percentage of achievement based on the quality of the results and individual performance of each Director, but the metrics for assessing this contribution also include achieving certain sustainability parameters linked to reducing workplace accidents, developing internal talent, diversity and gender equality, as well as environmental impact, encouraging increased use of low-emission vehicles in the company's fleet. These objectives, which were rolled out throughout the organisation in the remuneration schemes of the management team, contribute directly to the development and growth of the company in the year being in line with long-term growth and that this is built on a basis of responsibility and contributing value to society.

Regarding multi-annual variable remuneration, the initial determination of the shares recognised to them, which will be consolidated over the horizon foreseen in the different Plans in which they participate, has been made according to the parameters and in the terms set out in section B.8 below, which also include parameters linked to environmental sustainability, as well as to protecting the interests of the shareholders, through the comparative profitability of the share.

B. 4 Report on the result of the consultative vote on previous year annual remuneration report at the General Shareholders' Meeting indicating the number of abstentions and votes against, in favour and blank votes, if any:

	Number	% of total
Votes cast	102,272,103	77.04

	Number	% of issued
Votes against	1,446,048	1.41
Votes in favour	98,991,631	96.80
Votes in blank	0	0,00
Abstentions	1,834,424	1.79

Remarks

B. 5 Explain how the fixed components accrued and vested during the year by the Directors in their capacity as such were determined, its relative proportion for each director, and how they changed with respect to the previous year

As mentioned above, the Board decided to maintain unchanged the fixed components of Directors' remuneration in their capacity as Directors. These are set according to the following scheme:

Fixed monthly cash allowance:	
Chairman of the Board	€30,600
Director	€5,100
Chairman of the Appointments and Remuneration Committee	€1,700
Chairman of the Audit and Control Committee	€1,700

Per diem allowances for attendance at meetings (per meeting):	
Board of Directors	€2,805
Appointments and remuneration committee	€1,020
Audit and Control Committee	€1,632

According to this scheme, the total remuneration and the percentage for each Director is detailed, although the full details are shown in section C.1 of this report.

The proprietary directors waived the right to receive any remuneration in their capacity directors of the Company.

The fixed remuneration for the financial year 2021-2022 was therefore €836,399. The remuneration accrued for per diem allowances was €237.795, hence the total remuneration of the Board for performing non-executive duties remained below the maximum limit of €1,600,000 for such remuneration as set out in the Remuneration Policy.

B. 6 Explain how the salaries accrued and vested by each of the executive Directors over the past financial year for the performance of management duties were determined, and how they changed with respect to the previous year.

The Appointments and Remuneration Committee proposed to the Board the fixed remuneration of the executive Directors for the calendar year 2022.

The remuneration was determined on the basis of the remuneration set for executive Directors in the Remuneration Policy 2021-2023, and was increased in line with the increase set for the company's senior management, bearing in mind the data on remuneration increase ranges in comparable companies prepared by Willis Towers Watson. Following an analysis of the data received, the Board of Directors decided to set the Chief Executive Officer's raise at 2% and the increase for the Secretary Director at 2.5%.

The amounts for fixed remuneration were therefore set as follows:

	Fixed salary 2021	% increase	Fixed salary 2022
Chief Executive Officer	812,000 euros	2%	828,240 euros
Secretary Director	233,450 euros	2.5%	239,286 euros

Note: It is important to note that the salary increase for both Directors was initially set at the Nomination Committee meeting on 4 November 2021 at 2% for both Directors. Subsequently, at the meeting on 2 December 2021, the increase planned for the Secretary Director was revised to 2.5% in line with the increase set for the company's senior management, and this was stated in the Remuneration Policy 22-24 approved in February by the General Meeting. This is why the previous IARC, being prior to that date, foresaw in its fixed remuneration sections a lower remuneration for the Secretary Director (€238,119).

Therefore, the amount accrued as fixed salary, corresponding to financial year '22 amounts to €824.180 in the case of the Chief Executive Officer and €237.827,39 in the case of the Secretary Director. Given that the company's financial year is different from the calendar year, in calculating the accrual of this remuneration, three monthly payments for 2021 plus nine monthly payments for 2022 with their corresponding proportional accruals of extraordinary payments are used.

B. 7 Explain the nature and the main characteristics of the variable components of the remuneration systems accrued and vested in the year last ended.

In particular:

a) Identify each of the remuneration plans that determined the different types of variable remuneration accrued by each of the Directors in the year last ended, including information on their scope, date of approval, date of implementation, any consolidation conditions that apply, periods of accrual and validity, criteria used to evaluate performance and how this affected the establishment of the variable amount accrued, as well as the measurement criteria used and the time needed to be able to adequately measure all the conditions and criteria stipulated, explaining the criteria and factors applied in regard to the time required and the methods of verifying that the performance or any other kind of conditions linked to the accrual and consolidation of each component of variable remuneration have effectively been met.

b) In the case of share options and other financial instruments, the general characteristics of each plan must include information on the conditions both for acquiring unconditional ownership (consolidation) of these options or financial instruments and for exercising them, including the exercise price and period.

c) Each Director that is a beneficiary of remunerations systems or plans that include variable remuneration, and his or her category (executive Director, external proprietary Director, external independent Director or other external Director).

d) Information is to be provided on any periods for accrual, consolidation or deferment of payment of vested amounts applied and/or the periods for retention/unavailability of shares or other financial instruments, if any.

According to the current remuneration policy, both long and short-term variable remuneration systems include achievement scales based on the results achieved by the company, which contain **minimum limits**, below which payment is zero, and **maximum limits** which include over-achievement scenarios. The company's financial performance therefore directly affects the amount of remuneration received.

The accrual of this remuneration is only received after the annual accounts have been prepared and the group's results have been duly audited and verified by the Audit and Control Committee and the external audit team.

Determination of Annual Variable Remuneration

As set out in the Remuneration Policy 2022-2024, the Chief Executive's short-term variable remuneration is based on up to 150% of the fixed remuneration, which is multiplied by the degree to which objectives are met in the year, with a maximum proportion of achievement of 115%. In the case of the Secretary, 45% of the fixed remuneration is taken as a basis, with a maximum achievement rate of 110%.

According to these parameters, the Appointments Committee at its meeting on 3 November 2022 and with the results determined for the year, set the following level of achievement, which was ratified by the Board of Directors at its meeting the same day:

Chief Executive Officer

150% of the fixed remuneration

	Weighting	Target	Achieved	% Achievement	% of Payment	Amount
Business Objectives						
Adjusted Ebit	60%	312,7 M€	313,2 M€	100.2%	100%	€ 745,416
Working Capital	15%	2952 M€	3281M€	111.1%	120%	€ 223,625
Personal contribution	25%		25%	100%	100%	€ 310,590
Total	100%				**103%**	**€ 1,279,631**

Secretary Director

45% of the fixed remuneration

	Weighting	Target	Achieved	% Achievement	% of Payment	Amount
Business Objectives						
Adjusted Ebit	40%	312.7M€	313.2 M€	100%	100%	€ 43,072
Working Capital	10%	2.952M€	3281M€	111.1%	120%	€ 12,921
Personal contribution	50%			98%	98%	€ 52,763
Total	100%				**101%**	**€ 108,755**

*The personal contribution includes the sustainability parameters linked to reducing workplace accidents, talent development, diversity and equality, and reducing emissions.

According to this achievement target, the amount payable as short-term variable remuneration to the Directors is:

- Chief Executive Officer € 1,279,631
- Secretary Director € 108,755

Long-Term Variable Remuneration

During the financial year, the third period of the 2017 General and Special Long-Term Incentive Plans was vested and an invitation to participate in the first Consolidation period of the 2021-23 Plan was made. The two executive Directors participate in both plans.

a) Consolidation of the third period of the General and Special Plans 2017

The Board, at its meeting of 3 November 2022, has determined the number of shares accrued by the Directors in the third consolidation period of the 2017 General and Special Plans, the accrual of which ended on 30 September 2022. These shares are as follows:

	General Plan 2017:			Special Plan 2017:		
	Maximum shares	**% Achievement**	**Consolidated Shares***	**Maximum shares**	**% Achievement**	**Consolidated Shares***
Chief Executive Officer	57,971	70%	37.652	28.986	60%	16.137
Secretary Director	4,444	70%	2.849	2.222	60%	1.221

*Includes the pro-rata share of time that each Director has according to his incorporation to the company within the vesting period of both plans. This is 92.8% for the Chief Executive Officer and 91.7% for the Secretary Director.

The criteria used for such consolidation and set out by the Board of Directors are as follows:

General Plan 2017 Third Consolidation period	Weighting	Target	Achieved	% Achievement
Logista Group's Operating Profit	50%	845,8	872,3	100%
Company's Comparative Shareholder Return (CSR) Criteria	50%	Relative position among the comparison group		40%
Total	100%			70%

Special Plan 2017 Third Consolidation period	Weighting	Target	Achieved	% Achievement
Logista Group's Operating Profit	33%	845,8	872,3	100%
Company's Comparative Shareholder Return (CSR) Criteria	67%	Relative position among the comparison group		40%
Total	100%			60%

The transfer of the shares to be consolidated shall be free of charge and shall be subject to the retention and return clauses set out in A.1.2 above.

a) Launch of the first consolidation period of the Plan 2021

In setting out the new Incentive Plan 2021-2023, which was approved by the General Meeting of Shareholders held on 4 February 2021, the Board has borne in mind international remuneration governance standards, in particular the following:

Simplicity	Risk Management
The two existing plans (General and Special) have been merged into a single plan, providing a clearer vision of the company's main goals for both the company's executive Directors and its shareholders.	The incentive structure is in line with the Company's risk management, including clawback and malus clauses.

Both directors, as mentioned above, were invited to participate in the first consolidation period of this Plan and, at the Board of Directors' meeting of 4 November 2021, the following number of unvested shares were recognized:

	First Consolidation period Plan 21-23
Chief Executive Officer	98,332
Secretary Director	8,167

In the framework of Remuneration Policy 22-24, this plan has an overachievement of up to 116.25% of the initial incentive in place for both Directors.

The first consolidation period has the following objectives:

Incentive Plan 21-23 First Consolidation period	Metric	Weighting
Logista Group Operating Profit		65%
Company's Comparative Shareholder Return (CSR) Criteria	The Company's performance compared to the performance of the companies and broad indices comprising the Reference Group	25%
Sustainability	Reduction of CO_2 emissions by the Logista Group's fleet Inclusion in the CDP List	10%
Total		100%

Finally, the accrual of the General and Special Plans 2020, whose consolidation date will not fall until 30 September 2023 and whose details are included in section A of this report, is retained for the financial year 2021/2022.

Other variable remuneration

During 2022, the first payment of the extraordinary bonus included in the contract of the Secretary Director has been made. This payment was accrued in December 2021 in accordance with the provisions set out in the agreement, which established its link to the achievement of long-term objectives.

The maximum amount of the bonus was 64,400 euros. The amount finally achieved in accordance with the achievement of the 2017 General and Special Share Plans, second Consolidation Period, accrued on 30 September 2021, was 42,954.80 euros. The calculation of this bonus is detailed below:

	Weighting	Base	% Achievement	Payment
General Plan	67%	43.148 €	70%	30.203,60 €
Special Plan	33%	21.252 €	60%	12.751,20 €
Total	**100%**	**64.400 €**		**42.954,80 €**

B. 8 Indicate whether certain variable components have been reduced or clawed back when, in the former case, payment of non-vested amounts has been deferred or, in the latter case, they have vested and been paid, on the basis of data that have subsequently been clearly shown to be inaccurate. Describe the amounts reduced or clawed back through the application of the "malus" (reduction) or clawback clauses, why they were implemented and the years to which they refer.

Not applicable

B. 9 Explain the main characteristics of the long-term savings schemes where the amount or equivalent annual cost appears in the tables in Section C, including retirement and any other survivor benefit, whether financed in whole or in part by the company or through internal or external contributions, indicating the type of plan, whether it is a defined contribution or defined benefit plan, the contingencies covered, the conditions on which the economic rights vest in favour of the Directors and their compatibility with any type of indemnification for early termination or cessation of the contractual relationship between the company and the director.

According to the forecast schedule set out in section A.1.7, the contributions accrued by the Directors in this financial year are 213.817€ in the case of the Chief Executive Officer and 37.944€ in the case of the Secretary.

We refer to this section for the question of contingencies covered consolidation and compatibility with other compensation.

All amounts contributed by the Company to these plans are set out in section C of this report.

B. 10 Explain, where applicable, the indemnification or any other type of payment deriving from the early cessation, whether at the company's or the Director's initiative, or from the termination of the contract in the terms provided therein, accrued and/or received by Directors during the year last ended.

There were no early termination or termination payments during the financial year.

B. 11 Indicate whether there have been any significant changes in the contracts of persons exercising senior management functions, such as executive Directors, and, if so, explain them. In addition, explain the main conditions of the new contracts signed with executive Directors during the year, unless these have already been explained in Section A.1.

There were no new executive Directors during the financial year, nor were there any changes to the contracts of the current directors.

B. 12 Explain any supplementary remuneration accrued by Directors in consideration of the provision of services other than those inherent in their position.

Not applicable

B. 13 Explain any remuneration deriving from advances, loans or guarantees granted, indicating the interest rate, their key characteristics and any amounts returned, as well as the obligations assumed on their behalf by way of guarantee.

Not applicable

B.14 Detail the remuneration in kind accrued by the Directors during the year, briefly explaining the nature of the various salary components.

The Company has taken out and pays the global premium corresponding to a directors' and senior managers’ public liability insurance policy covering all directors, both executive and non-executive. In this policy, the directors are considered insured parties, for the liabilities that may be demanded of them due to performing the activities inherent in their duties. In particular, both the contracts of the Chief Executive Officer and the Secretary Director require the Company to take out a public liability insurance policy. Since the public liability insurance is taken out on an overall basis, it is not possible to calculate the part of it that is attributable to the directors as remuneration in kind, but in any case, its individual amount is not large.

Moreover, only the executive Directors are entitled to a package of **remuneration in kind** similar to that of the Company's management team. Specifically, executive Directors are beneficiaries of life insurance, with an annual premium of €5.663. This package also includes medical assistance insurance and a company car, worth the following amounts:

	Remuneration in kind
Chief Executive Officer	37.521,73 euros
Secretary Director	35.077,66 euros

B.15 Explain the remuneration accrued by any Director by virtue of payments made by the listed company to a third company in which the Director provides services when these payments seek to remunerate the Director's services to the company.

Not applicable

B.16 Explain and detail the amounts accrued during the year in relation to any other kind of remuneration, different from the foregoing, whatever the nature or the group company that satisfies it is, including all benefits in any form, such as when it is considered a related-party transaction or, especially, when it significantly affects the true and fair view of the total remuneration accrued by the director. The amount granted or pending payment must be explained, as well as the nature of the consideration received and the reasons why it would have been considered, as the case may be, that it does not constitute remuneration to the director in his capacity as such or in consideration for the performance of his executive duties, and whether or not it has been considered appropriate to include it among the amounts accrued in the "other items" section of section C.

The participation of the Secretary Director, as mentioned above, in the Executive Separation Plan, known as Plan 60, has generated a contribution to the deferred life insurance set out in this scheme for the year 2022 for the sum of €69,393.01.

It is important to remember that the total fund of said Plan in favour of the Secretary Director will not be consolidated until the termination of the contract by mutual agreement when she reaches the age set out in her membership agreement and, in any case, the maximum amounts to be received are limited to two annuities of total fixed remuneration.

C ITEMISED INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR

Name	Type	Period of accrual in year 2022
GREGORIO MARAÑÓN	**Chairman-Independent**	From 01/10/2021 to 30/09/2022
ÍÑIGO MEIRÁS	**CEO**	From 01/10/2021 to 30/09/2022
MARIA ECHENIQUE	**Secretary Director - Executive**	From 01/10/2021 to 30/09/2022
CRISTINA GARMENDIA	**Director - Independent**	From 01/10/2021 to 30/09/2022
LUIS ISASI	**Director - Independent**	From 01/10/2021 to 30/09/2022
ALAIN MINC	**Director - Independent**	From 01/10/2021 to 30/09/2022
PILAR PLATERO	**Director - Independent**	From 01/10/2021 to 30/09/2022
LILLIAN ALICE BLOHM	**Director - Proprietary**	From 01/10/2021 to 30/09/2022
JOHN MATTHEW DOWNING	**Director - Proprietary**	From 01/10/2021 to 30/09/2022
MARIE D'WITT	**Director - Proprietary**	From 01/10/2021 to 21/03/2022
RICHARD GUY HATHAWAY	**Director - Proprietary**	From 01/10/2021 to 30/09/2022
MURRAY HENRY MCGOWAN	**Director - Proprietary**	From 01/10/2021 to 30/09/2022
JENNIFER SUSAN RAMSEY	**Director- Proprietary**	From 06/04/2022 to 30/09/2022

C.1 Complete the following tables regarding the individual remuneration of each Director (including remuneration received for performing executive duties) accrued during the year.

a) Remuneration from the reporting company:

i) Remuneration accruing in cash (thousands of euros)

Name	Fixed Remuneration	Per diem allowance	Remuneration for memberships of the board committees	Salary	Shor-term variable remuneration	Long-term variable remuneration	Indemnification	Other Items	Total year 2022	Total year 2021
GREGORIO MARAÑÓN	428	42	20						490	487
ÍÑIGO MEIRÁS	61	25							86	84
MARIA ECHENIQUE	61	25							86	84
CRISTINA GARMENDIA	61	33							95	95
LUIS ISASI	61	33							95	88
ALAIN MINC	61	40	20						121	120
PILAR PLATERO	61	33							95	95
LILLIAN A. BLOHM										
JOHN M. DOWNING										
MARIE D’WITT										
RICHARD G. HATHAWAY										
MURRAY H. MCGOWAN										
JENNIFER S. RAMSEY										

Remarks

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments

Name	Name of Plan	Financial Instruments at start of the year		Financial Instruments grating during the year		Financial Instruments vested during the year				Instruments matured but not exercised	Financial Instruments at end of the year	
		No. of instruments	No. of Equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent/vested shares	Price of Vested shares	Gross profit from vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares
IÑIGO MEIRAS	3rd Consolidation Period General and Special Plan 2017	86.957	86.957			53.789	53.789	18,65	1.003			
	General and Special Plan 2020	121.404	121.404								121.404	121.404
	1st Consolidation Period Plan 2021-2023			98.332	98.332						98.332	98.332
MARÍA ECHENIQUE	3rd Consolidation Period General and Special Plan 2017	6.666	6.666			4.070	4.070	18,65	76			
	General and Special Plan 2020	8.143	8.143								8.143	8.143
	1st Consolidation Period Plan 2021-2023			8.167	8.167						8.167	8.167

iii) Long-term savings schemes

<table>
<tr><td></td><td colspan="4">Contribution for the year by the company
(thousands of euros)</td><td colspan="4" rowspan="2">Amount of accrued funds
(thousands of euros)</td></tr>
<tr><td rowspan="3">Name</td><td colspan="2">Savings schemes with vested economic rights</td><td colspan="2">Savings schemes with non-vested economic rights</td></tr>
<tr><td rowspan="2">Year 2022</td><td rowspan="2">Year 2021</td><td rowspan="2">Year 2022</td><td rowspan="2">Year 2021</td><td colspan="2">Year 2022</td><td colspan="2">Year 2021</td></tr>
<tr><td>Schemes with vested economic rights</td><td>Schemes with non-vested economic rights</td><td>Schemes with vested economic rights</td><td>Schemes with non-vested economic rights</td></tr>
<tr><td></td><td></td><td></td><td colspan="2"></td><td></td><td></td><td></td><td></td></tr>
</table>

iv) Details of other items

Name	Item	Amount of remuneration

b) Remuneration of the listed company's directors for seats on governing bodies of its subsidiaries

i) Remuneration accruing in cash (thousands of euros)

Name	Fixed Remuneration	Per diem allowances	Remuneration on for memberships of board committees	Salary	Short Term Variable Remuneration	Long Term Variable Remuneration	Compensation	Other Items	Total year 2022	Total Year 2021
ÍÑIGO MEIRÁS				824	1280				2104	2739
MARIA ECHENIQUE				238	152				390	377

Remarks
This table includes the remuneration received in the exercise of executive functions, which is paid through Compañía de Distribución Integral Logista, S.A.U., 100% subsidiary of the Company. For the calculation of the annual variable remuneration, the CEO has had a percentage of achievement of 103% and the Secretary of the Board of 101%. On the other hand, the amount of the short term variable remuneration of the Secretary Director includes her extraordinary bonus detailed in section B.

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments

Name	Name of plan	Financial instruments at start of year n		Financial instruments granted during year n		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of year n	
		No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent shares	No. of instruments	No. of equivalent / vested shares	Price of vested shares	Gross profit from vested shares or financial instruments (thousands of euros)	No. of instruments	No. of instruments	No. of equivalent shares

Remarks

iii) Long-term savings schemes

Director	Remuneration for the vested rights of savings schemes
Íñigo Meirás	214
María Echenique	38

Name	Contribution for the year by the company (thousands of euros)				Amount of accrued funds (thousands of euros) Savings schemes with vested economic rights			
	Savings schemes with vested economic rights		Savings schemes with non-vested economic rights		Year 2022		Year 2021	
	Year 2022	Year 2021	Year 2022	Year 2021	Schemes with vested economic rights	Schemes with non-vested economic rights	Schemes with vested economic rights	Schemes with non-vested economic rights
Iñigo Meirás	214	216			612		398	
María Echenique	38	63	69	68	194	137	156	68

Remarks
The amounts of the non-vested savings schemes correspond to the contributions to the management buy-out plan (Plan 60).

iv) Details of other items

Name	Item	Amount of remuneration
Iñigo Meirás	Social Welfare Systems	38
María Echenique	Social Welfare Systems	35

Remarks
This amount is the value of the benefits package similar to that of the rest of the senior management. This includes company car, fuel, meals and medical insurance among others.

c) Summary of remuneration (thousands of euros):

This summary must include the amounts corresponding to all the remuneration items included in this report that have accrued to each Director, in thousands of euros.

	Remuneration accruing in the Company					Remuneration accruing in group companies					
Name	Total cash remuneration	Gross profit from vested shares or financial instruments	Remuneration from savings schemes	Other items of remuneration	Total in year 2022, company	Total cash remuneration	Gross profit from vested shares or financial instruments	Remuneration from savings schemes	Other items of remuneration	Total in year 2022, group	Total year 2022, company + group 2022
GREGORIO MARAÑÓN	490				490						490
ÍÑIGO MEIRÁS	86	1003			1089	2104		214	38	2356	3445
MARIA ECHENIQUE	86	76			162	390		38	35	463	625
CRISTINA GARMENDIA	95				95						95
LUIS ISASI	95				95						95
ALAIN MINC	121				121						121
PILAR PLATERO	95				95						95
LILLIAN A. BLOHM											
JOHN M. DOWNING											
MARIE A. D'WIT											
RICHARD G. HATHAWAY											
MURRAY H. MCGOWAN											
JENNIFER S. RAMSEY											

C.2. Indicate the evolution over the last 5 years of the amount and percentage variation of the remuneration accrued by each of the listed company's directors who have been directors during the financial year, of the consolidated results of the company and of the average remuneration on a full-time equivalent basis of the employees of the company and its subsidiaries who are not directors of the listed company.

	Total amounts accrued and % annual variation								
	Year 2022	**% variation 2022/2021**	**Year 2021**	**% variation 2021/2020**	**Year 2020**	**% variation 2020/2019**	**Year 2019**	**% variation 2019/2018**	**Year 2018**
Executive Directors						-	-	-	-
Íñigo Meirás	3.445	45%	2.375	19%	1.993	-	-	-	-
María Echenique	625	42%	440	50%	293	-	-	-	-
External Directors									
Gregorio Marañón	490	1%	487	-1%	494	2%	482	7%	450
Cristina Garmendia	95	0%	95	-4%	99	-6%	105	-4%	109
Luis Isasi	95	8%	88	-	-	-	-	-	-
Alain Minc	121	2%	119	-7%	128	14%	112	180%	40
Pilar Platero	95	0%	95	10%	86	-	-	-	-
Consolidated results of the Company	286	10%	261	19%	219	1%	217	7%	203
Average remuneration of employees	51	9%	47	-6%	50	-14%	58	23%	47

Remarks

In order to facilitate the uniformity and comparability of the data, and to adequately explain the variations in directors' remuneration over the last five years, the following observations are included:

- Mr. Iñigo Meirás:
  - Mr. Iñigo Meirás joined the company on 19 December 2019, for this reason, in the fiscal year 2020 the remuneration for a full year is not included, and due to this there is a high percentage variation against the fiscal year 2021 that does not reflect the reality of the increase in his remuneration.
  - The maturity of the multi-year share plans, details of which are set out in sections A and B of this report, is three years, which is why the chief executive officer has been paid under these plans pro rata according to his date of joining the company. Thus, in year 22 there is still a small pro-rata, although much less than in year 21. In year 23 this pro-rata will have disappeared and the director will receive his full share in the plans. For this reason, year 22 compared to year 21 does not reflect the reality of the increase in his remuneration.
- Mrs. María Echenique:
  - The secretary director joined the company on 1 January 2020, therefore, in fiscal year 2020 the remuneration for a full year is not reflected, and due to this there is a high percentage variation against fiscal year 2021 which does not reflect the reality of the increase in her remuneration.
  - The secretary director was not invited to the multi-year plans that expired in FY21, so there is a variation in her remuneration when vesting for the first time in FY22 for the third vesting period of the 2017 Plans, to which she was invited. This vesting includes a pro-rata proportionate to her stay in the company during the vesting period mentioned above. For this reason, FY22 compared to FY21 does not reflect the reality of the increase in her remuneration.
- Mr Luis Isasi:
  - The director Mr Luis Isasi joined the company in the financial year 2021 so his remuneration in this financial year does not reflect the full financial year.
- Mr Alain Minc:
  - Director Alain Minc joined the company in 2018 so his remuneration in this financial year does not reflect the full financial year.
  - Director Alain Minc was appointed Chairman of the Audit Committee in 2019, which increased his fixed remuneration in accordance with the Remuneration policy by combining his role as Director with that of Chairman of the Audit Committee. This position carries an additional fixed remuneration in accordance with the remunerations policy

D OTHER INFORMATION OF INTEREST

If there are any significant issues relating to directors' remuneration that it has not been possible to include in the foregoing sections of this report, but which it is necessary to include in order to provide more comprehensive and reasoned information on the remuneration structure and practices of the company with regard to its directors, list them briefly.

Please note, that the annual Company's contribution for FY 2022, to cover its potential obligations *vis a vis* the Secretary Director under Plan 60 has been disclosed in section A of this report.

This annual remuneration report was approved by the Board of Directors of the company in its meeting of November 3rd 2022

Indicate whether any director voted against or abstained from approving this report.

Yes ☐ No ☒

ANNUAL CORPORATE GOVERNANCE REPORT
OF LISTED PUBLIC LIMITED COMPANIES

ISSUER IDENTIFICATION DETAILS

YEAR END-DATE **30/09/2022**

TAX ID A-87008579

Company name:

Compañía de Distribución Integral Logista Holdings, S.A.

Registered office:

Calle Trigo 39 – Polígono Industrial Polvoranca – 28914 Leganés (Madrid)

ANNUAL CORPORATE GOVERNANCE REPORT
OF LISTED PUBLIC LIMITED COMPANIES

A OWNERSHIP STRUCTURE

A.1 Complete the table below with details of the company's share capital and voting right, including, where applicable, those corresponding to shares with loyalty voting rights, at the date of the financial year closing:

Indicate whether the company's articles of association contain provision for double loyalty voting:

No ☒ **Yes** ☐ **Date of approval at the general meeting: [dd/mm/yy]**

Minimum period of uninterrupted ownership required by the articles of association:

Indicate whether the company has attributed loyalty votes:

No ☒ **Yes** ☐

Date of last change of share capital	Share capital (euros)	Number of shares	Number of voting rights (not including additional votes attributed for loyalty)	Number of additional voting rights attributed corresponding to loyalty voting shares	Total number of voting rights, including additional votes attributed on the basis of loyalty
04/06/2014	26.550.000,00	132.750.000	---	---	132.750.000

Number of shares registered in the special register pending completion of the loyalty period:

Indicate whether there are different classes of shares with different associated rights:

Yes ☐ **No** ☒

A.2 List the company's significant direct and indirect shareholders at year end, including directors who have a significant shareholding:

Name or company name of the shareholder	% voting rights attributed to shares (including loyalty votes)		% voting rights through financial instruments		total % of voting rights	Of the total number of voting rights attributed to the shares, indicate, where applicable, the additional votes attributed which corresponding to the loyalty voting shares	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
Imperial Brands, PLC	0	50.008	0	0	50.008	---	---
FMR LLC	0	3.018	0	0	3.018	---	---
Fernando María Masaveu Herrero	0.015	3.243	0	0	3.258	---	---

Detail of indirect participation

Name or company name of indirect holder	Name or company name of direct holder	% voting rights attributed to shares (including loyalty votes)	% voting rights through financial instruments	total % of voting rights	Of the total number of voting rights attributed to the shares, indicate, where applicable, the additional votes attributed which corresponding to the loyalty voting shares
Imperial Brands, PLC	Imperial Tobacco LTD	50.008	---	50.008	---
FMR LLC	FIAM LLC	0.862	---	0.862	---
FMR LLC	Fidelity Management & Research Company LLC	1.929	---	1.929	---
FMR LLC	Fidelity Management Trust Company	0.001	---	0.001	---
FMR LLC	FMR Investment Management (UK) Limited	0.226	---	0.226	---
Fernando María Masaveu Herrero	Corporación Masaveu	3.065	---	3.065	---

Indicate the most significant changes in the shareholder structure during the year:

Most significant changes
▪ On March 16, 2022, FMR LLC announced that it had exceeded the threshold of 3% of share capital in the Company. ▪ On April 29, 2022, Fernando María Masaveu Herrero announced that he had exceeded the threshold of 3% of share capital in the Company ▪ On July 18, 2022, Capital Research and Management Company and Capital Income Builder, Inc. reported that they had crossed down the 3% threshold of share capital in the Company.

A.3 Give details of the shareholding at year-end, by whatever percentage, of the members of the board of directors who hold voting rights attributed to shares in the company or through financial instruments, excluding the directors identified in section A.2 above:

Name or company name of director	% of voting rights attached to the shares (including loyalty votes)		% of voting rights through financial instruments		% of total voting rights	Of the total number of voting rights attributed to the shares, indicate, where applicable, the % of additional votes attributed corresponding to the loyalty voting shares	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
Mr. Gregorio Marañón	0	0.033		0	0.033[(1)]	0	0
Mr. Íñigo Meirás	0.049	0		0	0.049[(2)]	0	0

Total percentage of voting rights held by the Board of Directors	0.082

Breakdown of the indirect holding:

Name or company name of director	Name or company name of the direct owner	% of voting rights attached to the shares (including loyalty votes)	% of voting rights through financial instruments	% of total voting rights	Of the total number of voting rights attributed to the shares, indicate, where applicable, the % of additional votes attributed corresponding to the loyalty voting shares
Mr. Gregorio Marañón	Cigarral de Inversiones, S.L.	0.016	0	0.016	0
Mr. Gregorio Marañón	Locales EMA, S.L.	0.016	0	0.016	0

Give details of the total percentage of voting rights represented on the board:

Total percentage of voting rights represented at the Board of Directors	**0.082**

A.4 If applicable, indicate any family, commercial, contractual or corporate relationships that exist among significant shareholders to the extent that they are known to the company, unless they are insignificant or arise in the ordinary course of business, with the exception of those reported in section A.6:

Not applicable

A.5 If applicable, indicate any commercial, contractual or corporate relationships that exist between significant shareholders and the company and/or its group, unless they are insignificant or arise in the ordinary course of business:

Related parties names or corporate names
Imperial Brands PLC / Compañía de Distribución Integral Logista Holdings, S.A.

Kind of relationship: Contractual
Brief description: "ITG-LOGISTA HOLDINGS RELATIONSHIP FRAMEWORK AGREEMENT", dated June 12th, 2014.

Imperial Brands PLC (formerly named Imperial Tobacco Group-ITG) undertakes to maintain and respect the freedom of management and decision making of the administrative and managerial bodies of the Company, and the neutrality principle in its commercial and services relations with third parties, also establishing the confidentiality of the business information of the Company and the separation of their respective information systems.

The Framework Agreement also regulates related transactions between both companies, and the government and administration of the Company.

Related parties names or corporate names
Imperial Brands Finance PLC / Compañía de Distribución Integral Logista, S.A.U. and Compañía de Distribución Integral Logista Holdings, S.A.

Kind of relationship: Contractual
Brief description: "INTRA GROUP LOAN FACILITY AGREEMENT", dated June 12th, 2014, amended on December 1st, 2015, and extended on March 21st 2018.

Agreement on a reciprocal credit facility, in force until June 12, 2024 (with a yearly tacit renewal), with a maximum disposal limit of two thousand six hundred million euros, temporarily extended only for once, from 1 September to 31 October 2020, to four thousand and eight hundred million euros, considering the expected treasury status, pursuant to the contractual amendment agreed on 1 September.

According to this Agreement, Compañía de Distribución Integral Logista S.A.U. (100% subsidiary of the Company) will daily lend Imperial Brands Finance PLC (formerly named

Imperial Tobacco Finance PLC), its cash excess, at the base rate of the European Central Bank, plus a margin of 0.75%.

If Logista has to get into debt to meet the needs of its working capital, it can reciprocally borrow the amount from Imperial Brands Finance PLC.

A.6 Describe the relationships, unless insignificant for both parties, that exist between significant shareholders or shareholders represented on the Board and directors, or their representatives in the case of directors that are legal persons.

Explain, if applicable, how the significant shareholders are represented. Specifically, indicate those directors appointed to represent significant shareholders, those whose appointment was proposed by significant shareholders, or who are linked to significant shareholders and/or companies in their group, specifying the nature of such relationships or ties. In particular, mention the existence, identity and post of any directors of the listed company, or their representatives, who are in turn members or representatives of members of the Board of Directors of companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders.

Name or company name of related director or representative	Name or company name of related significant shareholder	Company name of the group company of the significant shareholder	Description of relationship / post
Ms. Lillian Blohm	Imperial Brands PLC	Imperial Brands Plc	Ms. Blohm is one of the five proprietary Directors representing Imperial Brands PLC. She is also the Strategy Director in Manufacturing and Supply Area (MS) of such company.
Mr. John Downing	Imperial Brands Plc	Imperial Brands Plc	Mr. Downing is one of the five proprietary Directors representing Imperial Brands Plc. He is also the Imperial Group's General Secretary and Secretary non director of its Board of Directors.
Mr. Richard Hathaway	Imperial Brands Plc	Imperial Brands Plc	Mr. Hathaway is one of the five proprietary Directors representing Imperial Brands Plc. He is also the Corporate Development Director of such company.
Mr. Murray McGowan	Imperial Brands Plc	Imperial Brands Plc	Mr. McGowan is one of the five proprietary Directors representing Imperial Brands Plc. He is also the Chief Strategy and Development Officer.
Ms. Jennifer Ramsey	Imperial Brands Plc	Imperial Brands Plc	Ms. Ramsey is one of the five proprietary directors representing Imperial Brands Plc. She is the Senior Investor Relations Manager of such company.

A.7. Indicate whether the company has been notified of any shareholders' agreements that may affect it, in accordance with the provisions of Articles 530 and 531 of the Spanish Corporate Enterprises Act. If so, describe them briefly and list the shareholders bound by the agreement:

Yes ☐ No ☒

Indicate whether the company is aware of any concerted actions among its shareholders. If so, provide a brief description:

Yes ☐ No ☒

A.8 Indicate whether any individual or company exercises or may exercise control over the company in accordance with Article 5 of the Securities Market Act. If so, identify them:

Yes ☒ No ☐

Name of individual or company
IMPERIAL BRANDS PLC
Remarks
Indirect Participation of 50.008%, through Imperial Tobacco Limited

A.9 Complete the following table with details of the company's treasury shares:

At the close of the year:

Number of direct shares	Number of indirect shares (*)	Total % of share capital
877,939	0	0.66%

A.10 Provide a detailed description of the conditions and terms of the authority given by the General Shareholders Meeting to the Board of Directors to issue, repurchase, or dispose of treasury shares.

The General Meeting of Shareholders of March 21, 2018 authorised the Board of Directors to acquire Company's own shares in the following terms:

"To authorize the Board of Directors so that pursuant to the provisions established in Article 146 of the Act on Capital Companies ("Ley de Sociedades de Capital"), it may acquire, at all times, shares in COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A., provided that:

i) the face value of the shares acquired, in addition to those already held by the Company and/or its subsidiaries, does not exceed 10% of the share capital of COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A., and

ii) the acquisition, including any shares that the Company or person acting in its own name but on behalf of the Company may have acquired or previously held, does not result in the Company's net equity falling below the share capital amount plus any restricted reserves foreseen by the regulations or the By-laws.

Furthermore, to authorize the subsidiaries so that, notwithstanding the relevant authorisation of their General Meeting of Shareholders, pursuant to said Article 146, they may at all times acquire shares in COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A., provided that the face value of the acquired shares, in addition to those already held by the Company and/or its subsidiaries, does not exceed 10% of the share capital of COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A.

Said acquisitions may be carried out through a purchase, swap, donation, allocation or non-recourse debt and, in general, under any other form of acquisition for consideration. In any case, the shares to be purchased will be circulating shares that are fully paid up.

The Board of Directors of COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A. or of its subsidiaries may agree to purchase the Company's shares in one or more transactions, for a maximum price that does not exceed 20% of their listed price, and for a minimum price that is not less than the face value of 0.20 Euros per share.

This authorization is granted for a five-year term, calculated as of the date of this General Meeting.

To expressly allow, for the purposes of Article 146.1.a), last paragraph, of the Act on Capital Companies ("Ley de Sociedades de Capital"), that any share acquired by COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A. or its subsidiaries, further to this authorization, be used or attached, in whole or in part, for its transfer, amortization or delivery to directors of the Company, and managers and other employees of COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A. and its Subsidiaries Companies, or in accordance with and in implementation of Long-Term Incentive Plans consisting of the delivery of Company shares or of options on Company shares."

A.11 Estimated floating capital:

	%
Estimated floating capital	**42.97**

A.12 Indicate whether there are any restrictions (articles of incorporation, legislative or of any other nature) placed on the transfer of shares and/or any restrictions on voting rights. In particular, indicate the existence of any type of restriction that may inhibit a takeover of the company through acquisition of its shares on the market, as well as such regimes for prior authorisation or notification that may be applicable, under sector regulations, to acquisitions or transfers of the company's financial instruments.

Yes ☐ **No ☒**

A.13 Indicate whether the general shareholders' meeting has resolved to adopt measures to neutralise a takeover bid by virtue of the provisions of Law 6/2007.

Yes ☐ **No ☒**

A.14 Indicate whether the company has issued shares that are not traded on a regulated EU market.

Yes ☐ **No ☒**

B GENERAL SHAREHOLDERS' MEETING

B.1 Indicate whether there are any differences between the minimum quorum regime established by the Spanish Corporate Enterprises Act for General Shareholders' Meetings and the quorum set by the company, and if so give details.

Yes ☐ No ☒

B.2 Indicate whether there are any differences between the company's manner of adopting corporate resolutions and the regime provided in the Spanish Corporate Enterprises Act and, if so, give details:

Yes ☐ No ☒

B.3 Indicate the rules for amending the company's articles of incorporation. In particular, indicate the majorities required for amendment of the articles of incorporation and any provisions in place to protect shareholders' rights in the event of amendments to the articles of incorporation.

The rules for amending the Company's Articles of Association are those provided in Articles 285 to 294 of the Act on Capital Companies (Royal Legislative Decree of July 2nd, 2010).

B.4 Give details of attendance at General Shareholders' Meetings held during the reporting year and the two previous years:

	Attendance data				
Date of general meeting	**% physically present**	**% present by proxy**	**% distance voting**		**Total**
			Electronic voting	**Other**	
24/03/2020	0.06	30.90	0.00	50.68	81.64
Of which floating capital:	0.06	30.90	0.00	0.67	31.63
04/02/2021	0.06	30.44	0,00	50,87	81.37
Of which floating capital:	0.06	30.44	0,00	0.86	31.36
03/02/2022	0.13	25.99	0.00	50.92	77.04
Of which floating capital:	0.13	25.99	0.00	0.91	27.03

B.5 Indicate whether any point on the agenda of the General Shareholders' Meetings during the year was not approved by the shareholders for any reason.

Yes ☐ No ☒

B.6 Indicate whether the articles of incorporation contain any restrictions requiring a minimum number of shares to attend General Shareholders' Meetings, or to vote remotely:

Yes ☐ No ☒

B.7 Indicate whether it has been established that certain decisions, other than those established by law, entailing an acquisition, disposal or contribution to another company of essential assets or other similar corporate transactions must be submitted for approval to the General Shareholders' Meeting.

Yes ☐ No ☒

B.8 Indicate the address and manner of access on the company's website to information on corporate governance and other information regarding General Shareholders' Meetings that must be made available to shareholders through the company website.

The address of the company's website is www.logista.com. The most relevant information on the Company's corporate governance and other information on the General Meetings is available in the section "Shareholders and Investors"/ "Corporate Governance"/ "Annual Corporate Governance Reports", and through the same section, "General Meeting 2022" or "Previous General Meetings".

C STRUCTURE OF THE COMPANY'S ADMINISTRATION

C.1 Board of Directors

C.1.1 Maximum and minimum number of directors established in the articles of incorporation and the number set by the general meeting:

Maximum number of directors	15
Minimum number of directors	10
Number of directors set by the general meeting	12

C.1.2 Complete the following table on Board members:

Name of Director	Natural Person representative	Director Category	Position on the Board	Date firs appointed to Board	Last re-election date	Method of selection to Board
Mr. Gregorio Marañón	---	Independent	Chairman	13/05/2014	24/03/2020	General Shareholders' meeting
Mr. Íñigo Meirás	---	Executive	CEO	19/12/2019	24/03/2020	General Shareholders' meeting
Mrs. María Echenique	---	Executive	Secretary Director	24/03/2020	24/03/2020	General Shareholders' meeting
Ms. Cristina Garmendia	---	Independent	Director	04/06/2014	03/02/2022	General Shareholders' meeting
Mr. Luis Isasi		Independent	Director	29/9/2020	04/02/2021	General Shareholders' meeting
Mr. Alain Minc	---	Independent	Director	24/04/2018	03/02/2022	General Shareholders' meeting
Ms. Pilar Platero	---	Independent	Director	26/11/2019	24/03/2020	General Shareholders' meeting
Ms. Lillian Blohm	---	Proprietary	Director	06/05/2021	03/02/2022	General Shareholders' meeting
Mr. John Downing	---	Proprietary	Director	13/05/2014	21/03/2018	General Shareholders' meeting
Mr. Richard Hathaway	---	Proprietary	Director	24/03/2015	26/03/2019	General Shareholders' meeting
Mr. Murray McGowan	---	Proprietary	Director	22/07/2021	03/02/2022	General Shareholders' meeting
Ms. Jennifer Ramey		Proprietary	Director	06/04/2022	06/04/2022	Co-option

Total number of directors	**12**

Indicate any cessations, whether through resignation or by resolution of the general meeting, that have taken place in the Board of Directors during the reporting period:

Name or company name of director	Category of the director at the time of cessation	Date of last appointment	Date of cessation	Specialised committees of which he/she was a member	Indicate whether the director left before the end of his or her term of office
Marie Ann D'Wit	Proprietary	24/03/2020	21/03/2022	----	YES

Reason for cessation when this occurs before the end of the term of office and other observations; information on whether the director has sent a letter to the remaining members of the board and, in the case of cessation of non-executive directors, explanation or opinion of the director dismissed by the general meeting
Ms D'Wit resigned as she ceased to provide her services to Imperial Brands Plc.

C.1.3 Complete the following tables on the members of the Board and their categories:

EXECUTIVE DIRECTORS

NAME OR COMPANY NAME OF DIRECTOR:
- **MR. ÍÑIGO MEIRÁS**

POST IN ORGANISATIONAL CHART OF THE COMPANY:
- **CHIEF EXECUTIVE OFFICER**

PROFILE:

Mr. Íñigo Meirás was appointed CEO of Compañía de Distribución Integral Logista Holdings in December 2029, and his appointment was ratified by the General Shareholders' Meeting of 24/03/2020.

He started his professional career in Ferrovial in 1992, and after holding different positions, in 2009, he was appointed CEO of the group, position he held until September 2019. Prior to joining Ferrovial, he worked at Holcim Ltd. and Grupo Carrefour.

He has been member of several Board of Directors in Spain, UK, Ireland, Switzerland, Italy, Portugal, Greece, Germany, USA, Canada, Colombia, Chile and Australia: Swissport International (Switzerland), BAA (now HAH, in UK) and Amey Plc (UK), among others.

Mr. Íñigo Meirás holds a Law Degree from the Complutense University of Madrid and obtained an MBA from the Instituto de Empresa (IE).

NAME OR COMPANY NAME OF DIRECTOR:

- **MS. MARIA ECHENIQUE**

POST IN ORGANISATIONAL CHART OF THE COMPANY:

- **SECRETARY DIRECTOR**

PROFILE:

Ms. María Echenique was appointed Secretary of the Board of Compañía de Distribución Integral Logista Holdings in December 2019 and executive Director by the General Shareholders' Meeting of 24/03/2020.

From 2010 she held different positions in Naturgy Energy Group, S.A.'s Legal Services where, she also was appointed Deputy Secretary of the Board of Directors. Before, Ms. Echenique performed different duties in the Spanish Public Administration, such as technical advisor in the Economy Ministry and advisor in the Science & Technology Ministry.

She currently is the General Counsel of the Company and also performs functions of Head of the Company's legal services.

Ms. María Echenique holds a Law Degree from the Complutense University of Madrid, and a Diploma in English Law by the University of Kent at Canterbury; she is also a civil servant (Cuerpo Superior de Administradores Civiles del Estado), on leave.

Total number of executive directors	2
Percentage of Board	16.67%

PROPRIETARY DIRECTORS

NAME OF DIRECTOR:

- **MS. LILLIAN BLOHM**

NAME OR COMPANY NAME OF THE SIGNIFICANT SHAREHOLDER REPRESENTED OR THAT HAS PROPOSED THEIR APPOINTMENT:

- **IMPERIAL BRANDS PLC**

PROFILE:

Ms. Lillian Blohm was appointed proprietary Director of Compañía de Distribución Integral Logista Holdings, on 06/05/2021, and her appointment was ratified by the General Shareholders' Meeting of 03/02/2022.

Ms. Blohm joined the Imperial Brands in their Group Legal Team in December 2006. Prior to joining Imperial Brands, she trained with Burges Salmon LLP where she qualified as a commercial litigation lawyer. Ms Blohm has held various roles at Imperial Brands and joined Global Supply Chain in 2012.She is currently the Director of Strategy for Global Supply Chain.

Ms. Blohm graduated with honours in Law & Sociology from Exeter University and attended Nottingham Law School for her LPC.

NAME OF DIRECTOR:

- **MR. JOHN DOWNING**

NAME OR COMPANY NAME OF THE SIGNIFICANT SHAREHOLDER REPRESENTED OR THAT HAS PROPOSED THEIR APPOINTMENT:

- **IMPERIAL BRANDS PLC**

PROFILE:

Mr. John Downing was appointed proprietary Director of Compañía de Distribución Integral Logista Holdings, on 13/05/2014, and was re-elected in his position by the General Shareholders' Meeting of 21/03/2018.

Mr. John Downing joined the Imperial Brands (former Imperial Tobacco) legal department in 2005 and currently serves as Group Company Secretary of Imperial Brands PLC.

Prior to joining Imperial, he worked in the corporate department of Linklaters in both London and SE Asia (from 1998 to 2005).

Mr. Downing received a Bachelor of Arts (Honors) in History from the University of Cambridge in 1993, after which he completed a conversion course in Law, passing with Distinction in 1995.

NAME OF DIRECTOR:

- **MR. RICHARD HATHAWAY**

NAME OR COMPANY NAME OF THE SIGNIFICANT SHAREHOLDER REPRESENTED OR THAT HAS PROPOSED THEIR APPOINTMENT:

- **IMPERIAL BRANDS PLC**

PROFILE:

Mr. Richard Hathaway was appointed proprietary Director of Compañía de Distribución Integral Logista Holdings on 24/03/2015, and was re-elected in his position by the General Shareholders' Meeting of 26/03/2019.

Prior to joining Imperial Brands, he developed part of his professional career in KPMG, where he held various different positions in the UK and Europe and was a partner, initially in the audit practice (2000-2007) and then in the Transaction Services division (2007-2012). He also worked for ADS Anker.

Mr. Richard Hathaway currently serves as Corporate Development Director at Imperial Brands, and was previously Director of Finance Strategic Initiatives and responsible for leading the Risk Management function.

Mr. Hathaway received a Bachelor of Mathematics (Honors) (1988) from Oxford University in 1988, and is Fellow of the Institute of Chartered Accountants in England & Wales.

NAME OF DIRECTOR:

- **MR. MURRAY MCGOWAN**

NAME OR COMPANY NAME OF THE SIGNIFICANT SHAREHOLDER REPRESENTED OR THAT HAS PROPOSED THEIR APPOINTMENT:

- **IMPERIAL BRANDS PLC**

PROFILE:

Mr. Murray McGowan was appointed proprietary Director of Compañía de Distribución Integral Logista Holdings, representing Imperial Brands PLC, on 22/07/2021, and his appointment was ratified by the General Shareholders' Meeting of February 3rd, 2022.

He has a strong background in strategy and operations from his time in McKinsey, where he started his professional career, working with a range of leading global FMCG businesses, and more recently from various strategic and operational leadership roles for the likes of Costa Coffee (Whitbread), The Restaurant Group, Yum! Brands and Cadbury.

He joined Imperial Brands Plc.in 2020, as Group Strategy and Transformation Director, currently serving as Chief Strategy and Development Officer. He is also part of the Imperial Executive Committee. He is responsible for leading all elements of group strategy and operational transformation, and the definition of the new five year strategic plan for the Group.

Mr. McGowan holds a first class honours degree in Actuarial Mathematics and Statistics from Heriot-Watt university, Edinburgh.

NAME OF DIRECTOR:

- **MS. JENNIFER RAMSEY**

NAME OR COMPANY NAME OF THE SIGNIFICANT SHAREHOLDER REPRESENTED OR THAT HAS PROPOSED THEIR APPOINTMENT:

- **IMPERIAL BRANDS PLC**

PROFILE:

Ms. Jennifer Ramsey was appointed, by co-option, proprietary Director of Logista Holdings, on April 6th, 2022.

Mrs. Ramsey joined Imperial Brands in April 2021 and serves as Senior Investor Relations Manager of Imperial Brands Plc.

Prior to joining Imperial, she worked as Head of Investor Relations at Rolls-Royce Plc and Senior Plc. She has twenty years' experience as a fund manager directing investments for both institutional and private clients in both the UK and the US.

Ms. Ramsey studied Civil Engineering at Imperial College, London and has an MSC in Soil Mechanics and Engineering Seismology from the same institution. She is also CFA Charterholder, holds an MBA from London Business School and is a Chartered Civil Engineer.

Total number of proprietary directors	5
Percentage of the Board	41.67%

EXTERNAL INDEPENDENT DIRECTORS

NAME OF DIRECTOR:

- **MR. GREGORIO MARAÑÓN**

PROFILE:

Mr. Gregorio Marañón is the Chairman of the Board of Directors of the Compañía de Distribución Integral Logista Holdings, position he holds since his first appointment as Director of the Company.

He also serves as Chairman of Universal Music, Air City Madrid Sur and El Español; he is member of the Board of Directors of Patrimonio Nacional and Chairman of the Board of the Teatro Real opera house.

He has a wide experience in the financial, business, academic, legal and cultural management areas. He was general manager of Banco Urquijo, Chairman of Banif, Chairman and founder of Gescapital, and Director in BBVA, Argentaria and Zurich Seguros. He also was Chairman of Roche Farma, and member of the Advisory Board of Vodafone, among other positions.

In the cultural sphere, he is full member of the Royal Academy of Fine Arts of San Fernando and of other cultural institutions.

He was awarded the Grand Cross of Isabel la Católica and was appointed Commandeur de la Légion d'Honneur Française and Commendatore della Ordine de la Stella della Republica Italiana. He also has been awarded with other recognitions such as the Grand Cross of Alfonso X el Sabio, the Gold Medal for Merit in Fine Arts, the Gold Medal of Madrid region, the Gold Medal of Castilla-La Mancha Region, and the Gold Medal of Madrid City Council.

Mr. Gregorio Marañón holds a Law Degree from Complutense University of Madrid, and completed an Advanced Management Program at the IESE Business School. He is Doctorate Honoris Causa by the University of Castilla-La Mancha.

NAME OF DIRECTOR:

- **MS. CRISTINA GARMENDIA**

PROFILE:

Ms. Cristina Garmendia was appointed independent Director of Compañía de Distribución Integral Logista Holdings on 04/06/2014, and was re-elected in her position by the General Shareholders' Meeting of 03/02/2022.

She was Minister of Science and Innovation of the Spanish Government during the IX Legislature. After leaving the Government, she restarted her responsibilities in the venture capital firm of which she is a partner and founder, Ysios Capital, and founded the consulting firm Science & Innovation Link Office (SILO) and the Spanish-American company Satlantis Microsats.

She is president of the COTEC Foundation and sits on several advisory boards, university boards and boards of directors, including Caixabank, Mediaset and Ysios Capital.

She is an advisor to the European External Action Service (EEAS) and member of its Advisory Board.

She also was an advisor to the European Commission as a member of the High Level Group (HLG), which formulated the recommendations for the design of the IX Framework Program (2021-2027) of the European Union and is an advisor to the European Space Agency (ESA) to formulate recommendations on the future of space projects.

Her work and entrepreneurial vision has been recognized on several occasions with awards for research and business innovation.

Ms. Cristina Garmendia obtained her PhD in Biological Sciences, specializing in Genetics. She completed her PhD in Molecular Biology in the laboratory of Dr Margarita Salas, Severo Ochoa National Center for Molecular Biology. She completed her academic training with an MBA from the IESE Business School of the University of Navarra.

NAME OF DIRECTOR:

- **MR. LUIS ISASI**

PROFILE:

Mr. Luis Isasi was appointed independent Director of Compañía de Distribución Integral Logista Holdings, on 29/09/2020, and his appointment was ratified by the General Shareholders' Meeting of 04/02/2021.

He began his career in Abengoa in 1976, and after occupying different executive positions in JP Morgan in New York and in First National Bank of Chicago in London, he joined Morgan Stanley in London as Vice President, later Managing Director in the Investment Banking Division for Europe and, since 1997, Country Head and Chairman of Morgan Stanley in Spain. He left this position in March 2020, remaining as Senior Advisor. He has also been a Board member of Madrileña Red de Gas, S.A., of Sociedad Rectora Bolsa de Madrid, S.A., and of Grifols S.A., where he also was Chairman of its Audit Committee and member of its Appointments and Remuneration Committee.

He is today the non-executive Chairman of the Board of Santander España and external Board Member of Banco Santander, S.A., as well as Member of its Executive Committee, Appointments and Remuneration Committee, and Risk Committee.

Mr. Isasi holds a degree in Business Administration from the University of Sevilla and has an MBA from Columbia University in 1982.

NAME OF DIRECTOR:

- **MR. ALAIN MINC**

PROFILE:

Mr. Alain Minc was appointed independent Director of Compañía de Distribución Integral Logista Holdings, on 24/04/2018, and was re-elected in his position by the General Shareholders' Meeting of February 3rd, 2022.

He started his career as Tax Inspector, and joined Compagnie de Saint-Gobain in 1979, as Chief Financial Officer.

In 1986, Mr. Minc became Vice-Chairman of CIR International (Compagnie Industriali Riunite International) and General Manager of Cerus (Compagnies Européennes Réunies) which were the non-Italian affiliates of Benedetti Group.

In 1991, he founded his own consultancy company, AM Conseil.

He has been Board member of numerous companies and the Chairman of the Supervisory Board of Le Monde, the leading French newspaper (19/12/94 to 11/02/2008). Today he is Chairman of AM Conseil and Sanef. He is Commandeur de la Légion d'Honneur (France); Commander of the British Empire; Grand Cross of the Order of Civil Merit (Spain).

Mr. Alain Minc wrote more than 30 books on different subjects (economics, history, social and politics, among others).

Mr. Alain Minc is a graduate of the Ecole des Mines de Paris and of ENA (National School of Administration).

NAME OF DIRECTOR:

- **MS. PILAR PLATERO**

PROFILE:

Ms. Pilar Platero was appointed independent Director of Compañía de Distribución Integral Logista Holdings, on 26/11/2019, and her appointment was ratified by the General Shareholders' Meeting of 24/03/2020.

She held various management positions at the Spanish Government General Comptroller Office, as State Auditor and Delegated Comptroller at the national museums *Museo del Prado* and *Centro de Arte Reina Sofía*, as well as in the cabinets of the Minister of Finance and the State Secretary for Budgets and Expenditures. She has been Undersecretary of the Ministry of Finance and Public Administrations, and President of the Spanish state-owned industrial holding company (SEPI).

In the private sector, she is today an independent Director of the Amper, S.A.'s Board of Directors, Chairwoman of its Audit Committee and member of the Sustainability Committee; she was also partner of Equipo Económico and also an advisor for the Inter-American Development Bank (IDB).

Ms. Pilar Platero holds a Law Degree from the Complutense University of Madrid. State Comptroller and Auditor, Tax Inspector and Audit and Accounting Technician of the Ministry of Finance. Member of the Accounts Auditors Official Register.

Number of independent directors	5
Percentage of the Board	41.67%

Indicate whether any director classified as independent receives from the company or any company in its group any amount or benefit other than remuneration as a director, or has or has had a business relationship with the company or any company in its group during the past year, whether in his or her own name or as a significant shareholder, director or senior executive of a company that has or has had such a relationship.

NO

If so, include a reasoned statement by the Board explaining why it believes that the director in question can perform his or her duties as an independent director.

Not applicable

OTHER EXTERNAL DIRECTORS

Other external directors will be identified and the reasons why they cannot be considered proprietary or independent and links, either with the company, its directors, or its shareholders, will be detailed:

Not applicable

Indicate the variations that, if any, have occurred during the period in the category of each director:

Not applicable

C.1.4 Complete the following table with information relating to the number of female directors at the close of the past four years, as well as the category of each:

	Number of female directors				% of total directors for each category			
	Year 2022	Year 2021	Year 2020	Year 2019	Year 2022	Year 2021	Year 2020	Year 2019
Executive	1	1	1	0	50	50	50	0,00
Proprietary	2	2	2	0	40	40	40	0,00
Independent	2	2	2	1	40	40	40	10.00
Other External	0	0	0	0	0	0	0	0,00
Total:	**5**	**5**	**5**	**1**	**41.67**	**41.67**	**41.67**	**10.00**

C.1.5 Indicate whether the company has diversity policies in relation to its Board of Directors on such questions as age, gender, disability, education and professional experience. Small and medium-sized enterprises, in accordance with the definition set out in the Spanish Auditing Act, will have to report at least the policy that they have implemented in relation to gender diversity.

Yes ☒ ☐ No ☐ Partial policies ☐

If so, describe these diversity policies, their objectives, the measures and the way in which they have been applied and their results over the year. Also indicate the specific measures adopted by the Board of Directors and the nomination and remuneration committee to achieve a balanced and diverse presence of directors.

If the company does not apply a diversity policy, explain the reasons why.

Description of policies, objectives, measures and how they have been applied, and results achieved

During the 2020 fiscal year, the Board approved a new set of Rules for the Board of directors. These came into force at the same time as the modifications to the Bylaws which were agreed by the General Meeting of February, 2021. The new Rules paid special attention to diversity of gender. In particular, an Article 7 was included, relating to the composition of the Board. Without prejudice to the shareholders' power to make proposals, paragraph 1 b) of that Article expressly indicates the Board's obligation to ensure that at least 40% of the members of the Board of Directors are female. In line with the objective recommended by the CNMV for 2022, this aspect has been especially considered in the directors renewal occurred during the year.

The Company's Board of Directors had already approved (on 19th December, 2017) the Policy on the Selection of Board Members, which was based on, among other principles, "diversity in gender, experience and knowledge".

The said Policy establishes that the *"Board of Directors will ensure that the procedures for the selection of its members will favour diversity in their gender, experience and knowledge, and will not be affected by any latent bias which could entail discrimination, and, in particular, that they will facilitate the selection of female Board Members".*

It should also be pointed out that the Board of Directors, in its meeting in September, 2021, assessed and updated the skill matrix for the Board, that is in line with the best practices in corporate governance. This skill matrix has been considered in the renewals of directors that have occurred during the year, which has resulted in a reinforcement of the technical profiles and relation with investors.

C.1.6 Describe the measures, if any, agreed upon by the nomination committee to ensure that selection procedures do not contain hidden biases which impede the selection of female directors and that the company deliberately seeks and includes women who meet the target professional profile among potential candidates, making it possible to achieve a balance between men and women. Also indicate whether these measures include encouraging the company to have a significant number of female senior executives:

Explanation of the measures

Please see section C.1.5 above, concerning female directors.

The Appointments and Remuneration Committee specifically supervises the Diversity and Inclusion Plans of the Company, ensuring the fulfilment of the inclusion agreed objectives. These Diversity Plans are aimed, among other topics, to promote the female presence in all the Company levels, in particular in the Company's top management positions.

The Company monitors gender diversity issues at all professional levels and implements measures aimed at minimizing the eventual gender gap. The efforts made in this area are reflected in the achievement of several international and national recognitions. One of the main ones, without a doubt, is that of the Financial Times, which has highlighted Logista as one of the most inclusive companies in Europe, including the Company in the Diversity Leader ranking for the second consecutive year. Our inclusion programs have also been distinguished with the Diversity Leading Company seal, by the specialized publication "Teams and Talent". Finally, it should be noted that Logista is part of the Ibex Gender Equality Index.

With regard to female top managers, it should be noted the presence of two women at the Management Committee of the Company.

If in spite of any measures adopted there are few or no female directors or senior managers, explain the reasons for this:

Not applicable

C.1.7 Explain the conclusions of the nomination committee regarding verification of compliance with the policy aimed at promoting an appropriate composition of the Board of Directors.

The Committee always verifies that there has been compliance with the 40% female presence requires by Article 7.1. b) of the Board's Rule as well as with the requirements of the Policy on the Selection of Board Members in this regard. All of this entirely within the context of the Company's current shareholding structure, and while observing the shareholders' right to proportional representation. In particular, the Committee has ensured that in these procedures there is an appropriate balance of criteria such as skills, experience and variety of candidates considering the skills matrix of the Board.

Thus, since the firm commitment was made to diversity of gender, the Committee has ensured that the percentage of female Board Members has been maintained. In this way, by means of the renewals occurring during this fiscal year, the 42% female component has been maintained and this complies with Article 7.1 b) of the Board's Rules (at least 40%) and with the Good Governance Recommendations of the CNMV.

On the other hand, in the Director renewal process occurred during this fiscal year, one of the key skills of the Board matrix has been remarked, reinforcing direct experience in the investor relations and sustainability areas.

C.1.8 If applicable, explain the reasons for the appointment of any proprietary directors at the request of shareholders with less than a 3% equity interest:

Not applicable

Indicate whether the Board has declined any formal requests for presence on the Board from shareholders whose equity interest is equal to or greater than that of others at whose request proprietary directors have been appointed. If so, explain why the requests were not granted:

Yes ☐ No ☒

C.1.9 Indicate the powers, if any, delegated by the Board of Directors, including those related to the possibility of issuing or repurchasing shares, to directors or Board committees:

Name or company name of director or committee	Brief description
Mr. Íñigo Meirás	He has been delegated all the faculties that can be delegated according to the Law and the Bylaws, excluding the faculties that, according to Article 13.4 of the Bylaws of the Company, require the approval of the resolution by, at least, the 70% of the members of the Board of Directors. It should be noted, that for efficiency reasons and pursuant the provisions of the Act on Capital Companies ("Ley de Sociedades de Capital"), the Board of Directors has delegated in the Chief Executive Office the approval of minor related parties transactions, subject the relevant reporting system to the Board and to the Audit and Control Committee.

C.1.10 Identify any members of the Board who are also directors, representatives of directors or managers in other companies forming part of the listed company's group:

Name or company name of director	Company name of the group entity	Position	Does the director have executive powers?
Mr. John Downing	Altadis Newco Limited	Director	NO
Mr. John Downing	Attendfriend Limited	Director	NO
Mr. John Downing	British Tobacco Company Limited	Director	NO
Mr. John Downing	Hypofill Limited	Director	NO
Mr. John Downing	Imperial Brands Enterprise Finance Limited	Director	NO
Mr. John Downing	Imperial Brands Finance Plc	Company Secretary	NO
Mr. John Downing	Imperial Brands Ventures Finance Limited	Director	NO
Mr. John Downing	Imperial Brands Ventures Holdings (1) Limited	Director	NO
Mr. John Downing	Imperial Brands Ventures Holdings (2) Limited	Director	NO
Mr. John Downing	Imperial Tobacco Altadis Limited	Director	NO
Mr. John Downing	Imperial Tobacco Capital Assets (1)	Director	NO
Mr. John Downing	Imperial Tobacco Capital Assets (2)	Director	NO
Mr. John Downing	Imperial Tobacco Capital Assets (3)	Director	NO
Mr. John Downing	Imperial Tobacco Capital Assets (4)	Director	NO
Mr. John Downing	Imperial Tobacco Group Limited	Director	NO
Mr. John Downing	Imperial Tobacco Holdings (1) Limited	Director	NO

Mr. John Downing	Imperial Tobacco Holdings (2007) Limited	Director	NO
Mr. John Downing	Imperial Tobacco Holdings Limited	Director	NO
Mr. John Downing	Imperial Tobacco Initiatives	Director	NO
Mr. John Downing	Imperial Tobacco Ireland Unlimited Company	Director	NO
Mr. John Downing	Imperial Tobacco Lacroix Limited	Director	NO
Mr. John Downing	Imperial Tobacco Limited	Director	NO
Mr. John Downing	Imperial Tobacco Overseas (Polska) Limited	Director	NO
Mr. John Downing	Imperial Tobacco Overseas Holdings (1) Limited	Director	NO
Mr. John Downing	Imperial Tobacco Overseas Holdings (2) Limited	Director	NO
Mr. John Downing	Imperial Tobacco Overseas Holdings (3) Limited	Director	NO
Mr. John Downing	Imperial Tobacco Overseas Holdings (4) Limited	Director	NO
Mr. John Downing	Imperial Tobacco Overseas Holdings Limited	Director	NO
Mr. John Downing	Imperial Tobacco Overseas Limited	Director	NO
Mr. John Downing	Imperial Tobacco US Holdings B.V.	Managing Director	YES
Mr. John Downing	Imperial Tobacco Ventures Limited	Director	NO
Mr. John Downing	ITG Brands Limited	Director	NO
Mr. John Downing	Joseph & Henry Wilson Limited	Director	NO
Mr. John Downing	Nerudia Compliance Limited	Director	NO
Mr. John Downing	Nerudia Consulting Limited	Director	NO
Mr. John Downing	Nerudia Limited	Director	NO

Mr. John Downing	Nerudia Trading Limited	Director	NO
Mr. John Downing	Newglade International Unlimited Company	Director	NO
Mr. John Downing	Park Lane Tobacco Company Limited	Director	NO
Mr. John Downing	Rizla UK Limited	Director	NO
Mr. John Downing	Sensus Investments Limited	Director	NO
Mr. John Downing	Sinclair Collis Limited	Company Secretary	NO
Ms. María Echenique	Compañía de Distribución Integral Logista, S.A.U.	General Secretary	YES
Mr. Richard Hathaway	Global Horizon Ventures Ltd	Director	NO
Mr. Richard Hathaway	Reemtsma Kyrgyzstan OJSC	Director	NO
Mr. Richard Hathaway	1213509 BC Limited	Director	NO
Mr. Richard Hathaway	Imperial Brands Ventures Limited	Director	NO
Mr. Richard Hathaway	Imperial Brands Ventures Holdings Limited	Director	NO
Mr. Richard Hathaway	Oxford Cannabinoid Technologies Holdings plc	Non-executive Director and member of the Audit and Control Committee	NO
Mr. Murray McGowan	Auxly Group	Director	NO
Mr. Murray McGowan	Imperial Brands Ventures Limited	Director	NO
Mr. Murray McGowan	Imperial Brands Ventures Holdings Limited	Director	NO
Mr. Murray McGowan	Global Horizons Ventures Limited	Director	NO
Mr. Iñigo Meirás	Compañía de Distribución Integral Logista, S.A.U.	Chairman of the Board of Directors and CEO	YES
Mr. Iñigo Meirás	Logista Italia, S.p.A.	Chairman of the Board of Directors	NO
Mr. Iñigo Meirás	Logista Payments, S.L.U.	Chairman of the Board of Directors	NO
Mr. Iñigo Meirás	Terzia, S.p.A.	Chairman of the Board of Directors	YES

The positions held by directors Ms. Blohm and Ms. Ramsey and Messrs. Downing, Hathaway and McGowan as executive managers in Imperial Group have been reported in section A.6.

C.1.11 Detail the positions of director, administrator or manager, or representative thereof, held by the directors or representatives of directors who are members of the Company's Board in other entities, whether or not they are listed companies:

Identification of the Director or representative	Name of the company, whether listed or not	Position
Mr. Gregorio Marañón	Universal Music Spain	Chairman of the Board of Directors
	Air City Madrid Sur	Chairman of the Board of Directors
	El Español	Chairman of the Board of Directors
Mr. Íñigo Meirás	Rioja Alta, S.A.	Non-executive Director
	Fremman Limited	Advisory Board Member
Ms. Cristina Garmendia	Mediaset España Comunicación, S.A.	Independent Director and Member of the Appointments and Remuneration Committee and of the Audit and Compliance Committee
	Caixabank, S.A.	Independent Director and Member of the Innovation, Technology and Digital Transformation Committee. Member of the Audit and Control and of the Remuneration Committees.
	Jaizkibel 2007, S.L.	Sole Administrator
	Ysios Capital Partners SGEIC, S.A.	Director - Partner
Mr. Luis Isasi	Santander España	Chairman
	Banco Santander SA	External Director
	Morgan Stanley España	Senior Advisor
Mr. Alain Minc	AM Conseil	Chairman
	SANEF	Chairman
	Financière LOV	Administrator and member of the Supervisory Board
	Financière LOV Entertainement	Administrator and Member of the Audit Committee
Ms. Pilar Platero	AMPER, S.A.	Independent Director, Chairwoman of the Audit and Control Committee, and member of the Sustainability Committee.

Remarks
▪ **<u>Mr. Gregorio Marañón also holds the following positions:</u>** • Chairman of the Teatro Real opera house and of its executive Committee • Trustee of the National Library • Trustee of the Army Museum • Member of the Board of Directors of Patrimonio Nacional
▪ **<u>Ms. Cristina Garmendia also holds the following institutional positions</u>:** • Fundación Cotec para la Innovación: Chairwoman of the Board of Trustees • Fundación Pelayo: Member of the Board of Trustees* • Fundación SEPI: Member of the Board of Trustees* • Fundación España Constitucional: Member of the Board of Trustees * • Fundación Hermes: Member of the Advisory Board* • Sevilla University: Member of the Advisory Board Alumni (* Fonctions performed as Chairwoman of the *Fundación Cotec para la Innovación*)
▪ **<u>Ms. Lillian Blohm also holds the following positions:</u>** • Reemtsma Cigaretten Fabriken Gmbh: Member of Supervisory Board

Remarks
The positions described above for which the directors receive remuneration are specified below: **<u>Mr. Gregorio Marañón</u>:** ▪ Universal Music Madrid ▪ Air City Madrid Sur ▪ Patrimonio Nacional **<u>Mr. Iñigo Meirás:</u>** ▪ Rioja Alta, S.A. ▪ Fremman Limited **<u>Ms. Cristina Garmendia:</u>** ▪ Mediaset España Comunicación, S.A. ▪ Caixabank, S.A. ▪ Jaizkibel 2007, S.L. ▪ Ysios Capital Partners SGEIC, S.A.

Mr. Luis Isasi ▪ Santander España ▪ Banco Santander SA ▪ Morgan Stanley España **Mr. Alain Minc** ▪ AM Conseil ▪ SANEF ▪ Financière LOV ▪ Financière LOV Entertainment **Ms. Pilar Platero** ▪ AMPER, S.A. It is also noted that directors Ms. Blohm and Ms. Ramsey and Messrs. Downing, Hathaway and McGowan are remunerated for their professional activities in Imperial Brands Plc, as referred to in paragraph A6.

Indicate, if applicable, any other remunerated activities of the directors or representatives of the directors, whatever their nature, other than those indicated in the table above.

Identification of the director or representative	Other remunerated activities
Mr. Gregorio Marañón	Full member of the Real Academia de Bellas Artes de San Fernando
Ms. Cristina Garmendia	Member of the Advisory Board of S2 Grupo de Innovación en Procesos Organizativos, S.L.U.
	Member of the Advisory Board of Integrated Services Solution, S.L.
	Member of the Advisory Board of Universidad Europea de Madrid, S.A.
	Member of the Advisory Board of Mckinsey & Company
	Member of the Security Committee of Airbus Defence & Space S.A.U.
	Member of the Advisory Board of Compagnie Plastic Omnium SE

C.1.12 Indicate whether the company has established rules on the maximum number of company boards on which its directors may sit, explaining if necessary and identifying where this is regulated, if applicable:

Yes ☒ No ☐

Explanation of the rules and identification of the document where this is regulated
Article 21.3 of the Rules of the Board of Directors stipulates that members of Logista's Board of Directors may only form part, at the same time and within the restrictions established by law, of a maximum of four boards of directors of listed companies other than Logista. This means a reduction in the number of boards on which Logista's Board Members may sit, compared to those previously established.

C.1.13 Indicate the remuneration received by the Board of Directors as a whole for the following items:

Remuneration accruing in favour of the Board of Directors in the financial year (thousands of euros)	**4,966**
Amount of funds accumulated by directors currently in office for long-term savings with vested economic rights (thousands of euros)	**806**
Amount of funds accumulated by directors currently in office for long-term savings with non-consolidated economic rights (thousands of euros)	**137**
Amount of funds accumulated by former directors through long-term saving schemes (thousands of euros)	0

Remarks
The figure shown in the concept "*Amount of funds accumulated by directors currently in office for long-term savings with non-consolidated economic rights*" corresponds to the contributions to the long-term savings insurance "Plan 60" made in favor of the Secretary Director.

C.1.14 Identify members of senior management who are not also executive directors and indicate their total remuneration accrued during the year:

Name	Position
Mr. Pascal Ageron	General Manager - France
Mrs. María Pilar Colás Castellote	General Manager – Italy
Mr. Carlos García-Mendoza Klaiber	Strategy Corporate Director
Mr. Juan José Guajardo-Fajardo Villada	Human Resources Corporate Director
Mr. Pedro Losada Hernández	Chief Financial Officer
Mr. Antonio Mansilla Laguía	Resources Corporate Director
Mr. Francisco Pastrana Pérez	General Manager - Iberia and Poland
Ms. Laura Templado Martín	Internal Audit Corporate Director

Number of women in senior management	**2**
Percentage of total senior management	**25**

Total senior management remuneration (thousand euros)	**6,304**

Remarks

- The figure for the total senior management remuneration includes the remuneration of the previous Chief Financial Officer, until his departure from the company.
- The information provided in this section about the number and percentage of female members of senior management only takes account of the positions in the General Management in Italy and in the Corporate Directorate of Internal Auditing.

  However, it should be noted that Board Member Mrs. Echenique, in her capacity of General Secretary and Corporate Director of Legal Services, also forms part of the Group's Management Committee. When we include this position, the information about the number of women and their percentage of the total number of senior managers is as follows:

  • Number of women: 3
  • Percentage: 33.33%

C.1.15 Indicate whether the Board regulations were amended during the year:

Yes ☐ No ☒

C.1.16 Specify the procedures for selection, appointment, re-election and removal of directors. List the competent bodies, steps to follow and criteria applied in each procedure.

Directors' Selection

Logista has a Policy on Selection of Board Members, approved by the Board of Directors of December 19, 2017, based on the principles of non-discrimination and equal treatment, gender diversity, experience, knowledge, transparency and compliance with the good governance recommendations. In this same vein, the Appointments and Remuneration Committee of June 2020 approved an Action Plan in order to implement the Recommendations of the Technical Guide of the CNMV in relation to Appointments and Remuneration Committees, and subsequently, the Board of Directors of September 2020 approved a skill matrix for the Board, to be considered in the future selection processes. During the current financial year, the Board reassessed the skill matrix and updated it with the new appointed Board members.

The Board of Directors and the Appointments and Remuneration Committee, within the scope of their competencies, shall endeavour to ensure that the candidates fulfil the principles established in the Policy on Selection of Board Members, and shall be particularly rigorous in choosing the persons to cover the posts of independent directors.

The directors of the Company may become part at the same time, and with the limitation provided by Law, of a maximum of four boards of directors of listed companies other than the Company (Article 21 of the Board of Directors’ Regulations).

Directors' Appointments

The appointment, ratification, re-election and removal of directors correspond to the General Meeting, without prejudice to the authority of the Board of Directors to make appointments by co-option, according to Law.

Proposal of appointment or re-election of directors corresponds to the Appointments and Remuneration Committee, in the case of independent Directors, and to the Board of directors itself, in other cases.

The proposal of appointment, re-election or removal of any non-independent Director must be preceded by a report of the Appointments and Remuneration Committee, as well as of a justifying report of the Board of Directors, which evaluates the competence, experience and merits of the proposed candidate.

Re-election of Directors

The proposals for re-election of directors that the Board of Directors decides to present to the General Meeting of Shareholders shall be subject to a formal procedure, which must necessarily include a report issued by the Appointments and Remuneration Committee in which the quality of work and dedication to the post of the proposed directors during the preceding term of office is evaluated.

Term of office

Directors shall occupy their post during the period established in the By-Laws, which shall in no case exceed four years, and may be re-elected.

Removal of Directors

In accordance with the provisions of Article 25 of the Board of Directors' Regulations, directors shall leave their position when the term for which they were appointed ends and when so decided at the General Shareholders' Meeting, or when the Board of Directors requests it, in the use of the attributes accorded both to the General Shareholders' Meeting and to the Board by Law or by the By-Laws, in a series of assessed cases, among which the new Regulation specifically includes the cases in which Logista's credit and reputation may be put at risk, in the terms recommended in the latest draft of the Code of Good Governance of listed companies. In all this cases, directors must place their position at the disposal of the Board of Directors and if the Board deems appropriate, formally resign as a director.

C.1.17 Explain to what extent the annual evaluation of the Board has given rise to significant changes in its internal organisation and in the procedures applicable to its activities:

Description of amendments

During the year 2021-2022, the Board has been working to implement the action plan that was approved the previous year as a result of the self-assessment carried out in that same year. The main actions implemented are as follows:

1. Risks are reviewed quarterly by the Audit and Control Committee, and twice a year by the Board of Directors.
2. Business reviews by top managers include their strategic priorities and their relation with the Company's general strategy.
3. The CEO informs the Board of Directors of the business, financial and stock market performance of the Company, in those months in which no meeting of the Board is held.
4. The Appointments and Remuneration Committee annually reviews the Company's top management succession plan, and issues related to inclusion and culture.

Describe the evaluation process and the areas evaluated by the Board of Directors with or without the help of an external advisor, regarding the functioning and composition of the Board and its committees and any other area or aspect that has been evaluated.

Description of the evaluation process and areas evaluated

In this financial year, in accordance with the recommendations of Good Governance of CNMV, the Board of Directors has had the external advice of Deloitte Legal, for the self-assessment process.

The self-assessment in relation to fiscal year 2021-2022, was referred to the following:

1. The Board of Directors of the Company, in the followings aspects:

- General questions
- Meetings of the Board
- Functions and Responsibilities
- Composition

2. The Audit and Control Committee, in the following aspects:

- Composition
- General questions
- Meetings
- Functions and Responsibilities

3. The Appointments and Remuneration Committee, in the following aspects:

- Composition
- General questions
- Meetings
- Functions and Responsibilities

4.- The Chairman of the Board (Performance)

5.- The CEO (Performance)

6.- The Secretary of the Board (Performance)

C.1.18 Provide details, for years in which the evaluation was carried out with the help of an external advisor, of the business relationships that the external advisor or company in its group maintains with the company or any company in its group.

- Computer security advisory services for Compañía de Distribución Integral Logista, SAU, provided by Deloitte Advisory, SL
- Audit services for Societé Allumetière Française, provided by Deloitte & Associés
- Due Diligence services for Dronas 202, SLU provided by Deloitte Financial Avisory B.V.
- Tax advisory services for Compañía de Distribución Integral Logista, SAU, provided by Deloitte Asesores Tributarios, SLU
- Consulting services for Compañía de Distribución Integral Logista, SAU, provided by Deloitte Consulting, SLU
- Tax advisory services for Logista Italia, s.r.l provided by STS Deloitte STP SRL SB

C.1.19 Indicate the cases in which directors are obliged to resign.

In accordance with article 25 of the Board Regulations, directors must place their post at the disposal of the Board of Directors and formally resign as a Director, if the Board of Directors considers it appropriate based on the following counts:

a) When they are removed from the executive posts to which their appointment as directors was associated;

b) When they are involved in any of the scenarios of incompatibility or prohibition envisaged by the Law;

c) When directors have performed acts that are contrary to the diligence with which they are obliged to perform their duties, infringed their duties and obligations as directors;

d) When their presence on the Board could jeopardise the interests of Logista or cause serious damage to Logista's good name. In particular, directors should inform the Board of any criminal charges brought against them and the progress of any subsequent trial.

   For this purpose, the director shall immediately inform the Board of any situation affecting him/her which could damage such credit and reputation and, in particular, of any criminal cases in which they appear as prosecuted, as well as, where appropriate, of their procedural vicissitudes. The Board of Directors should open an investigation as soon as possible and, in light of the particular circumstances, decide, following a report of the

Appointments and Remuneration Committee, whether or not to take any measures, such as opening an internal investigation, requesting the resignation of the Director or proposing his/her dismissal

The Board should give a reasoned account of all such determinations in the Annual Corporate Governance Report, unless there are special circumstances to justify it, which must be recorded in the minutes. This is detrimental to the information that the Company is to disseminate, if appropriate, at the time of the adoption of the corresponding measures, when, after analysis by the Board itself, the Board determines that there are situations affecting the director, whether or not relating to his performance in the Company, which damage the Company's credit and reputation.

e) When, a director representing a significant shareholder notifies Logista, at any time, of the decision of the shareholder not to reappoint him at the end of his term, or when the significant shareholder transfers, all its shareholding in Logista. Additionally, if such shareholders reduce their stakes, thereby losing some of their entitlement to appoint directors, the latter's number should be reduced accordingly.

C.1.20 Are qualified majorities other than those established by law required for any particular kind of decision?

Yes ☒ No ☐

If so, describe the differences.

Description of differences

According to the provisions of Article 13 of the Company By-Laws, the Board shall approve resolutions by absolute majority of the directors attending the meeting, either in person or via proxy.

Notwithstanding the above, the adoption of any resolutions related to any of the matters set out below will require the positive vote of at least 70% of the directors, as rounded up in case that the application of that percentage does not result in a whole number of directors, that form part of the Board of Directors and will not be delegated:

a) Any increase or decrease in Logista's corporate capital or the issuance by Logista of any debt securities or other ordinary securities.

b) Approval of an annual budget in relation to capital spending, investments and other financial commitments to be made by Logista over the course of the following year (the "Annual CapEx Budget").

c) Any decision relating to the acquisition of all or part of any third-party business, whether through the purchase (directly or indirectly) of shares, assets or third-party interests (including those derived from a merger or business combination), by Logista or any member of its corporate group.

d) Any decision relating to the disposal of all or part of any business in favour of a third party, whether through the disposition (directly or indirectly) of shares, assets or other interests (including those deriving from a merger or business combination), by Logista or any member of its corporate group.

e) Any decision by the Company to establish strategic arrangements, joint ventures or any other arrangements that entail the sharing or distribution of benefits or assets.

f) Any decision by the Company to incur or agree to incur (directly or indirectly) capital expenditures, investment expenses or any other financing commitment with respect to any transaction that exceeds €1,000,000.00 in the aggregate, unless such capital expenditure, investment expense or other financing commitment (including the amount of such capital expenditure, investment expense or other financing commitment) is contemplated in the Annual CapEx Budget for such period, which has been approved in accordance with clause (b) of this Article.

g) Any decision by the Company to amend the terms of its loans or debts originating from loan agreements or the granting of security or to obtain or incur loans or debts originating from new loan agreements.

h) The creation of any mortgage, pledge, lien, charge, assignment of the foregoing or any other security relating to Logista that may be granted outside the ordinary course of business.

i) The decision to delegate any power vested in the Board of Directors to a Chief Executive Officer or to delegate any power vested in the Board to any committee thereof.

For purposes of calculating a majority of the directors for purposes of the adoption of the foregoing resolutions, any directors who have a conflict of interest and must thus abstain from voting shall not be included in the denominator by reference to which a majority is calculated.

C.1.21 Explain whether there are any specific requirements, other than those relating to directors, for being appointed as chairman of the Board of Directors.

Yes ☐ **No** ☒

C.1.22 Indicate whether the articles of incorporation or Board regulations establish any limit as to the age of directors:

Yes ☐ **No** ☒

C.1.23 Indicate whether the articles of incorporation or Board regulations establish any term limits for independent directors other than those required by law or any other additional requirements that are stricter than those provided by law:

Yes ☐ **No** ☒

C.1.24 Indicate whether the articles of incorporation or Board regulations establish specific rules for appointing other directors as proxy to vote in Board meetings, if so the procedure for doing so and, in particular, the maximum number of proxies that a director may hold, as well as whether any limit has been established regarding the categories of director to whom votes may be delegated beyond the limits imposed by law. If so, briefly describe these rules.

According to the provisions of article 19.1 of the Board Regulations, directors must attend Board meetings and, when they cannot do so in person, they shall arrange for their representation and vote to be granted in favour of another Board member, including appropriate instructions.

The delegation may be made by letter, fax, telegram, e-mail, or by any other valid means acknowledged in writing.

Non-executive directors may do so only to another non-executive director.

C.1.25 Indicate the number of meetings held by the Board of Directors during the year. Also indicate, if applicable, the number of times the Board met without the chairman being present. Meetings where the chairman gave specific proxy instructions are to be counted as attended.

Number of board meetings	9
Number of board meetings held without the chairman's presence	0

Indicate the number of meetings held by the coordinating director with the other directors, where there was neither attendance nor representation of any executive director:

Not applicable

Indicate the number of meetings held by each Board committee during the year:

Number of meetings held by the audit committee	5
Number of meetings held by the nomination and remuneration committee	8

C.1.26 Indicate the number of meetings held by the Board of Directors during the year with member attendance data:

Number of meetings in which at least 80% of directors were present in person	9
Attendance in person as a % of total votes during the year	95%
Number of meetings with attendance in person or proxies given with specific instructions, by all directors	8
Votes cast in person and by proxies with specific instructions, as a % of total votes during the year	95%

C.1.27 Indicate whether the individual and consolidated financial statements submitted to the Board for issue are certified in advance:

Yes ☒ **No** ☐

Identify, if applicable, the person(s) who certified the individual and consolidated financial statements of the company for issue by the Board:

Name	Position
Pedro Losada Hernández	CFO

C.1.28 Explain the mechanisms, if any, established by the Board of Directors to ensure that the financial statements it presents to the General Shareholders' Meeting are prepared in accordance with accounting regulations.

In accordance with the provisions of Article 16 of the Board of Directors' Regulations and Article 5.1 of the Regulations of the Audit and Control Committee, the Audit and Control Committee is responsible for supervising and assessing the process of drawing up and the integrity of the financial, reviewing compliance with regulatory requirements, proper delimitation of the consolidation perimeter and the correct application of accounting criteria.

In this respect, the Audit and Control Committee has the following functions:

1. Prior analysis of economic and financial information, including the analysis of the main assumptions and magnitudes, changes in the consolidation perimeter, and evaluation of the potential impacts arising from changes in the Accounting Standards.
2. Supervision of the annual planning of the audit of accounts, as well as the Internal Control System of Financial Information and the Integrated Report.
3. Quarterly attendance of external auditors at the Audit and Control Committee, which allows managing in advance possible aspects that could have a significant financial impact on the Group's assets, results or reputation.
4. Annual attendance of external auditors at the Board of Directors to detail the results of their Audit work.

Historically, the Company's audit opinion reports have been filed without qualification.

C.1.29 Is the secretary of the Board also a director?

Yes ☒ **No** ☐

C.1.30 Indicate the specific mechanisms established by the company to safeguard the independence of the external auditors, and any mechanisms to safeguard the independence of financial analysts, investment banks and rating agencies, including how legal provisions have been implemented in practice.

Relations between the Board and the Company’s external auditors are channelled through the Audit and Control Committee.

In this regard, it should be noted that the Committee’s functions in relation to the accounts auditor are fully consistent with the Recommendations for good governance of the CNMV, with its Technical Guide for Audit Committees, and with current legislation. Thus, in addition to its duties required by the applicable law, Articles 16 of the Board’s Rules and 4 of the Regulations of the Audit and Control Committee, assign the following functions in relation to the accounts auditor:

a) Investigating the circumstances of any resignation of an external auditor.

b) Ensuring that the remuneration for the work of external auditors does not adversely affect the quality of their work or their independence;

c) Ensuring that the Company communicates, via the *Comisión Nacional del Mercado de Valores*, information about any change of auditor, including a statement about any disagreements with the outgoing auditor and, if there were any, about their nature.

d) Ensuring that the external auditor holds a meeting every year with the full Board of directors to report on the work done and on developments in the Company’s accounting situation and risks.

e) Ensuring that the Company and the external auditor observe the current regulations governing the provision of services other than accounting services, the limits on the concentration of the auditor’s business and, in general, the other regulations governing auditors’ independence.

In addition, Art.12 of the Audit and Control Committee’s Rules stipulates that the Committee must set up an effective channel for regular communication with the auditor who is principally responsible for auditing accounts, and must ensure that communications between the Committee and the external auditor are smooth and permanent, in accordance with the rules governing the activity of accounts auditing, and without jeopardising the auditor's independence or the efficiency with which the auditing work and procedures are carried out.

It should be noted that, in accordance with Art. 529 quaterdecies f) of the Capital Companies Act, the Committee issues annually, and prior to the issue of the report on the auditing of the accounts, a report in which an opinion is expressed about whether the independence of the accounts auditors or auditing companies has been compromised. This report, which is published in the Logista's website sufficiently well in advance of the Company's Ordinary General Meeting, contains a reasoned appraisal of the provision of additional services, other than that of legal auditing, performed by the external auditors.

The said report will contain all relevant information about the services contracted, about the analysis of independence carried out by the Committee, and in particular, about the total amount of the fees received.

In this connection, any request for additional services is submitted for approval to the Audit and Control Committee after the analysis of the pertinent documentation prepared by the Corporate Director of Finances. To that end, the documentation shall include sufficient information to facilitate the evaluation by the Audit and Control Committee.

The said meeting of the Audit and Control Committee will be attended by the Corporate Director of Finances, to whom Committee Members may address additional questions about the specific proposal. When the answers to any such questions have been received, the Audit and Control Committee will proceed to evaluate the said proposal, requesting, if this is thought necessary, additional information or clarifications from any of the Company's employees or from the auditors themselves, and will then approve the proposal if it deems that appropriate. It should be noted that such approval is recorded in the minutes of the Audit and Control Committee's meeting, together with any additional instructions which the Audit and Control Committee may have given in relation to any proposal.

In the specific matter of the accounts auditor's remuneration, the Board of Directors must refrain from engaging any auditing firm whose projected fees for all items exceed five per cent of its total income in the previous fiscal year.

The Board of Directors publicly discloses the total amount of fees which it has paid to the auditing firm for services other than accounts auditing.

In accordance with Logista's Policy on information for, and contact with, shareholders, institutional investors and proxy advisors, and on dissemination of economic, financial, non-financial and corporate information, relations with analysts, investors and proxy advisors are based on the principles of transparency, veracity, immediacy, relevance, consistency, sufficiency, clarity and non-discrimination. Within the Company the unit entrusted specifically with dialogue with each of these groups, the Directorate of Investor Relations, regularly holds informative meetings with them, at the time of the presentation of financial information.

During every contact with financial analysts, the Company always takes particular care to avoid compromising its independence and to observe the internal codes of conduct that are customary in this area, and which are designed to separate services of analysis from those of consultancy.

C.1.31 Indicate whether the company changed its external auditor during the year. If so, identify the incoming and outgoing auditors:

Yes ☐ **No** ☒

C.1.32 Indicate whether the audit firm performs any non-audit work for the company and/or its group and, if so, state the amount of fees it received for such work and express this amount as a percentage of the total fees invoiced to the company and/or its group for audit work:

Yes ☒ **No** ☐

	Company	Group companies	Total
Amount invoiced for non-audit services (thousands of euros)	63	65	128
Amount invoiced for non-audit work/Amount for audit work (in %)	52%	9%	15%

C.1.33 Indicate whether the auditors' report on the financial statements for the preceding year contains a qualified opinion or reservations. If so, indicate the reasons given to shareholders at the general meeting by the chairman of the audit committee to explain the content and extent of the qualified opinion or reservations.

Yes ☐ **No** ☒

C.1.34 Indicate the number of consecutive years for which the current audit firm has been auditing the company's individual and/or consolidated financial statements. Also, indicate the number of years audited by the current audit firm as a percentage of the total number of years in which the financial statements have been audited:

	Individual	Consolidated
Number of consecutive years	3	3

	Individual	Consolidated
Number of years audited by the current audit firm/number of years in which the company has been audited (in %)	33%	33%

C.1.35 Indicate whether there is a procedure for directors to be sure of having the information necessary to prepare the meetings of the governing bodies with sufficient time; provide details if applicable:

Yes ☒ **No** ☐

Details of the procedure

Under Article 18 of the Rules of the Board of Directors, the calling of ordinary meetings is effected by letter, fax, telegram or electronic mail, or by any other means which provides evidence of receipt. This has to be done with a minimum of two days' notice, and a longer period of notice is usual.

Except in the event of a justifiable reason for proceeding otherwise, the call includes the agenda of the meeting, which is accompanied by a summary of the information which is relevant and necessary for deliberation and the adoption of resolutions about the subjects dealt with. A clear indication is given of those matters about which the Board of Directors has to make a decision or resolution, so that the Board Members can first study or collect the information needed for the decision.

In those exceptional situations in which, due to urgency, the Chairman wishes to submit for the Board's approval decisions or resolutions about matters which do not appear on the agenda, the prior, express consent of the Board Members present in the meeting will be required, and that consent will be duly recorded in the minutes.

In addition, Chapter VII of the Board's Rules establishes the right and the duty of Board Members to adequately inform themselves and prepare for meetings of the Board and of the delegated bodies or Committees of which they are members. Requests for information are channelled through the Chairman of the Board, the Chief Executive Officer or the Board Secretary, any of whom will deal with them directly or arrange for the Board Members to have the appropriate internal interlocutors. Board Members may also ask for the contracting, at Logista's expense, of legal advisors, accountants, financiers or other experts.

C.1.36 Indicate whether the company has established rules obliging directors to inform the Board of any circumstances, whether or not related to their actions in the company itself, that might harm the company's standing and reputation, tendering their resignation where appropriate. If so, provide details:

Yes ☒ **No** ☐

Explain the rules

Article 25.2 d) of the Board's Rules includes the obligation of Board Members to offer their resignation to the Board when their continuance on the Board could jeopardise Logista's interests or damage the Company's credit or reputation. In particular, they are obliged to inform the Board of any criminal proceedings in which they are being investigated, and of the vicissitudes of those proceedings.

To that end, Board Members must immediately inform the Board of any situation affecting them which could damage that credit or reputation, particularly any criminal proceedings in which they are being investigated, and of the vicissitudes of those proceedings. The Board of Directors will consider the situation as quickly as possible, and, based on its specific circumstances and a report from the Appointments and Remuneration Committee, will decide whether or not it needs to take any measures, such as the opening of an internal investigation, asking the Board Member concerned to resign, or proposing their dismissal. The Board of Directors will give a reasoned account of all of this in the Annual Report on Corporate Governance, unless there are special circumstances which obviate the need for this, in which case they will be recorded in the minutes. This will be without prejudice to the information which the Company has to disseminate, if appropriate, at the time when the corresponding measures are taken, when, after the Board's own analysis, it decides that there are indeed situations affecting the Board Member, whether or not related to his or her actions within the Company itself, which damage the Company's credit and reputation.

C.1.37 Indicate whether, apart from such special circumstances as may have arisen and been duly minuted, the Board of Directors has been notified or has otherwise become aware of any situation affecting a director, whether or not related to his or her actions in the company itself, that might harm the company's standing and reputation:

Yes ☐ **No** ☒

C.1.38 Detail any material agreements entered into by the company that come into force, are modified or are terminated in the event of a change in control of the company following a public takeover bid, and their effects.

The Company has not entered into any agreement under these terms.

C.1.39 Identify individually as regards directors, and in aggregate form in other cases, and provide details of any agreements between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal without due cause or termination of employment as a result of a takeover bid or any other type of transaction.

Number of beneficiaries: 11

Type of beneficiaries: CEO, Secretary Director and **c**ertain senior managers

Description of the resolution:

(i) CEO

- Compensation equivalent to one annuity of fixed plus short-term variable remuneration in the following cases:
  - Termination of the contract at the will of the CEO for serious breach of the contract by the Company, or if it ceases to be the sole CEO of the Company, or if there is a change of control in Logista's shareholding.
  - Termination of the contract at the Company's will without justifying cause
- Post-contractual non-compete clause: Duration of twelve months. Compensation equivalent to one annuity of fixed plus short-term variable remuneration .

(ii) Secretary Director

- Compensation equivalent to one annuity of fixed plus short-term variable remuneration in the following cases:
  - Termination of the contract at the will of the Secretary Director for serious breach of the contract by the Company, loss of her condition of Secretary to the Board or General Secretary-Head of Legal Department, the Company, or if there is a change of control in Logista's shareholding.
  - Termination of the contract for voluntary and unilateral decision of the Company, implying the cessation in all her positions, without justifying cause.

- Participation in the disengagement plan for Company's top managers ("Plan 60"), To cover the extraordinary remuneration of the Plan, the Company will annually make contributions to a deferred life insurance policy, which the Company itself is the policy holder and beneficiary of, quantified in 20% of the Total Annual Remuneration (fixed remuneration plus annual variable remuneration target of 100%) of the Secretary Director. The Secretary Director's right to receive the extraordinary remuneration, which includes the contributed accumulated amounts until that moment and their financial profitability, arises when she disengages from the Company by mutual agreement, from certain age or in extraordinary circumstances of disability, permanent disability, or other similar circumstances. The collection of such amounts is incompatible with any another compensation for contract termination, and includes a 12 months non-compete obligation.

  The total amount of the insured extraordinary remuneration shall not exceed the equivalent to two years' of the Secretary Director's total annual remuneration, at the time of accrual of such remuneration (Recommendation 64 of the Good Governance Code of listed companies of the CNMV).

(iii) Senior Managers

- Compensation in the event of termination of the relationship for unfair dismissal or by the will of the worker on the rightful cause (8 contracts). The compensation to be paid, as the case may be, shall be (i) a minimum of two years of fixed and variable remuneration, unless the legal compensation is higher, or (ii) a certain amount, or (iii) the recognition of seniority accrued within the Group.
- In the event of a change in the shareholding that involves a change of control of the Company (1 contract), the compensation will be the determined amount established therein for this purpose.
- Post-contractual non-compete clause (9 contracts), for a period, depending on the contract, of between eighteen and twenty-four months,. The compensation shall be a remuneration equal to between six months and one year of gross annual salary plus variable remuneration.
- 5 members of the Management Committee, besides the Secretary Director, have been invited to the so called Plan 60.

Indicate whether, beyond the cases established by legislation, these agreements have to be communicated and/or authorised by the governing bodies of the company or its group. If so, specify the procedures, the cases concerned and the nature of the bodies responsible for their approval or communication:

Body authorising the clauses: Board of Directors
Are these clauses notified to the General Shareholders' Meetings? NO

Remarks

In accordance with the applicable law, these contracts are communicated to the relevant competent bodies. The Directors' Remuneration Policy contains the general framework for these clauses for executive directors and this Policy is approved by the Shareholders General Meeting. The Board of Directors approves the contracts of the executive directors and the basic contractual conditions applicable to top Management of the Company.

C.2 Committees of the Board of Directors

C.2.1 Provide details of all committees of the Board of Directors, their members, and the proportion of executive, proprietary, independent and other external directors forming them:

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of incorporation or in other corporate resolutions.

<u>AUDIT AND CONTROL COMMITTEE</u>

Name	Position	Category
Mr. Alain Minc	Chairman	Independent
Ms. Cristina Garmendia	Member	Independent
Mr. Gregorio Marañón	Member	Independent
Ms. Pilar Platero	Member	Independent
Mr. Richard Hathaway	Member	Proprietary

% of proprietary directors	**20%**
% of independent directors	**80%**
% of external directors	**00%**

The Audit and Control Committee has been entrusted (article 16 of the Regulations of the Board of Directors), in addition to the functions established in the Law, those resulting from the application of the recommendations contained in the Technical Guide of Audit Committees of the CNMV, namely:

In relation to information and internal control systems:

a) Supervising and assessing the process of drawing up and the integrity of the financial and non-financial information, as well as the control and management of financial and non-financial risks systems related to the Company and its group - including operational, technological, legal, social, environmental, political and reputational or corruption-related systems - reviewing compliance with regulatory requirements, proper delimitation of the consolidation perimeter and the correct application of accounting criteria.

b) Ensuring the independence of the unit handling the internal audit function; proposing the selection, appointment, and cessation of the head of the internal audit service; proposing the service’s budget; approving or proposing to the Board of Directors its priorities and annual internal audit work plan, ensuring that it focuses primarily on the main risks (including reputational risks); receiving regular reports on its activities; and verifying that the senior managers are acting on the findings and recommendations of its reports.

The head of the unit handling the internal audit function will present an annual work programme to the Committee, for its approval or for the Board's approval, will directly inform the Committee of its implementation, including any incidents or limitations arising during the implementation, and of the results and follow up of its recommendations, and will submit a report on its activities at the end of each year.

c) Setting up and supervising a procedure which allows employees and other people in relation with the Company, such as directors, shareholders, contractors or subcontractors and/or suppliers, to report irregularities of potential importance, including financial, accounting and any other irregularities, within Logista or its Group. Such a mechanism shall ensure confidentiality and, in any event, provide for cases in which communications may be made anonymously, respecting the rights of the complainant and the person accused.

d) Ensure in general that established internal control policies and systems are implemented effectively in practice.

In relation to the external accounts auditor:

e) Investigating the circumstances of any resignation of an external auditor.

f) Ensuring that the remuneration for the external auditor's work does not adversely affect its quality or independence.

g) Ensuring that the Company notifies the CNMV of any change of external auditor as a material event, and that such notification is accompanied by a statement about any disagreements with the outgoing auditor, and the reasons for the same.

h) Ensuring that the external auditor attends, annually, the plenary session of the Board of Directors to inform it about the work done and about developments in the Company's risk and accounting situations.

i) Ensuring that the Company and the external auditor comply with existing rules on the provision of services other than audit services, limits on the concentration of the auditor's business and, in general, all other rules on the independence of auditors.

In relation to the corporate governance:

j) Supervision of compliance with the Company's environmental, social and corporate governance policies and rules, as well as the Company's Internal Codes of Conduct, also ensuring that corporate culture is aligned with its purpose and values. In particular, it is the responsibility of the Audit and Control Committee:

   (i) Oversee the application of the general policy for communication of financial and economic information, non-financial corporate information, as well as communications with shareholders and investors, proxy advisors and other interests groups. Also, the communications and relationship of the Company with small and medium shareholders will be supervised.

   (ii) Regularly evaluate and review the Company's corporate governance system and the environmental and social policy, to confirm that they are fulfilling their purpose of promoting the corporate interest and catering appropriately for the legitimate interests of the other stakeholders.

   (iii) Supervise that Company's practices in environmental and social aspects are in line with the strategy and policy set.

   (iv) Monitor and evaluate the Company's interaction with its stakeholder groups.

k) Any other responsibility or function assigned to it by Law, by the Bylaws, by these Regulations or by the Board of Directors.

The Audit and Control Committee will meet as frequently as may be decided, either each time its Chairman calls a meeting or whenever two of its members request one, and in any event at least four times per year. In the current fiscal year, said number of meetings has exceeded four, as mentioned in section C.1.25.

The Audit and Control Committee makes its decisions or recommendations by an absolute majority of the members present or represented in its meetings.

The information to be dealt with in their meetings is made available to the Board Members sufficiently well in advance to enable them to study and analyse it. Company personnel are regularly invited, so as to allow Committee Members to formulate questions and ask for the explanations which they need in order to make decisions. However, those personnel do not take part in the debates or in the decision-making, and this avoids any bias in the exercise of the Committee Members' duties.

In this connection, any member of the management team or any other member of the Company or Group can be obliged to attend meetings of the Committee, and to collaborate with it and provide it with the information which they possess, and the Committee may require that person to attend without the presence of any other director. The Committee may also require the accounts auditors to attend its meetings.

So that it can perform its duties, the Committee has at its disposal the means and resources that are necessary for independent functioning. Its requests for resources are channelled through the Secretary to the Company's Board of Directors.

For a better performance of its duties, the Audit and Control Committee may obtain advice from professional people outside the Company.

<u>Among the main activities of the Audit and Control Committee during financial year 2020-2021 the following shall be remarked:</u>

- Planning of the Committee activities for next financial year
- Proposal for the review and update of the Company's Whistleblowing Policy.
- Information and Supervision of the Periodic Financial Information that the Company submits to the CNMV and to the markets, as well as of the non-financial information.
- Information and submission to the Board of Directors of the Individual and Consolidated Annual Accounts of the relevant fiscal year, as well as of the Interim Condensed Consolidated Financial Statements.
- Supervision of the Degree of Compliance with the Model for the Prevention of Risks from Crime. Implementation of the new Model and supervision of Compliance Committee and the management of the whistleblowing channel.
- Quarterly and annual monitoring of the Internal Audit Plan activities during 2021-2022, and approval of 2022-2023 Internal Audit Plan and its budget.
- Supervision of the Risk Map of the Group, every four months.
- Monitoring of the Internal Control activities of the Group, including the System of Internal Control over Financial Reporting (ICFR).
- Annual Evaluation of the Internal Audit Unit and establishment of the Business and Individual Objectives for the Short-Term Variable Remuneration of the Corporate Director of Internal Audit.

- Supervision of Accounts Audit fees, and planning of the accounts audit for the financial year.
- Authorization for the provision by auditors of the Company or of companies of the Group, of services other than accounts auditing.
- Supervision of the Integrated Report.
- Report-Proposal to the Board of Directors of the Annual Report on Corporate Governance for the fiscal year.
- Report on the Auditor independence.
- Self-assessment of its functions and composition during the fiscal year.
- Elaboration of the related party's transactions reports

Identify the directors who are members of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date on which the Chairperson of this committee was appointed.

Name of directors with experience	Mr. Richard Hathaway Mr. Alain Minc Ms. Pilar Platero
Date of appointment of the chairperson	Mr. Minc was re-elected Chairman of the Committee on the 3rd of February, 2022

APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Position	Category
Mr. Gregorio Marañón	Chairman	Independent
Mr. Alain Minc	Member	Independent
Mr. Luis Isasi	Member	Independent
Mr. John Downing	Member	Proprietary

% of proprietary directors	25%
% of independent directors	75%
% of external directors	0%

Explain the functions assigned to this committee, including where applicable those that are additional to those prescribed by law, and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of incorporation or in other corporate resolutions.

The Appointments and Remuneration Committee has the following competencies (art. 17 of the Board Regulations), in addition to those established by the Law:

a) Inform about the proposals for the appointment and removals of the Chairman, Vice-Chairman, Secretary and Deputy-Secretary of the Board of Directors.

b) Examining and organising, in the manner deemed suitable, succession of the Chairman and the first executive of the Company and, if applicable, making proposals to the Board so that this succession occurs in an orderly and planned way.

c) Ensuring compliance with Logista's remuneration policy, periodically reviewing such policy, including share-based remuneration systems and their application, and ensuring that the individual compensation is proportionate to the amounts paid to other directors and senior officers in the Company.

d) Ensuring that selection processes are not implicitly biased in such a way that female directors' selection is prevented.

e) Ensuring that conflicts of interest do not undermine the independence of any external advice the Committee engages.

f) Verifying the information on Director and senior officers’ pay contained in corporate documents, including the Annual Directors’ Remuneration Report.

g) Verifying, on an annual basis, compliance with the Directors' selection policy and setting out its findings in the Annual Corporate Governance Report.

h) Drafting an Annual Report for the Board of Directors describing the activities of the Appointment and Remuneration Committee. The Report shall be published in Logista's website well in advance of the Annual General Meeting.

i) Any other competence or duty conferred by the Law, the By-Laws or these Regulations.

The Appointments and Remuneration Committee will meet every time it is called by its Chairman or two of its members' request, and when the Board of Directors or its Chairman request the issuance of a report or the adoption of agreements and at least four times per year.

The Appointments and Remuneration Committee adopts decisions or make recommendations by voting majority of the total number of its members.

The information to be discussed in the sessions is made available to directors well in advance for their study and analysis. Company staff are regularly invited to allow Committee's members to ask questions and request the necessary explanations for decision-making, although such staff do not participate in discussions or decision-making, thus avoiding bias in the exercise of the functions of Committee members. There is an obligation on company staff to attend meetings when required to do so. The Committee may also seek the assistance of external experts.

Main activities during financial year 2021-2022:

- Submission to the Board of the Annual Report on Directors' Remuneration.
- Evaluation of the degree of achievement of the Group's Business Objectives (Bonus) and Proposal of Setting of the Group's Business Objectives.
- Follow-up during the year of the degree of achievement of the Group's Business Objectives
- Evaluation of the Short-Term Variable Remuneration of the executive directors.
- Setting of the Fixed Remuneration of executive Directors.
- Reports on proposals for directors' appointments and cessation.
- Reports on the cessation and appointment of Senior Managers.
- Reports on the contractual conditions of the Management Committee new members
- Proposal to the Board regarding the settlement of the Long Term Remuneration Plans.
- Review of the top management succession plans.
- Monitoring of inclusion, culture and diversity measures implemented by the Company
- Self-assessment of its composition and functions, and proposal of Board self-assessment report and the proposal of improvement actions.

C.2.2 Complete the following table with information regarding the number of female directors who were members of Board committees at the close of the past four years:

	Number of female directors							
	2022		2021		2020		2019	
	Number	%	Number	%	Number	%	Number	%
Audit committee	2	40	2	40	2	40.00	1	25.00
Appointments and Remuneration committee	0	0	0	0	0	0.00	0	0.00

C.2.3 Indicate, where applicable, the existence of any regulations governing Board committees, where these regulations are to be found, and any amendments made to them during the year. Also indicate whether any annual reports on the activities of each committee have been voluntarily prepared.

Besides the Capital Companies Act, the By-Laws of the Company (Articles 15 to 18) and the Board of Directors' Regulations (Articles 14 to 18) contain the rules governing the Board Committees. It should be noted that the Board's Rules, which may be consulted on the corporate website www.logista.com, have been modified during the current fiscal year, as detailed in Section C.1.15 of this Report.

The Audit and Control Committee is also governed by its own Regulations.

D RELATED PARTY AND INTRAGROUP TRANSACTIONS

D.1 Describe, if applicable, the procedure and competent bodies for the approval of related party and intragroup transactions, indicating the general internal criteria and rules of the company governing the abstention obligations of the directors or shareholders affected and detailing the internal reporting and periodic control procedures established by the company in relation to those related-party transactions whose approval has been delegated by the board of directors.

Article 33 of the Board's Rules stipulates that, except in matters which are legally the responsibility of the General Meeting, the Board of Directors, following a report from the Audit and Control Committee, formally reserves to itself cognizance of, and if appropriate, authorisation for, related-party transactions (transactions of the Company with Board Members or significant shareholders). To authorise, when appropriate, a related-party transaction, the Board of Directors will primarily consider the social interest, evaluating the transaction in terms of equal treatment of shareholders and of market conditions.

On occasion, the Company has also made use of its option, under Article 529 duovicies.4 of the Capital Companies Act, to delegate approval of certain transactions. Accordingly, the Chief Executive Officer may approve transactions between companies which form part of the same group when those transactions take place in the ordinary course of management and in market conditions, up to a maximum of 1 million euros, reporting to the following Audit and Control Committee meeting. The delegation of transactions agreed by virtue of contracts whose standard terms and conditions are applied *en masse,* which are made at prices or rates that are fixed in a general manner, and whose value does not exceed half of the Company's net turnover, has also been agreed, with the same reporting obligation.

Board Members who may be affected by a related-party transaction, whether personally or when representing shareholders on the Board, cannot take part in debates or voting on the agreements, except in cases of intra-Group transactions, with the consent of the Board.

The Company reports on the aforementioned related-party transactions in the Annual Report on Corporate Governance, in the regulated Financial Reporting, and in the Report on the Annual Accounts, when applicable and to the extent stated by article 529 unvicies and the following one of the Capital Companies Act.

Article 32 of the Rules also states that Board Members must inform the Board of Directors of any situation in which they themselves or people linked to them could find themselves in conflict, directly or indirectly, with the Company's interests or those of companies in its Group.

In addition, the Framework Agreement of 12th June, 2014, between the Company and Imperial Brands Plc (formerly called the Imperial Tobacco Group), states that all related-party transactions and, in general, any transaction which could pose a conflict of interests affecting the Logista Group and the Imperial Brands Group, have to be concluded in market conditions, in accordance with circumstances reasonably fixed between two independent operators, with the principle of equal treatment of shareholders, and with the principle of neutrality upheld by the Framework Agreement itself.

D.2 Detail on an individual basis, those transactions that are significant, either by their amount or by the subject, carried out between the company or its dependent entities and the shareholders holding 10% or more of the voting rights or represented on the board of directors of the company, indicating which has been the competent body for its approval and if any shareholder or director affected has abstained. In the event that the competent body was the general meeting, indicate if the proposed agreement was approved by the board without the vote against of the majority of independent directors:

Name or Company name of the shareholders or of any of its depending entities	%Shareholding	Name or Company name of the de company or depending entity	Nature of the relationship	Kind of transaction and other necessary information for its assessment	Amount (thousand euros)	Approving body	Identification of the significant shareholder or director who abstained from voting	The proposal to the AGM if any, has been approved by the board without a majority of independent directors voting against
Imperial Brands Plc	50.01	ALTADIS SAU	Commercial	Purchase of goods	340,671	Board of Directors	L. Blohm. J. Downing R. Hathaway M.McGowan J. Ramsey	N/A
Imperial Brands Plc	50.01	Imperial Brands Finance PLC	Contractual	Interests	20,400	Board of Directors	L. Blohm. J. Downing R. Hathaway M.McGowan J. Ramsey	N/A
Imperial Brands Plc	50.01	SEITA	Commercial	Purchase of goods	178,264	Board of Directors	L. Blohm. J. Downing R. Hathaway M.McGowan J. Ramsey	N/A

Remarks
This table includes information on the most relevant related-party transactions executed in the year, as shown in the annual accounts. Additionally, the Company has publicly informed through "Other Relevant Information" published on the CNMV website on 19.08.22, of the related party transactions approved during the year, some of which have only been partially executed in the year, as they are multi-year contracts.

D.3 Detail on an individual basis those transactions that are significant, either by their amount or by the subject, carried out by the company or its subsidiaries with the administrators or directors of the company, including those transactions carried out with entities that the administrator or director controls or controls jointly, and indicating which has been the competent body for its approval and if any shareholder or director affected has abstained. In the event that the competent body was the general meeting, indicate if the proposed agreement was approved by the board, without the vote against of the majority of independent directors:

Not applicable

D.4 Report on an individual basis, those intragroup transactions that are significant, either by their amount or by the subject, carried out by the company with its parent company or with other entities belonging to the parent company's group, including the listed company's own subsidiaries, unless no other related party of the listed company has an interest in such subsidiaries or such subsidiaries are wholly owned, directly or indirectly, by the listed company.

In any case, report any intragroup transaction conducted with entities established in countries or territories considered as tax havens:

See D.2 above

D.5 Report on an individual basis, those transactions that are significant, either by their amount or by the subject, carried out by the company or its subsidiaries with other related parties, in accordance with International Accounting Standards as adopted by the EU, which have not been reported under the preceding headings.

Not applicable

D.6 List the mechanisms in place to detect, determine and resolve potential conflicts of interest between the company and/or its group and its directors, senior management, significant shareholders or other related parties:

Article 32 of the Board Regulations rules the conflict of interest that may affect directors and their related parties. From this regulation, as well as from the provisions of the Law, results the obligation of the directors (i) to report to the Board of Directors any situation of conflict that they may have with the interest of the Company and (ii) to refrain from intervening in the deliberations that affect matters in which the director, or his/her related parties, are personally interested.

In addition the new draft of the Code of Conduct of Logista approved by the Board of Directors on its meeting held in 22 July 2021, contains a specific regulations regarding the conflict of interest resolution which it is applicable to all the Group's employees and in consequence to its senior managers. The employees have the obligations to report any situation of a possible conflict of interest, abstain from getting involved in the matter and comply with all the corrective measures that may be imposed.

Where an Executive Director is involved, the conflict will be managed according to the applicable law. Where a Corporate Manager, General Manager or Business Manager is involved, the potential conflict of interest will be managed by a specific Committee integrated by the Group's Compliance Officer, the Corporate Human Resources Manager, and the Corporate Internal Audit Director (this latter will act as an advisor without the rights to vote).

D.7 Indicate whether the company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and whether it has, directly or through any of its subsidiaries, business relationships with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them.

Yes ☒ **No** ☐

Indicate whether the respective areas of activity and any business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries have been defined publicly and precisely:

Yes ☒ **No** ☐

Report the respective areas of activity and any business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries, and identify where these aspects have been publicly reported

The Company is indirectly controlled by Imperial Brands Plc. and their relationship is ruled by the Framework Agreement of 12 June 2014, in the terms explained in section D.1 above.

As a provider of logistics and other value-added services, the Company provides its services to different Companies within the Imperial Group, in the context of their usual commercial operations and under market conditions.

Identify the mechanisms in place to resolve potential conflicts of interest between the parent of the listed company and the other group companies:

Mechanisms for resolving possible conflicts of interest

Eventual conflicts of interest are resolved through the regime of related-party transactions and conflicts of interest described in the previous sections

E RISK MANAGEMENT AND CONTROL SYSTEMS

E.1 Explain the scope of the company's financial and non-financial Risk Management and Control System, including tax risk.

The Corporate Risk Management System of the Company and its subsidiaries is set forth in the Risks Management General Policy updated and approved by the Board of Directors on September 22nd, 2021.

The General Risk Management Policy, applicable to each of the businesses and countries as well as to the corporate areas, aims to implement a continuous and integrated risk management system, in order to provide a tool to Logista's Board of Directors and Management to optimize results, in order to improve their capacities to create, preserve and, ultimately, achieve value.

This Policy establishes the action commitments for the control and management of external and internal risks, of any nature, that may affect Logista at any time in order to achieve its objectives, specifically:

- To **implement an integrated risk management system** and provide a comprehensive and joint vision of them, w**hich allows identifying and managing risk throughout Logista**, thus improving the ability of the organization to manage Risks efficiently and support decision-making.
- To **allocate responsibilities to participants**, defining the roles and responsibilities of the different bodies involved in Risk Management System.
- **Consider, in a general, a predefined typology of risks**: to generally define the categories or types of financial and non-financial risks, that may affect the group, classified in environmental (including social), business, financial (including tax), compliance, operational and technological and reputational risks. Operational risks include the category of environmental risks (including climate change), as well as fraud and corruption and bribery.
- **To determine the risk profile or Risk Appetite**.
- **To establish measures foreseen to Risk Management**.
- **Periodically supervise the risk management model**: evaluating the adequacy of risks classification considering the environment and Logista reality, as well as the correct operation of the Risk Management Model.
- **To allow an efficient allocation of resources**.
- **To ensure reliability of Financial and non-financial Information**
- **To define guidelines for transparency and Good Corporate Govern**
- **To increase the range of opportunities available**

Furthermore, fiscal strategy described at Fiscal Policy of the Company, states, as part of its key objectives the following:

- To minimize the fiscal Risks associated with the Company's operations and strategic decisions, thus ensuring that the tax payable is appropriate and in proportion to the operations of the Businesses, the material and human resources, and the business Risks of the Group.

- To define the fiscal Risks and determine the Objectives and Activities of Internal Control, and to set up systems for reporting fiscal compliance and for keeping documentary records, integrated with the Group's General Framework of Internal Control.

On the other hand, Logista's Internal Control General Policy of April 25th, 2017, establishes a general action framework for controlling and management of internal and external Risks of any nature, which may affect Logista, in accordance with the Risk Map in place at all times in the achievement of its objectives.

The Risk Management methodology used is developed according to the following scheme, as described in its Risk Management Procedure: establishment of objectives and context, identification of potential Risks, analysis of Risks, evaluation of Risks (impact, probability of occurrence, both in gross and net terms, once the mitigation activities and their speed have been evaluated) and speed), risk treatment (assume, mitigate, transfer, eliminate and pursue), control and continuous review of the Risk Management process, information and communication.

Furthermore, risk tolerances are established when rating each gross risk quantitatively and qualitatively based on certain impact assessment criteria that allow determining its position within the general risk appetite scheme.

The criteria used to determine the impact are: regulatory, economic-financial, legal and compliance, health and safety, impact on processes, reputational and strategic.

During the current fiscal year 2021-22, the "SAP GRC Risk Management" system is being implemented to integrate Logista's risk management model, that is expected to be operational in next fiscal year 2022-23. In this tool, Logista's risk model will be maintained through the different functionalities of the same that will allow to execute the different phases of risk management, (from identification, analysis and evaluation, to its treatment and monitoring). Until the final implementation of this tool, the risk management process has been carried out using the usual tools of the Risk Management System (Risk Register and Risk Maps), with the ultimate aim of informing and carrying out their correct monitoring by the corresponding bodies.

On the other hand, Logista has criminal risk prevention models, in which risk events according to the activities carried out by Logista, are identified and evaluated, as well as the controls for their prevention, mitigation and detection, including those responsible for its execution and its independent verification. Tax offences are included among the list of crimes that have been considered in the model for their prevention.

E.2 Identify the bodies within the company responsible for preparing and executing the financial and non-financial Risk Management and Control System, including tax risk.

The Company's Risk Management Procedure, which develops the Risks Management General Policy approved by the Board of Directors, also establishes the following roles and responsibilities:

The Board of Directors

The Board of Directors is responsible for determining the Risk Management Policy, including tax risks, as well as the supervision of the internal reporting and control systems, in particular of financial information.

It is also responsible for determining the level of risk to be assumed by Logista, ensuring that the Audit and Control Committee has the necessary and adequate powers to perform its functions, and supervising its operation.

The Audit and Control Committee

Among others, according to art. 16.2 of the Board of Directors Regulations, the Audit and Control Committee shall have the following competencies in relation to the supervision of the management and control of Risks:

a) Supervising and assessing the process of drawing up and the integrity of the financial and non-financial information, as well as the control and management of financial and non-financial risks systems related to the Company and its group - including operational, technological, legal, social, environmental, political and reputational or corruption-related systems - reviewing compliance with regulatory requirements, proper delimitation of the consolidation perimeter and the correct application of accounting criteria. Furthermore, it shall oversee the functions of the Risk and Control Management Unit.

b) Ensuring in general that established internal control policies and systems are implemented effectively in practice.

The Management Committee

Its basic functions are the following:

a) To define Logista's Risk strategy and ensure its proper implementation in accordance with Risk Management systems, and communicate to the Risks Owners the guidelines that may be determined.

b) To supervise the most relevant Risks and make decisions regarding their management and control, such as determining the mitigation strategies for the main risks

c) To promote and disseminate Logista's Risk culture among all its employees

d) To advise the Corporate Internal Audit Directorate on all aspects considered relevant for Risk Management.

e) To make, when required, a proposal for risk appetite and tolerances for approval by the Board of Directors, after deliberation by the Audit and Control Committee.

The Corporate Internal Audit Directorate as Risk and Control Management Unit.

The Corporate Internal Audit Directorate, in its role as Risk Control and Management Unit, will assume the following functions:

a) To coordinate Logista's risk identification and evaluation process, supporting the Risks Managers in this process, supervising that the main risks are identified, evaluated and managed in such a way that they are at the risk levels that are considered acceptable. Ensuring the proper functioning of the Risk Management system.

b) To keep the Logista Risks Map updated

c) To cooperate with the Management Committee in the definition of Logista's Risk Strategy and provide support in the relevant decisions that said Committee must adopt in terms of Risk management.

d) Ensure that the Risk Management system offers risk mitigating measures in line with Logista's Risk strategy.

e) Periodically report the status and evolution of the main risks, as well as the result of the process of updating and evaluating them to the Management Committee, as well as prior to their reporting to the Audit and Control Committee and, when applicable, to the Logista Board of Directors.

Risk and Processes Owners

Generally, this function is occupied by the Business Directors and Corporate Directors related to the Risks that correspond to them according to their activity or area of responsibility.

They are the owners of the risks and therefore, the ultimate direct managers of risk responsible in their respective areas, which include, among others, the following functions:

a) Execution of the Risk strategy established by the Management Committee and any guidelines determined by Logista's organizational units in terms of Risks

b) Detect situations of Risks and opportunities that affect the achievement of Logista's objectives within its area of responsibility

c) Report their Risks, through their participation in the risk reporting process established for this purpose and through the tools made available to them, and communicating to the Corporate Internal Audit Directorate how many risks arise, the plans and mitigating actions proposed, as well as the degree of advancement or implementation thereof.

   In the event that a new significant Risk is eventually detected outside of the aforementioned periodic review process, such situation must be communicated to the Corporate Internal Audit Directorate for its elevation, if applicable, to the Management Committee for the purposes of its inclusion, where appropriate, in the Risk Map and subsequent information to the Audit and Control Committee, for appropriate purposes.

d) Analyse and evaluate the identified risks they face in achieving their objectives, according to the available methodology.

e) Define the most appropriate response for each of its Risks, identifying and / or where appropriate, designing and defining the control activities and internal standards necessary for managing its risks, assigning responsibility for them among the members of its Businesses or Corporate Directorates (the "Control Owners").

f) Ensure and promote that the control activities designed for each of the identified risks are carried out in a timely manner.

g) Supervise the implementation of the different action plans and corrective actions defined for mitigation.

E.3 Indicate the main financial and non-financial risks, including tax risks, and those deriving from corruption (with the scope of these risks as set out in Royal Decree Law 18/2017), to the extent that these are significant, which may affect the achievement of business objectives.

Environment Risks:

- The evolution of the different activities is conditioned by the environment, by the political, social and / or macroeconomic conditions at the global and local level, in the countries in which Logista has a presence. Aspects such as inflationary pressure, disruptions in the supply chain, and the negative evolution of the main macroeconomic indicators, have an impact on the performance and evolution of Logista's businesses, and may be subject to new regulations, cost increases, changes in consumption habits and patterns as well as social events such as sectoral or general strikes, with an impact on operations or the need for restructuring.

Business Risks:

- Risk in the success of the expansion in the different businesses of the Group, to compensate for a possible acceleration of the rate of reduction of the tobacco market together with a misalignment with said market in relation to sustainability policies.

- The transport sector is marked by intense competition, which is affected by a worsening of the economic situation, an increase in costs (gasoline, tolls, distribution costs, wages ...), affecting prices, the cost structure and therefore the mix of product and profitability.

- The liberalization of the main markets in which Logista operates as an authorized distributor of tobacco products in which there is currently a State monopoly for retail sales could affect the results, if the measures already foreseen by the Group were not implemented.

Operational and Technological Risks:

- Damages to systems as a result of deliberate attacks by third parties, as the Group is exposed to threats and vulnerabilities due to the regular use of information technologies and systems in the development of its activities, which may jeopardize the protection of the information and the continuity of the systems, including compromising the privacy and integrity of the information, or suffering data theft or fraud.

- Digitalization entails benefits and opportunities for Logista, risks associated with an incorrect strategy in the execution and technological definition, which may affect the viability of Logista's business models, as well as its competitive position with the associated costs derived from the loss of opportunities. The emergence of new technologies in our businesses impacts on organizational models and the control framework with the inherent risks associated with such a change.

- Theft of tobacco in facilities and during transport associated to increases in insurance premiums.

- In the event of great magnitude, there is a risk of stoppage of operations, or that the continuity plans envisaged to manage disaster scenarios in the required times and conditions, do not allow to ensure the levels of services, nor the availability of the information systems.

- Growing concern on the part of Logista and stakeholders in relation to the impact and consequence of climate change. In this sense, there is, therefore, a risk of not being able to comply with the commitment that Logista has in the development of good practices in quality and environment in order to minimize the environmental impact derived from its activity, optimize the use of resources and prevent pollution in business processes, according to strict regulatory compliance (reduction of the carbon footprint, use of renewable energies, waste management, collaboration with environmental organizations and institutions and energy efficiency standards).

- Any irregular conduct or intentional action that involves a breach of internal and external rules and / or market expectations in relation to ethical business conduct, whether fraud in tenders, contracts, embezzlement of assets, conflicts of interest, manipulation of financial statements or corruption and / or malpractice.

Regulatory Compliance Risks:

- Logista for the particularities of its business, when operating in regulated markets, in which they present high market shares is subject to the supervision of the national authorities in competition matters. In this sense, there are currently actions and / or processes whose result is pending completion.

- Logista´s Businesses are subject to compliance of numerous general and industry laws and regulations, with European, national, regional and local reach, in every country where it operates, exposing the Group to potential failures to comply and the corresponding sanctions or claims and, on the other hand, to increasing costs for supervision of compliance and control.

- In the ordinary course of its activities, the Company could be involved in litigation, either as a claimant or a defendant, derived from a potential interpretation of laws, regulations or contracts, as well as the result of legal actions that could be carried out, the results of which are, by nature, uncertain.

Financial Risks/ Tax Risks:

- The main activity of tobacco sales is subject to specific tax regulations, which in turn are complex due to the different geographical segments in which the Group operates. In this sense, there are different tax disputes pending of resolution that require value judgments by Logista in order to estimate the probability that these liabilities will materialize, for which the risk is provisioned based on the opinion of legal experts and the possibility of passing them on to third parties. Currently, the Group has certain years subject to inspection on certain taxes.

- Like any other wholesale business, payment cycles for products purchased from tobacco manufacturers and point-of-sale collection cycles do not match. Along with this, the Logista Group's payment of its tax obligations to the tax authorities is made in a different cycle from that of manufacturers and points of sale. In case of liquidity needs of the governments of the countries in which the group operates, any potential change in the tax payment cycles, as well as a potential significant increase in taxes, (for example: VAT and special taxes), would derive in a negative effect for the business, since it would cause a worsening of the prospects of the financial situation, the operating result, and the cash management of the Group.

- One of the fundamental objectives of the Group is to preserve the value of the Group's assets, by analysing and preventing risks and optimizing the management of major claims. Furthermore, there is a risk of impairment in the fair value of assets, in relation to the high Registered Goodwill, given that the Group has a significant amount of assets and investments, with a considerable impact on the income statement.

- Derived from the usual operations of business with its clients, Logista is exposed to commercial credit risk.

E.4 Indicate whether the entity has risk tolerance levels, including for tax risk.

To ensure Logista's activities are aligned with the level of risk that Logista considers appropriate in the development of its activities and with its business model, inherent in its strategy and corporate culture, and therefore, through an effective and active management, allows risks to be kept within tolerance thresholds. It is the Board of Directors, at the proposal of the Management Committee and after deliberation by the Audit and Control Committee, responsible for approving and validating risk appetite and tolerances. In general terms it is as follows:

Logista presents a higher risk profile compared to the technological risks that could materialize, since, that, within the framework of Logista's strategy, it is a key element to provide logistics services with high added value and, therefore, with a high level of technological progress.

Due to the particularity of the business and the markets where the Group is present, it has a moderate risk profile, therefore Risk Management has to be done considering the following:

a) Achieve those strategic objectives defined by the Group, keeping a level of uncertainty under control.

b) Maximize the level of guarantee to shareholders.

c) Protect Group financial results and reputation.

d) Take care of stakeholders interests (shareholders, customers and manufacturers).

However, the Group has a low tolerance towards the risk in what concerns to policies, laws and regulations compliance, including tax regulation.

During the first quarter of the fiscal year, the Management Committee has made its risk appetite proposal, established under quantitative (economic-financial) and qualitative (non-financial) criteria to the Board of Directors, after deliberation by the Audit and Control Committee. The Board of Directors has approved and validated this risk appetite.

E.5 Indicate which financial and non-financial risks, including tax risks, have materialised during the year.

Logista is affected by the complexity of the economic, political and social environment in the current global context, which is having a direct impact on the countries in which it has a presence, mainly in Spain, France, Portugal and Italy, whose most visible consequence is the inflationary spiral, as well as to a lesser extent, the delay in the reception of some supplies. In this sense, the rise in prices has a generalized impact, although mitigated in part, with an impact on road transport costs, to which is added the shortage of drivers that, in practice, is another conditioning factor of prices.

Also, risks materialized throughout the year are regular operational risks, in the ordinary course of business, particularly theft of tobacco in the company facilities and during transport, without impact in the Logista’s financial results and also, liabilities for the resolution of fiscal litigation processes, ruled against the Group, not affecting significantly the Logista´s financial results, as these were properly provisioned, as well as other litigations of non-fiscal character.

In these cases, the control systems established have allowed the mitigation of either the impact of the risk or its probability of occurrence. In general, Logista's Internal Control and Risk Management Systems have allowed several risks to be placed in a low risk profile, and even that some of them have been completed without negative impact for Logista.

The risk of pandemic is maintained, however, it descends to a controlled area, after the entry of the pandemic into a phase of stabilization due to the success of the vaccination campaigns undertaken at the national level, so the uncertainty regarding the possible consequences of the pandemic have been reduced, not having impacted on the results of Logista, or at the operational level

E.6 Explain the response and oversight plans for the company's main risks, including tax risks, as well as the procedures followed by the company in order to ensure that the Board of Directors responds to any new challenges that arise.

The methodology to elaborate the Risk Map forces the evaluators to assess risks before and after considering the mitigating controls and action plans established for each case. The Risk Management Procedure states which action has to be done (Eliminate, Mitigate, Transfer, Assume and/or Pursue), and also an action plan will be defined.

The following are the main existing controls for each of the risks identified in section E.3 above:

Environment Risks

- The increase in costs is partly offset by the impact of price increases on customers, according to the contracts signed, as well as by cost containment measures and the restructuring and optimization plans and search for synergies undertaken by the Logista.

- Logista manages the possible lack of supplies by signing agreements with its suppliers and the provision of security stocks.

- The evolution of the different activities, as well as their regulatory, social and political environment, is permanently monitored, adapting their strategy and objectives to the different conditions that arise in the countries in which it operates.

Business Risks

- Logista has an expansion plan in line with the strategic plan, based on organic and inorganic growth, diversifying its activities with the premise of always offering the best service and high value to its customers, with special focus on the transport businesses and pharmaceutical distribution which would allow it to compensate for a possible acceleration of the falls in volumes in the tobacco market.

- Logista has cost-passing mechanisms (transport tariffs indexed to the price of fuel), as well as long-term agreements with its suppliers that allow it to control the effect of the possible price increase.

- The shortage of drivers is supplemented by the capture and establishment of lasting agreements over time with drivers and transport companies, which meet the standards set by Logista's businesses through their homologation, all this process carried out by specialized departments.

- The effect of the liberalization of the main markets in which the Group operates as an authorized distributor of tobacco products in which there is currently a State monopoly for retail sales, would be, if there were to be a negative effect, offset by the diversification strategy followed by the Group, and its ability to market tobacco through the extensive capillary network of points of sale.

Operational and Technological Risks

- Logista has developed and updated a Cybersecurity Plan, which includes specific action measures.

- Digital transformation is embedded in Logista's strategy and in new ways of thinking about customers, competition, data, innovation and values.

- With regard to thefts, highest security standards have been implemented, and Insurance Policies have been contracted, which reduce risks to tolerable levels.

- The Corporate Resources Directorate has issued a Procedure for the development of business continuity plans in Logista based on best practices. In this sense, Logista's businesses have developed business continuity plans, which are being updated and improved, in order to be prepared for possible contingencies that may pose a risk or compromise, the service levels established above the desirable time.

- Logista has developed a Master Plan for Quality and Environment, and a Quality, Environment and Energy Efficiency Policy that establish guidelines and good practices to optimize the use of resources and prevent pollution in processes. Logista has been included by CDP in the group "A List", as one of the global leaders in the fight against climate change. The carbon footprint is verified according to ISO 14064 (GHG Protocol methodology).

- Logista has general principles of behaviour that must be followed both internally and externally, as reflected in the Logista Code of Conduct. Logista has mechanisms to guarantee compliance such as training courses on compliance, the communication of these standards through publication on the corporate intranet as well as supervision, within the general system of internal control of Logista.

Regulatory Compliance Risks

- Logista permanently monitors the regulatory and legislative processes that could affect its activities, in order to anticipate possible changes sufficiently in advance for their proper management. Likewise, it has specific rules and procedures that regulate the framework of action of its activities, as well as the existence of models for the Prevention of criminal risks, all under the principle of "zero tolerance" with fraud and corruption.

- Logista also acts with legal defence, management and monitoring of judicial processes, counting, where appropriate, with the support of external expert advisors or third-party specialists to defend its position, being Logista’s position the strict compliance with the Law.

Financial/Tax Risks

- The Company promotes strict compliance with the applicable tax regulations, monitoring and supervising compliance with tax obligations centrally in the Group, with the collaboration of tax advisers and law firms of recognized prestige as support in the presentation of tax returns and the subsequent liquidations, as well as in the case of special operations and, when appropriate, in their legal defence.

- Changes in the group's payment cycles may force it to look for external sources of financing: the most exposed Businesses to the credit risk of their clients, are strengthening the management of the recovery circuits of debt to shorten the collection terms, as well as more closely monitoring the assigned credit limits, promoting the obtaining of bank guarantees.

- The finance department carries out an analysis of the accidental risks that may affect to Logista, both in its assets and in the performance of its activity and establishes the contracting of external insurance coverage that it deems appropriate. In relation to the Goodwill, the Group performs impairment tests.

- Logista controls the risks of insolvency by setting credit limits and establishing strict conditions regarding collection terms; commercial risk is distributed among a large number of clients with short collection periods, being the main number of clients, tobacco shops, so that exposure to credit risk to third parties outside the Group is not very significant, and it counts, when necessary, with Insurance Policies to mitigate the impact of possible non-payments.

Regarding the procedures followed to ensure that the Board of Directors responds to the new challenges that arise:

- The Management Committee has discussed quarterly the main risks and their response plans, as well as the most relevant risks by business (regardless of their position on the corporate risk map), approving the Logista Risk Map.

- The Audit and Control Committee also monitors four times a year the evolution of the various key risks, as well as their response strategies and associated mitigation plans, including tax risks.

- Likewise, the Board of Directors receives twice a year additional periodic information according to its responsibilities, from the Risk Control and Management Unit about Logista's main risks.

F INTERNAL RISK MANAGEMENT AND CONTROL SYSTEMS RELATING TO THE PROCESS OF PUBLISHING FINANCIAL INFORMATION (ICFR)

Describe the mechanisms forming your company's Internal Control over Financial Reporting (ICFR) system.

F.1 The entity's control environment

Report on at least the following, describing their principal features:

F.1.1.The bodies and/or departments that are responsible for: (i) the existence and maintenance of an adequate and effective ICFR system; (ii) its implementation; and (iii) its supervision.

The Logista System for the Internal Control of Financial Reporting (hereinafter 'ICFR') forms part of the Company´s Internal Control System and is integrated by all the processes carried out by the Board of Directors, the Audit and Control Committee, Senior Management and the Logista Group personnel. It provides reasonable security in relation to the reliability of the financial information which is released to the markets.

Article 5 of the Board of Directors Regulations ('The general role of supervision'), lays down as one of its responsibilities the definition and approval of the Company policies and general strategies, and in particular, the Control and Management of Risks Policy, including fiscal Risks, and the supervision of the internal systems of reporting and control, including financial reporting. It also defines the ultimate responsibility of the Board of Directors over the financial information which, as a listed company, has to be published regularly, and its responsibility to formulate the annual accounts and present them to the General Shareholders' Meeting.

In accordance with the provisions of Article 16 of the Board of Directors Regulations and article 5 of Audit and Control Committee Regulation, the functions of the Audit and Control Committee are the following:

In relation to information and internal control systems:

a) Supervising and assessing the process of drawing up and the integrity of the financial and non-financial information, as well as the control and management of financial and non-financial risks systems related to the Company and its group - including operational, technological, legal, social, environmental, political and reputational or corruption-related systems - reviewing compliance with regulatory requirements, proper delimitation of the consolidation perimeter and the correct application of accounting criteria.

b) Ensuring the independence of the unit handling the internal audit function; proposing the selection, appointment, and cessation of the head of the internal audit service; proposing the service's budget; approving or proposing to the Board of Directors its priorities and annual internal audit work plan, ensuring that it focuses primarily on the main risks (including reputational risks); receiving regular reports on its activities; and verifying that the senior managers are acting on the findings and recommendations of its reports.

The head of the unit handling the internal audit function will present an annual work programme to the Committee, for its approval or for the Board's approval, will directly inform the Committee of its implementation, including any incidents or limitations arising during the implementation, and of the results and follow up of its recommendations, and will submit a report on its activities at the end of each year.

c) Setting up and supervising a procedure which allows employees and other people in relation with the Company, such as Directors, shareholders, contractors or subcontractors and/or suppliers, to report irregularities of potential importance, including financial, accounting and any other irregularities, within Logista or its Group. Such a mechanism shall ensure confidentiality and, in any event, provide for cases in which communications may be made anonymously, respecting the rights of the complainant and the person accused.

d) Ensure in general that established internal control policies and systems are implemented effectively in practice.

In relation to the external accounts auditor:

a) In case of resignation of an external auditor, investigating the circumstances for such resignation.

b) Ensuring that the remuneration for the external auditor's work does not adversely affect its quality or independence.

c) Ensuring that the Company notifies the CNMV of any change of external auditor as a material event, and that such notification is accompanied by a statement about any disagreements with the outgoing auditor, and the reasons for the same.

d) Ensuring that the external auditor attends, annually, the plenary session of the Board of Directors to inform it about the work done and about developments in the Company's risk and accounting situations.

e) Ensuring that the Company and the external auditor comply with existing rules on the provision of services other than audit services, limits on the concentration of the auditor's business and, in general, all other rules on the independence of auditors.

Furthermore, the Internal Control Direction, integrated in the Financial Corporate Directorate, is the responsible unit for the design, implementation and monitorization of the Internal Control Systems of the Financial Information. Therefore:

a) Determines on an annual basis the materiality and scope of the ICFR, calculating and evaluating for each company in the Group, the quantitative and qualitative significant accounts and their impact in the ICFR.

b) Determines the structure, implementation and deployments of the ICFR, keeping the GRC tool updated, as a basis for the internal control management (SAP GRC Process Control) and updates the supporting documentation develop for each business (narratives and processes flow charts and risk and control matrixes).

c) Continuously motorizes the defined ICFR controls implementation, and communicates the results of such monitorization through a continued periodical report to Control Coordinators, other players of each business and companies and to the Financial Corporate Directorate.

   ICFR monitorization is executed with the SAP GRC control tool that was implemented in former years in the Spanish companies, within ICFR scope, and during the present year in Italy. In this tool the Company manages the risk and control matrixes for the operating and supporting process of the Group and all interested have accessed to it. The Internal Audit Corporate Direction can also follows the monitorization carried out under this scheme and its results. SAP GRC process control manages ICFR processes and control responsibilities of all areas, and not only of those of the Financial Corporate Directorate.

   The Internal Control Unit monthly monitors the identified ICFR controls on the Group processes and asks to the managers of each control the evidence of their adequate implementation. It also coordinates and promotes the periodically revision of the controls designed. The testing of the effectivity of the controls, the revision of their design, their outcome and modifications (if any), remain recorded and filed in the SAP GRC Process

Control tool in those companies where such tool is implemented, and in adequately protected files in those companies where this implementation is still pending.

For the next fiscal year, the Company will work in the implementation of the Process Control tool in the rest of countries and companies. In those companies where the tool is not available the ICFR design, follow up and monitorization, is done using SAP GRC process control methodology in a more manual way.

d) Validates the ICFR design modifications proposals done by the process owners, Internal Control Coordinators, Corporate or Business Directors. It develops new processes or sub-processes.

e) Coordinates the evaluation of the financial information risks and the its periodical update, and updates the ICFR risk matrix.

f) Collaborates with the Internal Audit Corporate Direction, maintaining its independence, and provide support in the implementation of the ICFR recommendations arising out of the supervision tasks performed by such Direction.

g) Is in charge of the training of the ICFR users.

The Financial Corporate Directorate is responsible for the establishment and definition of the accounting policies and of rules and procedures related with the generation of such information, in order to ensure the quality and authenticity of the financial information. For this purposes, the Financial Corporate Directorate has financial structures adapted to local needs in each country where it operates, and has set a Financial Controller in each business that, among other, has the role to fulfil the ICFR procedures.

The Corporate Internal Audit Directorate has, among others established in the Internal Audit Rules, has the role of evaluating whether the procedures, activities and Internal Control objectives, which constitute the Group's Internal Control System and the ICFR system are adequate, effective and efficient, and whether they ensure to the Company, the Audit and Control Committee and the Board of Directors and if applicable the senior management an effective supervision of the financial and non-financial Risks Management and Control System, promoting, recommendations for their strengthening, if necessary.

F.1.2. Indicate whether the following exist, especially in relation to the drawing up of financial information:

- **Departments and/or mechanisms in charge of: (i) the design and review of the organisational structure; (ii) clear definition of lines of responsibility and authority with an appropriate distribution of tasks and functions; and (iii) ensuring that adequate procedures exist for their proper dissemination throughout the entity.**

The Board of Directors has the general mission to determine and supervise the financial and business objectives of the Company, taken decisions on strategic, plans and policies for theirs accomplishment. It promotes and supervises the management of the Company as well as the fulfilment of the previously set objectives, and ensures the existence of adequate management and organization structure under the effective supervision of the Board.

However the general policy of the Board of Directors is to delegate the ordinary management of the Group in the executive bodies and Management Committee of the Company, except in all those issues where according to the law, the Company by-laws or the Board of Directors Regulation such delegations is not possible.

Furthermore, the Appointment and Remuneration Committee has the role to give an opinion on the appointment and separation proposals on top managers that may be brought by the top executive to the Board.

The top management informs, designs, promotes and approves, if applicable, the modifications of the Group's, Corporate and Business Directorates organic structures. It identifies needs, inefficiencies and improvements in the design of such structures and defines responsibility lines and ensures the adequate tasks distribution.

The Human Resources Corporate Direction implements procedures for the update of the Corporates and subsidiaries organic structures that are documented through corresponding functional charts. Such charts indicate authority lines up to certain organizational level.

Logista has a set of internal rules and regulations that assign responsibilities and segregate roles of the different areas of the Group. Furthermore, it has job descriptions that show main responsibilities of each position.

In particular, the Financial Corporate Directorate has charts that set the composition of the financial departments, of each subsidiary and business unit; there are rules and procedures that compile information on the task performed by the different members of such departments, as well as the responsibilities of key personnel involve in the production of financial statements.

The communications of such charts is published in the intranet where much relevant changes in the organization structure are also published, and the intranet also includes the relevant data of Logista's employees and the reporting lines.

- **Code of conduct, the body approving this, degree of dissemination and instruction, principles and values covered (stating whether there is specific mention of record keeping and preparation of financial information), body charged with analysing breaches and proposing corrective actions and sanctions.**

Logista's Code of Conduct was approved by the Board of Directors on 22 July 2021, replacing the previous one, which had been issued by its controlling shareholder, Imperial Brands Plc.

The Code of Conduct contains the rules and ethical principles that govern the Group's activities, it sets the behaviour requisites that all members of the Group must comply with in their daily work and is the fundamental basis for all policies and procedures of the Group, that have to be interpreted and implemented within the Code framework. It also expressly recognizes a business culture and philosophy based on the principles of legal compliance, honestly, management integrity, and transparency in the relation with each shareholders, workers, suppliers, clients, communities and other stakeholders.

Logista Code of Conduct is available for any interested person in the corporate website (www.logista.com) and is also published in the intranet for all employees. Also available is a summary document that contains the main characteristics and ethical principles of the Code.

All Logista's employees are obliged to comply with the Code of Conduct as well as the internal policies and procedures. New employees must expressly commit themselves to comply with it by signing a document in which furthermore they are informed on how to easily access to it. Logista has English, Spanish, French, Italian, Portuguese and Polish versions of the Code to ensure its adequate dissemination and comprehension in all the countries where it operates. In order to improve knowledge and awareness of the Group's employees on compliance matters, a compulsory training programme for all employees and new joiners has been set.

In particular, the Code of Conduct contains the following obligations:

- To maintain honest, precise and complete financial and non-financial commercial registries, so that they accurately reflect the transactions or events to which they are related.
- To ensure that our financial and non-financial statements, regulatory reports and other publicly disclosed information comply with all applicable and accepted accounting principles, applicable laws and regulations and our internal Policies and Procedures.
- Comply with all local and national laws relating to the accurate and complete maintenance of our financial and non-financial business records.
- Be honest, objective and loyal in the performance of recordkeeping responsibilities.
- Not to prepare or submit misleading information.
- Not to make a dishonest or deceptive entry in any report or record.
- Not to create an unrecorded or improperly described fund.

Furthermore, there is a specific Code of Conduct for the Italian subsidiaries (Codigo Ético) approved by the respective Board of Directors within the context of the Legislative Decree 232/01. They described in a detailed way all the process of the Italian subsidiaries including those related to the elaboration of financial information that are further analysed by the Management and Control bodies required by Italian legislation.

The Group's Compliance Committee is the collegiate body, with autonomous powers of initiative and control, organically dependent on the Audit and Control Committee, which is entrusted with the function of assisting the Audit and Control Committee in supervising the operation of the Compliance System, which is structured on three fundamentals: the Code of Conduct, the Manual for the Prevention of Criminal Risks and the Complaints Channel.

In the rest of the countries in which the Logista group operates, the Compliance Committee is responsible for supervising and monitoring the implementation of the Compliance System through the respective Local Compliance Units, having each of them full functions for the implementation of the compliance system, in their respective areas.

Regarding the analysis of possible misconducts, the Board has assigned such role to the Compliance Committee of the Group under the supervision of the Audit and Control Committee. The Compliance Officer personally attends the Audit and Control Committee to inform on the activities deployed by the Compliance Committee, the claims received under the whistleblowing channel, and on any other issues that the Audit Committee may consider relevant on the follow up and fulfilment of the internal regulations of the Group's Compliance System.

- **Whistleblower channel allowing notifications to the audit committee of irregularities of a financial and accounting nature, in addition to potential breaches of the code of conduct and unlawful activities undertaken in the organisation, indicating whether this channel is confidential and whether anonymous notifications can be made, protecting the rights of the whistleblower and the person reported.**

The Board of Directors Regulations assign to the Audit and Control Committee the responsibility of establishing and supervising a procedure that allow employees and any other person related to the Company, such as directors, shareholders, contractors or subcontractors and suppliers, to communicate the potential relevant irregularities, including financial and accounting irregularities they may find in the Company or within the group. Such mechanism guarantees confidentiality and establishes the cases in which communications may be done in an anonymous way, respecting the rights of the claimant and the affected party.

On the October 27 2020, the Board of Directors after the favourable opinion of the Audit and Control Committee approved an update of the Whistleblowing Policy of the Group, assigning to the Compliance Committee the management of the whistleblowing channel.

According to such Policy members of the Group and any legitimate party may communicate behaviours, facts or omissions that may amount to non-compliance with the ethical principles and values, laws and internal policies applicable to Logista's Group including any type of financial and accounting malpractices. Furthermore, such Policy includes the general principles and guarantees related to the communication and further procedure of the claim.

The Compliance Committee is in charge of receiving all claims under the whistleblowing channel, however when the claim involves facts, companies or Group members located outside Spain, investigation procedures including final resolution correspond to the local compliance unit that has to periodically report to the Compliance Committee of the investigated claim indicating, if applicable, the conclusion that have been reached.

Anyway, when a claim is admitted the Compliance Committee shall inform the Audit and Control Committee. If the claim involves a member of the Board of Directors, a Corporate Director, a General Manager or a Business Manager, the Chairman or the Secretary of the Compliance Committee must immediately inform the Audit and Control Committee.

At its meeting on May 5, 2022, the Board of Directors, following a favourable report from the Audit and Control Committee, approved a new update of the Group's Whistleblowing Policy, in order to align it with the best practices of the market and the international standard COSO III, establishing the obligation to carry out a categorization of the complaints processed, and formally defining the aspects that are considered in each of them.

The established categories are as follows:

- Violation of Human Rights.
- Corruption or bribery.
- Money laundering and terrorist financing.
- Discrimination, harassment or other labour issues, other than Human Resources matters.
- Non-compliance with environmental regulations.
- Irregularities of a financial and accounting nature.
- Other.

With regards to the confidentiality of the claims, the Policy contains within its general principles a guarantee of confidentiality and, where the local legislation allows it, a guarantee of its anonymous character.

Confidentiality on the identity of the claimant is guaranteed *vis a vis* any other body of the Company in all stages of the procedures and such identity will not be disclosed to any third party or to the investigated persons. When a claim is received, it is codified so that there is not nominative relation between the claimant and the investigated person. Minutes of the Compliance Committee and any other documentation are made anonymous after the terms of Data Protection Regulation have been reached.

As an exception and in accordance with the applicable regulations the identity of the claimant may be disclosed to Administrative or Judicial Authorities in the context of an investigation arising out of the malpractice claim.

The Whistleblowing Channel Policy has been developed in all the countries where the Group is present through a local procedure that regulates all the aspects that may be required in such countries, adjusting the Policy to the particular requirements of each local legislation.

- **Training and periodic refreshment programmes for personnel involved in the preparation and revision of financial information, as well as in the assessment of the ICFR system, covering at least accounting standards, auditing, internal control and risk management.**

Within the annual performance evaluation, the Company encourages personal development and therefore, it detects training needs that are included in the annual training plan.

The Human Resource department in collaboration with business Units, is responsible for the definition of the Annual Training Plan of the Group in which training needs are summarized including the needs of those people that take part in the process of generating risk control and financial information.

Therefore, training courses are held annually and attended by the personnel involved in the preparation and review of Financial Information. In particular, external training courses have been received on: international financial reporting standards, COSO ERM and CIA certification, prevention, detection and investigation of fraud, Excel tools (formulation, macros, pivot tables) and others such as Power BI and SAP GRC, mainly.

To guarantee the understanding and application of the legislative modifications required to ensure the accuracy of the financial information, the departments engaged of the elaboration and supervision of such financial information are continually informed of any modification that may affect such tasks. This update is made through an external newsletter as well as through the attendance to the relevant seminaries, and technical updates such the national meeting for risk management.

F.2 Assessment of risks in financial reporting

Report on at least the following:

F.2.1. The main characteristics of the risk identification process, including risks of error and fraud, as regards:

- **Whether the process exists and is documented.**
- **Whether the process covers all the objectives of financial reporting, (existence and occurrence; completeness; valuation; presentation; disclosure and comparability; and rights and obligations), whether it is updated and if so how often.**
- **The existence of a process for identifying the scope of consolidation, taking into account, among other factors, the possible existence of complex corporate structures or special purpose vehicles.**
- **Whether the process takes into account the effects of other types of risk (operational, technological, financial, legal, tax, reputational, environmental, etc.) to the extent that they affect the financial statements.**
- **The governing body within the company that supervises the process.**

Logista has a specific selection of policies for the process of identifying Risks in the Group

- The General Policy on Internal Control has the purpose of establishing a model or general framework of action of the Logista Group for Control and Management of external or internal Risks of whatever kind, which could affect the Group. It contains the Risk and Control model and the principles in which it is based; clear definition of objectives and context evaluation, risk identification and analysis in all levels of the Group, risk exposure and evaluation with special attention to the financial information fraud risk, organization response against risks and supervision of the correctness and efficacy of the internal control system.

The Internal Control Procedure defines and regulates the Control activities that Logista must follow, to avoid or attenuate these internal and external risks; it also defines the responsible Units, involving as much as possible the whole organization, and established the applicable methodology, aimed at the definition of common objectives and the promotion of transparent communication.

- Also, the Risk Management Policy and the Risk Management Procedure describe Risks Management as an interactive and continuous process, incorporated into strategy and planning process. The Policy and the Procedure together define the basic principles and methods to be followed in Logista for the control and management of risks of any nature, which may affect Logista at any time to achieve its objectives.

  In the methodology used for Risks Management implemented in the Group, during the phase of identification and prioritization of risks, those risks of a financial nature are considered; among these, the risks of fraud, of error in valuation, of manipulation of financial statements, of non-authorized operation, and errors in financial reporting are considered to be relevant when categorizing the financial risks.

  The Risks Management process is reflected in a Risks Register, which is prepared from assessments of the impact, probability and speed of each Risk, made by those responsible for the processes in all the Logista Group companies, who take into consideration variables both quantitative and qualitative.

  Its output is the Logista Group Risks Map: there is a consolidated Risks Map of the Logista Group and also there are maps of specific Risks for each Company and Business unit or Corporate Directorate, linked to key Business and Corporate Directorates' processes.

  There is also, in the documentation of the Internal Control System associated with each of the relevant processes with an impact on financial information, an inventory of specific Risks of financial information, prioritized and classified, among others, by fraud, compliance, errors and valuation categories.

- **Whether the process covers all the objectives of financial reporting, (existence and occurrence; completeness; valuation; presentation; disclosure and comparability; and rights and obligations), whether it is updated and if so how often.**

Additionally, on an annual basis, Internal Control Department makes an assessment, by each Business and Company, of the significant accounts, both at quantitative and qualitative level, which are later on linked to the different processes, and which results are gathered in what is denominated as ICFR Scope Matrix, and that allow to identify material sections of the financial statements and to prioritize the relevant operational and supporting processes that have impact in financial information.

Taking the Scope Matrix as a reference, the Group develops the identification and description of each of the transactional Risks linked to the relevant processes resulting of such evaluation, as well as the impact on the financial information objectives (financial assertions); existence and occurrence, integrity, rights and obligations, valuation, presentation and breakdown. This analysis is documented at the ICFR Risks and control matrix.

The Corporate Financial Directorate developed in 2016 an instruction for "ICFR documentation", in which premises to be followed are exposed in order to guarantee an adequate documentation maintenance. More explicitly, it is reflected that the review of these documentation must be a continuous and constantly updated process. Nevertheless, at least annually, at the beginning of the fiscal year, Internal Control Coordinator will do a general review of the documentation in order to guarantee a proper maintenance and communication. In case no update needs to be done to the current documentation, this fact will be communicated both to Internal Control Department which evaluates the modifications requested and make the amendments.

- **The existence of a process for identifying the scope of consolidation, taking into account, among other factors, the possible existence of complex corporate structures or special purpose vehicles.**

The Logista Group consolidation perimeter is determined monthly by the Financial Corporate Directorate, based on the “Annex 23-Consolidation Procedure” of the “Finance Accounting Manual, Consolidation and Reporting of Logista Group and its Subsidiary Companies. This Procedure establishes the system to be followed to define the consolidation perimeter and to ensure that it is correctly updated, so that nothing is omitted from the consolidated financial information.

In the Group consolidated financial statements at the close of the financial year, in accordance with the methods of inclusion applicable in each case, all those companies belonging to the Logista Group, joint businesses and companies associated with it were included in accordance with the content of the IFRS. For that purpose, the Consolidation Department has a detailed checklist of all the companies belonging to the Logista Group, and carries out a specific, regular analysis of the consolidation criteria to be applied.

- **Whether the process takes into account the effects of other types of risk (operational, technological, financial, legal, tax, reputational, environmental, etc.) to the extent that they affect the financial statements.**

Logista’s Risk Management System, considers the following categories of risk, that allow to consider differences as per their nature or their consequences:

- **Environment Risks**: including those events regarding economic, social and political matters. Also, due to the regulated nature of the tobacco market, main business of the Group, the risks regarding any modification to the tobacco regulations fall into this category.

- **Business Risks**: enclosing in this category any risk regarding the behaviour of the different agents present in the businesses of the Group, such the relationship with the tobacco manufacturers, or the entrance of new competitors.

- **Operational and Technological Risks**: those related to the regular Company´s operations, such as process inefficiency, technology problems, non-compliance with quality or environment standards, or those resulting from errors in the execution of the activities.

- **Regulatory Compliance Risks**: resulting from non-compliance with existing regulations affecting the Company, including the internal policies and procedures, as well as those regarding the legal regulations that subject Logista, the penal Risks and the compliance with the both the legal regulations and the internal policies regarding the Internal Control of Financial Reporting.

- **Financial/Fiscal Risks**: considering those risks regarding the Company´s exposure to price and other market variables fluctuations, such as the exchange rate, interest rate, oil price, etc. Furthermore, credit risks resulting from contractual liabilities, as well as fiscal Risks from the Company´s activities lie into this category.

- **Reputational Risks**: including those events that could negatively affect the Group or the Company image and, therefore, its value, resulting from a behaviour under the stakeholders expectative, including those related to corruption

Logista has also introduced, in different countries, as explained before, the Criminal Risks Prevention Model.

In the process of identifying risks, according to these categories, the possible effects derived from the materialization of said risks are taken into account.

- **The governing body within the company that supervises the process.**

Article 16.2 of the Board of Directors Regulations assigns to the Audit and Control Committee the role to supervise and evaluate the Risk Management and Control Systems. Within its context, Article 5 of the Audit and Control Committee Regulations sets the following roles for the Committee:

1. Supervision of the frequency of the risk management system of the Company, reviewing the appointment and substitution of the responsible persons and where applicable presenting recommendations or proposal to the Board of Directors and establishing the corresponding monitoring term.
2. Supervision of the Risk Control Management Unit that will have the role, among others to ensure the good functioning of the Risk Management and Control Systems. In particular, it will ensure that all important risk that affect the Company are identified and managed and adequately quantified. It will actively participate in the elaboration on the risk strategic and important decision of its managers and will procure that the Risk Control Management System mitigate risk adequately within the framework of the Policy established by the Board of Directors.

F.3 Control activities

Report on whether the company has at least the following, describing their main characteristics:

F.3.1 Review and authorisation procedures for financial information and a description of the ICFR, to be disclosed to the securities markets, indicating those responsible, as well as documentation describing the flow of activity and controls (including those relating to the risk of fraud) of the various types of transactions which may materially affect the financial statements, including accounting closing procedures and the specific review of significant judgements, estimates, valuations and projections.

Financial Information authorization and review procedures

The regulated financial information to be sent to the markets complies with the provisions of Royal Decree 1362/2007 of 19th October, and Circular 3/2018 of June 26th, of the CNMV.

Logista has an "Accounting Policy Manual", issued by the Corporate Finance Directorate, which defines a series of manual and automatic checks that are used to verify financial information, prevent fraud, the risk of error, and ensure compliance with current legislation and the generally accepted accounting principles. There is also a formal procedure for accounts closure in which the financial information is prepared by each economic/financial manager of each subsidiary company or business, which is verified by the Consolidation and Reporting Department, and approved, before publication, by the Logista Finance Corporate Directorate. It is also checked by the external auditors. Finally, it is analysed by the Audit and Control Committee, which reports to the Board of Directors, the latter being the body which finally approves it and agrees to its publication and dissemination to the markets, as explained in section F.1.1. Such Committee meets periodically in order to supervise, among others, financial information that must be released to the markets as well as any other issues that may be address to the Board of Directors.

In addition, every quarter, Financial Directors and Controllers of the Logista Group Businesses and/or Companies issue a certificate in which they declare that the Logista Group General Policy on Internal Control has been complied with as regards reconciliation of key accounts and controls. Every year, they also issue a representation letter in which they certify:

- That they were themselves responsible for preparing the financial statements reported at the close of the financial year, and for any other breakdown produced.

- That the financial statements were obtained from the Company's accounting records, which reflect all its transactions and its assets and liabilities.

- That the Company's accounting records correspond to what was produced by the consolidation tool in accordance with the local accounting standards plus the adjustments necessary to align them with the IFRS.

- That the concepts included in each account correspond to those in the Group's Accounting Plan and Manual.

- That the estimates and important decisions were made on the basis of the latest information available in the business and are sufficiently well documented and justified.

- That responsibility is accepted for the reliability of the information contained in the consolidated financial statements of the Company or subgroup (where applicable) at the close of the financial year.

Furthermore, the Internal Control Direction monitors the ICFR deployment, informing the Financial Corporate Directorate and Financial Controllers of the Business Units on the results. Internal Audit Corporate Director has accessed to the documents that evidence the monitorization of each process, business and company.

Descriptive documentation of activity flows and controls:

With regard to the documentation describing the control and activities flows, Logista Group has prepared for each business the main processes with ICFR impact, so that, ICFR documentation contains the particularities of the different business and activities carried out by the Group. For each of these processes, a narrative and a flow chart is prepared, describing the process and the main implementing activities. Control and risk matrix are also prepared, containing the controls that allow response to those risks associated with financial information, identifying key risk as well as their owners in each business or corporate area, their automatization, periodicity and the rest of information or characteristic of the control.

The IFCR Documentation has been developed both for the material corporate processes (General Accounting, Consolidation, Fiscal Management, Treasury, Human Resources and Purchases of Non-inventory assets, mainly), as well as for those relevant Business / Country operational processes for the IFCR, such as purchases, sales, stock and logistics services.

Specific review of relevant judgments, estimates, assessments and projections:

With regard to the specific review of the relevant opinions, estimates, valuations and projections, the Logista Group, as part of their Accounting Manual, has an specific annex about financial Provisions which describes the manner of dealing with each of the provisions which the companies in the Logista Group may make, and which is designed to reduce the risk of error in processes related to specific transactions.

Additionally, the Corporate Financial Director presents to the Audit and Control Committee, in order to facilitate said Body the review of regulated financial information, a detail with the main estimates and valuations made in the period under supervision, as well as the main ones hypothesis or methodology used for these estimates.

F.3.2 Internal IT control policies and procedures (access security, control of changes, system operation, operational continuity and segregation of duties, among others) which support significant processes within the company relating to the preparation and publication of financial information.

Logista uses information systems to keep an adequate record and control of its operations, so their correct functioning is crucial for the Logista Group.

The Information Systems Directorate within the Corporate Resources Directorate, is responsible for Logista's information and telecommunications systems. Among its functions is that of providing the Information Systems Department with a set of policies, procedures and technical and organizational means to ensure the completeness, availability, confidentiality and continuity of the corporate information, including the financial information.

The regulations, available to all the employees through Logista's intranet and relating to the internal control of the information systems, is mainly contained in the following internal rules:

- The Internal Control General Policy
- The strategic framework of the Information Systems
- The Information Security Policy
- The Information Security Procedure
- The Technical Instruction for Roles Maintenance

The Internal Control General Policy establishes the guidelines and directives relating to the management of the risks associated with the management and use of information systems.

The Information Security Policy formulates a reference framework and a set of guidelines and general principles that must be followed by all the Organization, to guarantee the Security of the Group´s information and systems as well as the responsible units in relation with this issues.

Information Security Procedure, estates, among other, the following premises:

➢ Management and control of access to the Logista's information systems, whose general aim is to prevent and as much as possible avoid non authorize access to the said systems and:

  i. Establishes a procedure for granting Users rights of logical access to the Logista Group Information Systems, and for modifying and revoking them.

  ii. Defines the identification requirements of an authorized User to access the Information Systems.

iii. Establishes specific control measures for access to Group Network Services and source codes.

iv. Establishes specific control measures for access to Information Process Equipment.

- Acquisition, development and maintenance of information systems, which establishes a process to ensure that security is built into the lifecycle of Information Systems. It also describes the control procedure for changes to Business Applications within Logista, and the management on changes in standard market software packages.

- Security in operations, in order to maintain and manage the processing of Information and Information Systems in Logista on a continuous and secure basis, and to guarantee that the technological services provided by the Corporate Directorate for Information Systems are being provided normally, the operational procedures necessary for this purpose (such as those relating to backups and recovery of Systems, monitoring, task planning, installation and configuration of Systems, etc.) are documented by this Department. Additionally, in this Procedure there is a specific section concerning Communications Security Management (Network Infrastructure Security Management, Network Device Security, Firewall Policy, and Wireless Networks).

- Continuity and redundancy in information security, which describes the requirements to ensure the continuity of the Systems during any major event or disaster that may occur; the availability of the Technology Infrastructure in terms of redundancy, and the continuity of the functions of the different businesses.

Regarding segregation of duties, Logista has designed and implemented a matrix for the segregation of functions, which segments the privileges of the users according to the minimum resources and information that are indispensable for the correct performance of the tasks associated with the workstations in the users' areas. In addition, and to complement the matrix for the segregation of functions, a set of measures and/or activities complementary to the segmentation of privileges has been established, such as the inclusion in the model of a group of users with greater privileges, with the aim, after an express request and while keeping track of the operations carried out, of supporting the operations of the corresponding users' area.

Finally, the Technical Instruction for Roles Redesign defines the specific guidelines that should be taken into account when designing the roles, their classification, their nomenclature and the structure they should have, existing a classification and nomenclature specifically for those "SOD Roles", which are those containing critical transactions managed by the Segregation of Duties Model.

The ICFR Group's scheme identifies the general controls over applications and systems that take part in the preparation of financial information or that support key controls that included:

- Security Information Policy
- Existence of remedies planning
- Segregation of Functions Policy
- Logista Assets Policy
- Group's commitments with the integrity of information
- Business continuity plan procedure
- Existence of a Security Committee

During 2022 at least quarterly meeting of the Security Committee have been held to follow up the recommendations and actions plans implemented by the Group regarding information security.

F.3.3 Internal control policies and procedures for overseeing the management of activities subcontracted to third parties, as well as of those aspects of assessment, calculation or valuation entrusted to independent experts, which may materially affect financial statements.

For the current financial year, none of the processes resulting in the collection of financial information with a material impact on the individual or consolidated financial statements of the Logista Group have been externalised, so the Logista has not required reports about the effectiveness of the controls established by entities outside the Group, other than the requirements of the policies for contracting third parties which the Logista Group uses in its Purchasing Policy.

However, as the result of the valuations is not significant, the Logista Group does repeatedly use reports of independent experts for the valuation of certain commitments to employees' benefits, and for the valuations of certain properties.

The Financial Corporate Directorate monitors the work of those experts in order to check: competence, training, accreditation and independence, the validity of the data and methods used, and the reasonableness of the hypotheses used, if applicable.

F.4 Information and communication

Report on whether the company has at least the following, describing their main characteristics:

F.4.1. A specifically assigned function for defining and updating accounting policies (accounting policy area or department) and resolving doubts or conflicts arising from their interpretation, maintaining a free flow of information to those responsible for operations in the organisation, as well as an up-to-date accounting policy manual distributed to the business units through which the company operates.

The functions of the Consolidation and Reporting Directorate, under the Financial Corporate Directorate, are to define and communicate the accounting policies and keep them up-to-date, and it also has to answer enquiries about the accounting standards and their interpretation.

The Consolidation and Reporting Directorate is kept informed of changes in the accounting standards by means of communications with the external advisors and through the training which they themselves receive. These changes have to be analysed, and when they are applicable, the Accounting Policies defined in the accounting manual have to be updated. The issue of all types of accounting standards is centralised in the Finance Corporate Directorate through their Management of Consolidation and Reporting department, which will be responsible for following and, if appropriate, applying, the modifications published in the regulations.

Logista has a Manual of Accounting Policies, update on 2017, aimed at establishing and describing the accounting policies and the Accounts Plan to which the financial information of all the Logista Group companies, the management information and the formation and formulation of the Logista Group Individual and Consolidated Annual Accounts must mandatorily be submitted.

In this way, it is intended to ensure that the content of the financial information and of the Individual and Consolidated Annual Accounts of the Logista Group are homogenous, consistent, accurate and harmonised, and that they are prepared on time.

The Manual contains and explains the key Good practices of Internal Financial Control of the Group; the rules of registration and valuation and accounting of the most significant elements of the assets and liabilities of the Group's Accounting; the rules for preparation the Financial information, and how they should be applied to the operations carried out by the Group; the consolidation and reporting rules, and in particular, contain different annexes for each of the headings of the financial statements and other areas of special relevance, such as the treatment of long-term incentive plans and recording of provisions, for example.

F.4.2. Mechanisms for capturing and preparing financial information in standardised formats for application and use by all units of the entity or group, and support its main financial statements and notes, as well as disclosures concerning ICFR.

Logista's main ERP tool is the 'SAP', which is used to record, at individual level, the accounting transactions from which financial Information is obtained for the subsidiaries of the Logista Group. All the companies which constitute the Logista Group work in accordance with the same plan of accounts, which is homogenous and common to the whole Logista Group, contained in the Accounting Manual.

The consolidated financial statements are prepared centrally from the financial statements which are reported in the established format by each of the Logista Group subsidiaries. To do that, the Logista Group has HFM consolidation software, which the Logista Group subsidiaries and companies use for reporting, and which enables the data to be aggregated, homogenised and analysed at individual and consolidated levels. In the consolidation process, there are checks to ensure the correctness of the consolidated financial statements.

In addition, the Consolidation and Reporting Department, as part of the Accounting Manual, has developed a series annexes– such as the procedures for consolidation, for inter-company transactions and for reporting, which are applicable to all the companies which constitute the Logista Group – which establish the mechanisms for collecting and preparing financial information in homogenous formats, the general rules, rules for the insertion of entries, for the approval of manual entries, opinions and estimates (including valuations and relevant projections) and a system for communicating financial information to the senior management and ensuring the homogeneity of the process of drawing up financial information.

Logista's Board of Directors on its May 5 2021 meeting approved the Policy on Information and Contact with Shareholders Institutional Investors, Proxy Advisor and on Dissemination of Financial, Non-Financial and Corporate Information of Logista. It establishes the principles and general behaviour criteria in relation the dissemination of financial, non-financial and corporate information; available information communication and contact instruments as well as the internal contacts and channels designated to deploy it.

The said Policy established that the Board of Directors as the highest supervision body of financial, non-financial and corporate information must ensure the widest dissemination and quality of the information given to stakeholders and the market in general.

F.5 Supervision of the functioning of the system

Report on at least the following, describing their principal features:

F.5.1.The activities of the audit committee in overseeing ICFR as well as whether there is an internal audit function one of the responsibilities of which is to provide support to the committee in its task of supervising the internal control system, including ICFR. Additionally, describe the scope of ICFR assessment made during the year and the procedure through which the person responsible for performing the assessment communicates its results, whether the company has an action plan detailing possible corrective measures, and whether their impact on financial reporting has been considered.

Through the Corporate Internal Audit Directorate, entrusted with the Supervision of the Internal Control System of Financial Reporting, the Audit and Control Committee has carried out the following supervision activities during the fiscal year:

- Approval of the audit activities related to ICFR to be executed according to Annual Internal Audit Plan for 2021-2022, which includes the review of tobacco stocks management in France, key controls in purchases, sales and stocks of Italy Retail business, the tobacco orders to cash process in Spain, France and Italy, Logista Parcel transport sales and sales of convenience business in France (SAF).

- Quarterly monitoring of the results of the ICFR reviews performed by the Internal Audit Corporate Directorate, including the evaluation of the impact of the weaknesses detected in the financial information, as well as the progress on the action plan implementation resulted during the audit reports.

The Committee has also carried out the following activities:

- Review of the information about the ICFR which is included in the Annual Report on Corporate Governance.

- Review of the report of the External Auditor's opinion on this subject.

Logista has an Corporate Internal Audit Directorate with functional dependence on the Chairman of the Audit and Control Committee, composed by 8 employees, and a budget item for outsourcing Audit services in France.

Its Internal Audit Policy, approved by the Board in 2015, and updated in 2021, after the proposal of the Audit and Control Committee, defines the purpose, authority and responsibility of the activity of Internal Auditing, and its position within the organisation. Within the responsibilities of the said function, the following competencies (among others), are established:

- To evaluate whether the processes, activities and objectives of Internal Control which constitute the Logista Group System of Internal Control are adequate, effective and efficient, and guarantee the Group, the Audit and Control Committee, and the Board of Directors of the Logista Group the effective supervision of the system of management and control of risks, of financial and non-financial nature, making recommendations for its strengthening, if applicable.

With regard to planning, communication with the Audit and Control Committee, and implementation of corrective measures, the following responsibilities are defined in the Internal Audit Policy:

- In an open dialogue with Top Management and the Audit and Control Committee, the drawing-up of an Annual Internal Audit Plan based on an appropriate methodology of risk, and, if appropriate, on the needs expressed by the Businesses or Corporate Directorates or the Compliance Committee. The work involved in the Annual Plan must be mainly orientated towards the Group's important Risks as well as to the main compliance risk and, in particular, to those defined under the Criminal Risk Prevention Model. The Plan must envisage work for special, ad hoc requirements during the year. The Annual Plan, and any updating of the Plan, will be sent to the Audit and Control Committee for its approval;

- The performance of the work described in the approved Auditing Plan, as well as any special work or project, requested by the Management, the Audit and Control Committee, the Board of Directors, by the Chief Executive Director or by the senior Management that, attending its own nature and characteristics, it considers relevant its performance, adopting all the necessary safeguards necessaries for the Audit Internal function.
- The preparation and despatch of regular (at least quarterly) summary reports to the Audit and Control Committee, on the results of the activity of Internal Audit, the deployment of the Internal Audit Annual Plan, or of other actions not included in the Plan, as well as on the monitoring of the recommendations it may have made and, where applicable, on the need of human and economic resources within the Internal Audit Professional Practices International Framework, the results of the Quality and Improvement Assurance Programme, as well as any other non-fulfilment. Furthermore the Audit Internal Corporate Directorate will elaborate for its submission to the Audit and Control Committee, a list with the key indicators, objectives and results, budget, to value the Internal Audit performance.
- The information to the Senior Management, and if applicable, to the Compliance Committee, in relation with the review activities performed and to collaborate with the business and/or Corporate Directorate, as well as the Compliance Committee, in in the definition of the action plans to comply with their recommendations, and supervision of their starting-up and implementation.

The Internal Audit Plan for 2021-2022, approved by the Audit and Control Committee, was prepared based on the Internal Audit Strategic Plan 2021-2023, also approved by the Audit and Control Committee, in which the rotation criteria of the CNMV Guide of June 2010 are adopted, which allows defining the scope of the ICFR evaluation by carrying out an evaluation that covers the entire of the ICFR in each fiscal year or throughout several fiscal years, in which case for each of them, rotation policies of areas of the financial statements or locations may be established for periods not exceeding two or three years, depending on various factors such as whether it has already been reviewed or process changes, among others.

In line with the approved Audit Plan, during this year the following areas have been reviewed: tobacco stocks management in France, key controls in purchases, sales and stocks of Italy Retail business, the tobacco order to cash process in Spain, France and Italy, Logista Parcel transport sales and sales of convenience business in France.

Furthermore, the potential financial impacts of any control weakness or relevant aspect identified in any other audit review that does not have the ICFR review as its scope are quantified. In this sense, the following reviews not related with the ICFR but that included in their scope the review of some ICFR controls have been carried out: stock management in Lognes and Le Mans warehouses, key controls of Logista Retail purchases, stocks and sales processes.

As part of ICFR evaluation process, which conclusions are included in audit reports for each audited business and process, the operative efficiency of the critical controls described at the existing ICFR documentation is verified, this means: it is evaluated if there are significant internal control deficiencies related to financial information; if so, the financial impact is measured, and corrective measures are set up in order to solve them resulting in action plans. Deficiencies are classified in the audit reports according to criticality, a responsible is appointed and they are monitored until its final solution.

During the current fiscal year, no internal control deficiencies have been detected which may have modified, financial statements, with significant impact, although adjustments or reclassifications not significant are reported to the Audit and Control Committee, if any.

F.5.2. Whether there is a discussion procedure whereby the auditor (as defined in the Spanish Technical Audit Standards), the internal auditor and other experts can report to senior management and the audit committee or directors of the company any significant weaknesses in internal control identified during the review of the annual financial statements or any others they have been assigned. Additionally, state whether an action plan is available for correcting or mitigating any weaknesses detected.

The Audit and Control Committee meets at least quarterly with the aim of obtaining and analysing the necessary information in order to fulfil the responsibilities entrusted to it by the Board of Directors. There is an annual activities calendar in order to facilitate the proper planning of functions that the Audit and Control Committee is assigned, and execute the periodical activities, without prejudice that during the year extraordinary subjects could come to light or the planned ones could be subject to changes. This calendar has been prepared on the basis of the provisions of the Capital Companies Law, the Recommendations of the good governance of the CNMV and the Technical Guide on Audit Commissions of public interest entities and the Regulations of the Board of Directors. In this document, it is determined those sessions attended by the Corporate Internal Audit Director, the External Auditors, and fiscal experts or other experts when this is considered necessary.

In this regard:

- The external auditors are present at, and report on, all the sessions of the Committee in which regulated financial information and accounts formulations are analysed. In those sessions, the external auditors report to the Committee on important Auditing and Accounting matters, and on the recommendations identified as those which would enable the Internal Control System to improve. They also present the planning of the Accounts Auditing, their methodology, legislative innovations, and any other information considered to be useful.

- Corporate Internal Audit Director has full access to the Audit Committee, attending its sessions as a guest. Issues, among others, quarterly information, both about detected significant Internal Control weaknesses, including agreed actions plans arising out of the audits with a view to correcting the detected weaknesses in Internal Control, and also, about the state and evolution of these action plans until their proper implementation.

Additionally, the Chairman of the Audit and Control Committee issues to the Board of Directors a summary report of the matters dealt with in these committees, which summarize the significant weaknesses in Internal Control identified during the review processes, the analysis of the annual accounts, as well as any other financial information to be disclosed, the status of action plans, or any other subjects that have been entrusted to the Audit and Control Committee.

Finally, both the Financial Corporate Directorate and the Internal Audit Corporate Directorate, hold private meetings with the Chairman of the Audit and Control Committee, to discuss the scope of the sessions, the work, its conclusions, the information to present in the Audit and Control Committee, as well as any other information deemed appropriate.

F.6 Other relevant information

No other relevant information regarding the ICFR implemented in the Group has been revealed, which has not been broken down into the sections corresponding to this section F.

F.7 External auditor's report

Report:

F.7.1. Whether the ICFR information sent to the markets has been subjected to review by the external auditor, in which case the entity should include the corresponding report as an attachment. If not, reasons why should be given.

Logista has submitted for review by the external auditors the information about the ICFR that was sent to the markets for this fiscal year.

The scope of the auditors' review procedures was in accordance with Circular E14/2013 of 19th July, 2013, of the Instituto de Censores Jurados de Cuentas de España, in which the 'Guide to Action and Model Auditor's Report relating to the System of Internal Control of Financial Reporting (ICFR) in quoted entities'.

G DEGREE OF COMPLIANCE WITH CORPORATE GOVERNANCE RECOMMENDATIONS

Specify the company's degree of compliance with recommendations of the Good Governance Code for listed companies.

In the event that a recommendation is not followed or only partially followed, a detailed explanation of the reasons must be included so that shareholders, investors and the market in general have enough information to assess the company´s conduct. General explanations are not acceptable.

1. **That the articles of incorporation of listed companies should not limit the maximum number of votes that may be cast by one shareholder or contain other restrictions that hinder the takeover of control of the company through the acquisition of its shares on the market.**

Complies ☒ Explain ☐

2. **That when the listed company is controlled by another entity in the meaning of Article 42 of the Commercial Code, whether listed or not, and has, directly or through its subsidiaries, business relations with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them it should make accurate public disclosures on:**

   a) **The respective areas of activity and possible business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries.**

   b) **The mechanisms in place to resolve any conflicts of interest that may arise.**

Complies ☒ Complies partially ☐ Explain ☐ Not applicable ☐

3. **That, during the ordinary General Shareholders' Meeting, as a complement to the distribution of the written annual corporate governance report, the chairman of the Board of Directors should inform shareholders orally, in sufficient detail, of the most significant aspects of the company's corporate governance, and in particular:**

   a) **Changes that have occurred since the last General Shareholders' Meeting.**

   b) **Specific reasons why the company has not followed one or more of the recommendations of the Code of Corporate Governance and the alternative rules applied, if any.**

Complies ☒ Complies partially ☐ Explain ☐

4. **That the company should define and promote a policy on communication and contact with shareholders and institutional investors, within the framework of their involvement in the company, and with proxy advisors that complies in all aspects with rules against market abuse and gives equal treatment to similarly situated shareholders. And that the company should publish this policy on its website, including information on how it has been put into practice and identifying the contact persons or those responsible for implementing it.**

   And that, without prejudice to the legal obligations regarding dissemination of inside information and other types of regulated information, the company should also have a general policy regarding the communication of economic-financial, non-financial and corporate information through such channels as it may consider appropriate (communication media, social networks or other channels) that helps to maximise the dissemination and quality of information available to the market, investors and other stakeholders.

Complies ☒ Complies partially☐ Explain ☐

5. **That the Board of Directors should not submit to the General Shareholders' Meeting any proposal for delegation of powers allowing the issue of shares or convertible securities with the exclusion of pre-emptive rights in an amount exceeding 20% of the capital at the time of delegation.**

   And that whenever the Board of Directors approves any issue of shares or convertible securities with the exclusion of pre-emptive rights, the company should immediately publish the reports referred to by company law on its website.

Complies ☒ Complies partially ☐ Explain ☐

6. **That listed companies that prepare the reports listed below, whether under a legal obligation or voluntarily, should publish them on their website with sufficient time before the General Shareholders' Meeting, even if their publication is not mandatory:**

   a) **Report on the auditor's independence.**

   b) **Reports on the workings of the audit and nomination and remuneration committees.**

   c) **Report by the audit committee on related party transactions.**

Complies ☒ Complies partially ☐ Explain ☐

7. **That the company should transmit in real time, through its website, the proceedings of the General Shareholders' Meetings.**

   And that the company should have mechanisms in place allowing the delegation and casting of votes by means of data transmission and even, in the case of large-caps and to the extent that it is proportionate, attendance and active participation in the General Meeting to be conducted by such remote means.

Complies ☒ Complies partially ☐ Explain ☐

8. **That the audit committee should ensure that the financial statements submitted to the General Shareholders' Meeting are prepared in accordance with accounting regulations. And that in cases in which the auditor has included a qualification or reservation in its audit report, the chairman of the audit committee should clearly explain to the general meeting the opinion of the audit committee on its content and scope, making a summary of this opinion available to shareholders at the time when the meeting is called, alongside the other Board proposals and reports.**

Complies ☒ Complies partially ☐ Explain ☐

Up-to-date, auditors have never included qualification or reservation in relation to the annual accounts, so it has not been necessary to inform the general meeting.

9. **That the company should permanently publish on its website the requirements and procedures for certification of share ownership, the right of attendance at the General Shareholders' Meetings, and the exercise of the right to vote or to issue a proxy.**

   And that such requirements and procedures promote attendance and the exercise of shareholder rights in a non-discriminatory fashion.

Complies ☒ Complies partially ☐ Explain ☐

10. **That when a duly authenticated shareholder has exercised his or her right to complete the agenda or to make new proposals for resolutions in advance of the General Shareholders' Meeting, the company:**

a) **Should immediately distribute such complementary points and new proposals for resolutions.**

b) **Should publish the attendance, proxy and remote voting card specimen with the necessary changes such that the new agenda items and alternative proposals can be voted on in the same terms as those proposed by the Board of Directors.**

c) **Should submits all these points or alternative proposals to a vote and apply the same voting rules to them as to those formulated by the Board of Directors including, in particular, assumptions or default positions regarding votes for or against.**

d) **That after the General Shareholders' Meeting, a breakdown of the voting on said additions or alternative proposals be communicated.**

Complies ☐ Complies partially ☐ Explain ☐ Not applicable ☒

11. **That if the company intends to pay premiums for attending the General Shareholders' Meeting, it should establish in advance a general policy on such premiums and this policy should be stable.**

Complies ☐ Complies partially ☐ Explain ☐ Not applicable ☒

12. **That the Board of Directors should perform its functions with a unity of purpose and independence of criterion, treating all similarly situated shareholders equally and being guided by the best interests of the company, which is understood to mean the pursuit of a profitable and sustainable business in the long term, promoting its continuity and maximising the economic value of the business.**

    And that in pursuit of the company's interest, in addition to complying with applicable law and rules and conducting itself on the basis of good faith, ethics and a respect for commonly accepted best practices, it should seek to reconcile its own company interests, when appropriate, with the interests of its employees, suppliers, clients and other stakeholders that may be affected, as well as the impact of its corporate activities on the communities in which it operates and on the environment.

Complies ☒ Complies partially ☐ Explain ☐

13. **That the Board of Directors should be of an appropriate size to perform its duties effectively and in a collegial manner, which makes it advisable for it to have between five and fifteen members.**

Complies ☒ Explain ☐

14. **That the Board of Directors should approve a policy aimed at favouring an appropriate composition of the Board and that:**

    a) **Is concrete and verifiable;**

    b) **Ensures that proposals for appointment or re-election are based upon a prior analysis of the skills required by the Board of Directors; and**

    c) **Favours diversity of knowledge, experience, age and gender. For these purposes, it is considered that the measures that encourage the company to have a significant number of female senior executives favour gender diversity.**

    That the result of the prior analysis of the skills required by the Board of Directors be contained in the supporting report from the nomination committee published upon calling the General Shareholders' Meeting to which the ratification, appointment or re-election of each director is submitted.

The nomination committee will annually verify compliance with this policy and explain its findings in the annual corporate governance report.

Complies ☒ Complies partially ☐ Explain ☐

15. **That proprietary and independent directors should constitute a substantial majority of the Board of Directors and that the number of executive directors be kept to a minimum, taking into account the complexity of the corporate group and the percentage of equity participation of executive directors.**

    And that the number of female directors should represent at least 40% of the members of the Board of Directors before the end of 2022 and thereafter, and no less 30% prior to that date.

Complies ☒ Complies partially ☐ Explain ☐

16. **That the number of proprietary directors as a percentage of the total number of non-executive directors not be greater than the proportion of the company's share capital represented by those directors and the rest of the capital.**

    This criterion may be relaxed:

    a) **In large-cap companies where very few shareholdings are legally considered significant.**

    b) **In the case of companies where a plurality of shareholders is represented on the Board of Directors without ties among them.**

Complies ☒ Explain ☐

17. **That the number of independent directors should represent at least half of the total number of directors.**

    That, however, when the company does not have a high level of market capitalisation or in the event that it is a large-cap company with one shareholder or a group of shareholders acting in concert who together control more than 30% of the company's share capital, the number of independent directors should represent at least one third of the total number of directors.

Complies ☒ Explain ☐

18. **That companies should publish the following information on its directors on their website, and keep it up to date:**

    a) **Professional profile and biography.**

    b) **Any other Boards to which the directors belong, regardless of whether or not the companies are listed, as well as any other remunerated activities engaged in, regardless of type.**

    c) **Category of directorship, indicating, in the case of individuals who represent significant shareholders, the shareholder that they represent or to which they are connected.**

    d) **Date of their first appointment as a director of the company's Board of Directors, and any subsequent re-elections.**

    e) **Company shares and share options that they own.**

Complies ☒ Complies partially ☐ Explain ☐

19. **That the annual corporate governance report, after verification by the nomination committee, should explain the reasons for the appointment of any proprietary directors at the proposal of shareholders whose holding is less than**

3%. It should also explain, if applicable, why formal requests from shareholders for presence on the Board were not honoured, when their shareholding was equal to or exceeded that of other shareholders whose proposal for proprietary directors was honoured.

Complies ☐ Complies partially ☐ Explain ☐ Not applicable ☒

20. That proprietary directors representing significant shareholders should resign from the Board when the shareholder they represent disposes of its entire shareholding. They should also resign, in a proportional fashion, in the event that said shareholder reduces its percentage interest to a level that requires a decrease in the number of proprietary directors.

Complies ☐ Complies partially ☐ Explain ☐ Not applicable ☒

21. That the Board of Directors should not propose the dismissal of any independent director before the completion of the director's term provided for in the articles of incorporation unless the Board of Directors finds just cause and a prior report has been prepared by the nomination committee. Specifically, just cause is considered to exist if the director takes on new duties or commits to new obligations that would interfere with his or her ability to dedicate the time necessary for attention to the duties inherent to his or her post as a director, fails to complete the tasks inherent to his or her post, or is affected by any of the circumstances which would cause the loss of independent status in accordance with applicable law.

The dismissal of independent directors may also be proposed as a result of a public takeover bid, merger or other similar corporate transaction entailing a change in the shareholder structure of the company, provided that such changes in the structure of the Board are the result of application of the proportionate representation criterion provided in Recommendation 16.

Complies ☒ Explain ☐

22. That companies should establish rules requiring that directors inform the Board of Directors and, where appropriate, resign from their posts, when circumstances arise which affect them, whether or not related to their actions in the company itself, and which may harm the company's standing and reputation, and in particular requiring them to inform the Board of any criminal proceedings in which they appear as suspects or defendants, as well as of how the legal proceedings subsequently unfold.

And that, if the Board is informed or becomes aware in any other manner of any of the circumstances mentioned above, it must investigate the case as quickly as possible and, depending on the specific circumstances, decide, based on a report from the nomination and remuneration committee, whether or not any measure must be adopted, such as the opening of an internal investigation, asking the director to resign or proposing that he or she be dismissed. And that these events must be reported in the annual corporate governance report, unless there are any special reasons not to do so, which must also be noted in the minutes. This without prejudice to the information that the company must disseminate, if appropriate, at the time when the corresponding measures are implemented.

Complies ☒ Complies partially ☐ Explain ☐

23. That all directors clearly express their opposition when they consider any proposal submitted to the Board of Directors to be against the company's interests. This particularly applies to independent directors and directors who are unaffected by a potential conflict of interest if the decision could be detrimental to any shareholders not represented on the Board of Directors.

Furthermore, when the Board of Directors makes significant or repeated decisions about which the director has serious reservations, the director should draw the appropriate conclusions and, in the event the director decides to resign, explain the reasons for this decision in the letter referred to in the next recommendation.

This recommendation also applies to the secretary of the Board of Directors, even if he or she is not a director.

Complies ☒ Complies partially ☐ Explain ☐ Not applicable ☐

24. **That whenever, due to resignation or resolution of the General Shareholders' Meeting, a director leaves before the completion of his or her term of office, the director should explain the reasons for this decision, or in the case of non-executive directors, their opinion of the reasons for cessation, in a letter addressed to all members of the Board of Directors.**

    And that, without prejudice to all this being reported in the annual corporate governance report, insofar as it is relevant to investors, the company must publish the cessation as quickly as possible, adequately referring to the reasons or circumstances adduced by the director.

Complies ☒ Complies partially ☐ Explain ☐ Not applicable ☐

25. **That the nomination committee should make sure that non-executive directors have sufficient time available in order to properly perform their duties.**

    And that the Board regulations establish the maximum number of company Boards on which directors may sit.

Complies ☒ Complies partially ☐ Explain ☐

26. **That the Board of Directors meet frequently enough to be able to effectively perform its duties, and at least eight times per year, following a schedule of dates and agendas established at the beginning of the year and allowing each director individually to propose other items that do not originally appear on the agenda.**

Complies ☒ Complies partially ☐ Explain ☐

27. **That director absences occur only when absolutely necessary and be quantified in the annual corporate governance report. And when absences do occur, that the director appoint a proxy with instructions.**

Complies ☒ Complies partially ☐ Explain ☐

28. **That when directors or the secretary express concern regarding a proposal or, in the case of directors, regarding the direction in which the company is headed and said concerns are not resolved by the Board of Directors, such concerns should be included in the minutes at the request of the director expressing them.**

Complies ☒ Complies partially ☐ Explain ☐ Not applicable ☐

29. **That the company should establishes adequate means for directors to obtain appropriate advice in order to properly fulfil their duties including, should circumstances warrant, external advice at the company's expense.**

Complies ☒ Complies partially ☐ Explain ☐

30. That, without regard to the knowledge necessary for directors to complete their duties, companies make refresher courses available to them when circumstances make this advisable.

Complies ☒ Explain☐ Not applicable ☐

31. That the agenda for meetings should clearly indicate those matters on which the Board of Directors is to make a decision or adopt a resolution so that the directors may study or gather all relevant information ahead of time.

When, in exceptional circumstances, the chairman wishes to bring urgent matters for decision or resolution before the Board of Directors which do not appear on the agenda, prior express agreement of a majority of the directors shall be necessary, and said consent shall be duly recorded in the minutes.

Complies ☒ Complies partially ☐ Explain ☐

32. That directors be periodically informed of changes in shareholding and of the opinions of significant shareholders, investors and rating agencies of the company and its group.

Complies ☒ Complies partially ☐ Explain ☐

33. That the chairman, as the person responsible for the efficient workings of the Board of Directors, in addition to carrying out the duties assigned by law and the articles of incorporation, should prepare and submit to the Board of Directors a schedule of dates and matters to be considered; organise and coordinate the periodic evaluation of the Board as well as, if applicable, the chief executive of the company, should be responsible for leading the Board and the effectiveness of its work; ensuring that sufficient time is devoted to considering strategic issues, and approve and supervise refresher courses for each director when circumstances make this advisable.

Complies ☒ Complies partially ☐ Explain ☐

34. That when there is a coordinating director, the articles of incorporation or Board regulations should confer upon him or her the following powers in addition to those conferred by law: to chair the Board of Directors in the absence of the chairman and deputy chairmen, should there be any; to reflect the concerns of non-executive directors; to liaise with investors and shareholders in order to understand their points of view and respond to their concerns, in particular as those concerns relate to corporate governance of the company; and to coordinate a succession plan for the chairman.

Complies ☐ Complies partially ☐ Explain ☐ Not applicable ☒

35. That the secretary of the Board of Directors should pay special attention to ensure that the activities and decisions of the Board of Directors take into account such recommendations regarding good governance contained in this Good Governance Code as may be applicable to the company.

Complies ☒ Explain ☐

36. That the Board of Directors meet in plenary session once a year and adopt, where appropriate, an action plan to correct any deficiencies detected in the following:

a) The quality and efficiency of the Board of Directors' work.

b) The workings and composition of its committees.

c) Diversity in the composition and skills of the Board of Directors.

d) Performance of the chairman of the Board of Directors and of the chief executive officer of the company.

e) Performance and input of each director, paying special attention to those in charge of the various Board committees.

In order to perform its evaluation of the various committees, the Board of Directors will take a report from the committees themselves as a starting point and for the evaluation of the Board, a report from the nomination committee.

Every three years, the Board of Directors will rely for its evaluation upon the assistance of an external advisor, whose independence shall be verified by the nomination committee.

Business relationships between the external adviser or any member of the adviser's group and the company or any company within its group must be specified in the annual corporate governance report.

The process and the areas evaluated must be described in the annual corporate governance report.

Complies ☒ Complies partially ☐ Explain ☐

37. That if there is an executive committee, it must contain at least two non-executive directors, at least one of whom must be independent, and its secretary must be the secretary of the Board.

Complies ☐ Complies partially ☐ Explain ☐ Not applicable ☒

38. That the Board of Directors must always be aware of the matters discussed and decisions taken by the executive committee and that all members of the Board of Directors receive a copy of the minutes of meetings of the executive committee.

Complies ☐ Complies partially ☐ Explain ☐ Not applicable ☒

39. That the members of the audit committee, in particular its chairman, be appointed in consideration of their knowledge and experience in accountancy, audit and risk management issues, both financial and non-financial.

Complies ☒ Complies partially ☐ Explain ☐

40. That under the supervision of the audit committee, there should be a unit in charge of the internal audit function, which ensures that information and internal control systems operate correctly, and which reports to the non-executive chairman of the Board or of the audit committee.

Complies ☒ Complies partially ☐ Explain ☐

41. That the person in charge of the unit performing the internal audit function should present an annual work plan to the audit committee, for approval by that committee or by the Board, reporting directly on its execution, including any incidents or limitations of scope, the results and monitoring of its recommendations, and present an activity report at the end of each year.

Complies ☒ Complies partially ☐ Explain ☐ Not applicable ☐

42. That in addition to the provisions of applicable law, the audit committee should be responsible for the following:

1. With regard to information systems and internal control:

a) Supervising and evaluating the process of preparation and the completeness of the financial and non-financial information, as well as the

control and management systems for financial and non-financial risk relating to the company and, if applicable, the group - including operational , technological, legal, social, environmental, political and reputational risk, or risk related to corruption - reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.

b) Ensuring the independence of the unit charged with the internal audit function; proposing the selection, appointment and dismissal of the head of internal audit; proposing the budget for this service; approving or proposing its orientation and annual work plans for approval by the Board, making sure that its activity is focused primarily on material risks (including reputational risk); receiving periodic information on its activities; and verifying that senior management takes into account the conclusions and recommendations of its reports.

c) Establishing and supervising a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report any potentially serious irregularities, especially those of a financial or accounting nature, that they observe in the company or its group. This mechanism must guarantee confidentiality and in any case provide for cases in which the communications can be made anonymously, respecting the rights of the whistleblower and the person reported.

d) Generally ensuring that internal control policies and systems are effectively applied in practice.

2. With regard to the external auditor:

a) In the event that the external auditor resigns, examining the circumstances leading to such resignation.

b) Ensuring that the remuneration paid to the external auditor for its work does not compromise the quality of the work or the auditor's independence.

c) Making sure that the company informs the CNMV of the change of auditor, along with a statement on any differences that arose with the outgoing auditor and, if applicable, the contents thereof.

d) Ensuring that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks performed and the development of the company's accounting situation and risks.

e) Ensuring that the company and the external auditor comply with applicable rules regarding the provision of services other than auditing, limits on the concentration of the auditor's business, and, in general, all other rules regarding auditors' independence.

Complies ☒ Complies partially ☐ Explain ☐

43. That the audit committee be able to require the presence of any employee or manager of the company, even stipulating that he or she appear without the presence of any other member of management.

Complies ☒ Complies partially ☐ Explain ☐

44. That the audit committee be kept abreast of any corporate and structural changes planned by the company in order to perform an analysis and draw up a prior report to the Board of Directors on the economic conditions and accounting implications and, in particular, any exchange ratio involved.

Complies ☒ Complies partially ☐ Explain ☐ Not applicable ☐

45. That the risk management and control policy identify or determine, as a minimum:

a) The various types of financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks and risks relating to corruption) which the company faces, including among the financial or economic risks contingent liabilities and other off-balance sheet risks.

b) A risk control and management model based on different levels, which will include a specialised risk committee when sector regulations so require or the company considers it to be appropriate.

c) The level of risk that the company considers to be acceptable.

d) Measures in place to mitigate the impact of the risks identified in the event that they should materialised.

e) Internal control and information systems to be used in order to control and manage the aforementioned risks, including contingent liabilities or off-balance sheet risks.

Complies ☒ Complies partially ☐ Explain ☐

46. That under the direct supervision of the audit committee or, if applicable, of a specialised committee of the Board of Directors, an internal risk control and management function should exist, performed by an internal unit or department of the company which is expressly charged with the following responsibilities:

a) Ensuring the proper functioning of the risk management and control systems and, in particular, that they adequately identify, manage and quantify all material risks affecting the company.

b) Actively participating in drawing up the risk strategy and in important decisions regarding risk management.

c) Ensuring that the risk management and control systems adequately mitigate risks as defined by the policy laid down by the Board of Directors.

Complies ☒ Complies partially ☐ Explain ☐

47. That in designating the members of the nomination and remuneration committee – or of the nomination committee and the remuneration committee if they are separate – care be taken to ensure that they have the knowledge, aptitudes and experience appropriate to the functions that they are called upon to perform and that the majority of said members are independent directors.

Complies ☒ Complies partially ☐ Explain ☐

48. That large-cap companies have separate nomination and remuneration committees.

Complies ☐ Explain ☐ Not applicable ☒

49. That the nomination committee consult with the chairman of the Board of Directors and the chief executive of the company, especially in relation to matters concerning executive directors.

And that any director be able to ask the nomination committee to consider potential candidates that he or she considers suitable to fill a vacancy on the Board of Directors.

Complies ☒ Complies partially ☐ Explain ☐

50. **That the remuneration committee exercise its functions independently and that, in addition to the functions assigned to it by law, it should be responsible for the following:**

    a) **Proposing the basic conditions of employment for senior management to the Board of Directors.**

    b) **Verifying compliance with the company's remuneration policy.**

    c) **Periodically reviewing the remuneration policy applied to directors and senior managers, including share-based remuneration systems and their application, as well as ensuring that their individual remuneration is proportional to that received by the company's other directors and senior managers.**

    d) **Making sure that potential conflicts of interest do not undermine the independence of external advice given to the committee.**

    e) **Verifying the information on remuneration of directors and senior managers contained in the various corporate documents, including the annual report on director remuneration.**

Complies ☒ Complies partially ☐ Explain ☐

51. **That the remuneration committee should consult with the chairman and the chief executive of the company, especially on matters relating to executive directors and senior management.**

Complies ☒ Complies partially ☐ Explain ☐

52. **That the rules regarding the composition and workings of the supervision and control committees should appear in the regulations of the Board of Directors and that they should be consistent with those applying to legally mandatory committees in accordance with the foregoing recommendations, including:**

    a) **That they be composed exclusively of non-executive directors, with a majority of independent directors.**

    b) **That their chairpersons be independent directors.**

    c) **That the Board of Directors select members of these committees taking into account their knowledge, skills and experience and the duties of each committee; discuss their proposals and reports; and require them to render account of their activities and of the work performed in the first plenary session of the Board of Directors held after each committee meeting.**

    d) **That the committees be allowed to avail themselves of outside advice when they consider it necessary to perform their duties.**

    e) **That their meetings be recorded and their minutes be made available to all directors.**

Complies ☒ Complies partially ☐ Explain ☐

53. That verification of compliance with the company's policies and rules on environmental, social and corporate governance matters, and with the internal codes of conduct be assigned to one or divided among more than one committee of the Board of Directors, which may be the audit committee, the nomination committee, a specialised committee on sustainability or corporate social responsibility or such other specialised committee as the Board of Directors, in the exercise of its powers of self-organisation, may have decided to create. And that such committee be composed exclusively of non-executive directors, with a majority of these being independent directors, and that the minimum functions indicated in the next recommendation be specifically assigned to it.

Complies ☒ Complies partially ☐ Explain ☐

54. The minimum functions referred to in the foregoing recommendation are the following:

a) Monitoring of compliance with the company’s internal codes of conduct and corporate governance rules, also ensuring that the corporate culture is aligned with its purpose and values.

b) Monitoring the application of the general policy on communication of economic and financial information, non-financial and corporate information and communication with shareholders and investors, proxy advisors and other stakeholders. The manner in which the entity communicates and handles relations with small and medium-sized shareholders must also be monitored.

c) The periodic evaluation and review of the company’s corporate governance system, and environmental and social policy, with a view to ensuring that they fulfil their purposes of promoting the interests of society and take account, as appropriate, of the legitimate interests of other stakeholders.

d) Supervision of the company's environmental and social practices to ensure that they are in alignment with the established strategy and policy.

e) Supervision and evaluation of the way in which relations with the various stakeholders are handled.

Complies ☒ Complies partially ☐ Explain ☐

55. That environmental and social sustainability policies identify and include at least the following:

a) The principles, commitments, objectives and strategy relating to shareholders, employees, clients, suppliers, social issues, the environment, diversity, tax responsibility, respect for human rights, and the prevention of corruption and other unlawful conduct

b) Means or systems for monitoring compliance with these policies, their associated risks, and management.

c) Mechanisms for supervising non-financial risk, including that relating to ethical aspects and aspects of business conduct.

d) Channels of communication, participation and dialogue with stakeholders.

e) Responsible communication practices that impede the manipulation of data and protect integrity and honour.

Complies ☒ Complies partially ☐ Explain ☐

56. That director remuneration be sufficient in order to attract and retain directors who meet the desired professional profile and to adequately compensate them for the dedication, qualifications and responsibility demanded of their posts, while not being so excessive as to compromise the independent judgement of non-executive directors.

Complies ☒ Explain ☐

57. That only executive directors should receive variable remuneration linked to corporate results and personal performance, as well as remuneration in the form of shares, options or rights to shares or instruments referenced to the share price and long-term savings plans such as pension plans, retirement schemes or other provident schemes.

Consideration may be given to delivering shares to non-executive directors as remuneration providing this is conditional upon their holding them until they cease to be directors. The foregoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition.

Complies ☒ Complies partially ☐ Explain ☐

58. That as regards variable remuneration, remuneration policies should incorporate the necessary limits and technical safeguards to ensure that such remuneration is in line with the professional performance of its beneficiaries and not based solely on general developments in the markets or in the sector in which the company operates, or other similar circumstances.

And, in particular, that variable remuneration components:

a) Are linked to pre-determined and measurable performance criteria and that such criteria take into account the risk incurred to achieve a given result.

b) Promote the sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with the company's rules and internal operating procedures and with its risk management and control policies.

c) Are based on balancing the attainment of short-, medium- and long-term objectives, so as to allow remuneration of continuous performance over a period long enough to be able to assess its contribution to the sustainable creation of value, such that the elements used to measure performance are not associated only with one-off, occasional or extraordinary events.

Complies ☒ Complies partially ☐ Explain ☐ Not applicable ☐

59. That the payment of variable remuneration components be subject to sufficient verification that previously established performance or other conditions have effectively been met. Entities must include in their annual report on director remuneration the criteria for the time required and methods used for this verification depending on the nature and characteristics of each variable component.

That, additionally, companies consider the inclusion of a reduction ('malus') clause for the deferral of the payment of a portion of variable remuneration components that would imply their total or partial loss if an event were to occur prior to the payment date that would make this advisable.

Complies ☒ Complies partially ☐ Explain ☐ Not applicable ☐

60. That remuneration related to company results should take into account any reservations that might appear in the external auditor’s report and that would diminish said results.

Complies ☐ Complies partially ☐ Explain ☐ Not applicable ☒

61. That a material portion of executive directors' variable remuneration be linked to the delivery of shares or financial instruments referenced to the share price.

Complies ☒ Complies partially ☐ Explain ☐ Not applicable ☐

62. That once shares or options or financial instruments have been allocated under remuneration schemes, executive directors be prohibited from transferring ownership or exercising options or rights until a term of at least three years has elapsed.

An exception is made in cases where the director has, at the time of the transfer or exercise of options or rights, a net economic exposure to changes in the share price for a market value equivalent to at least twice the amount of his or her fixed annual remuneration through the ownership of shares, options or other financial instruments.

The forgoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition or, following a favourable assessment by the nomination and remuneration committee, to deal with such extraordinary situations as may arise and so require.

Complies ☒ Complies partially ☐ Explain ☐ Not applicable ☐

63. That contractual arrangements should include a clause allowing the company to demand reimbursement of the variable remuneration components in the event that payment was not in accordance with the performance conditions or when payment was made based on data subsequently shown to have been inaccurate.

Complies ☒ Complies partially ☐ Explain ☐ Not applicable ☐

64. That payments for contract termination should not exceed an amount equivalent to two years of total annual remuneration and should not be paid until the company has been able to verify that the director has fulfilled all previously established criteria or conditions for payment.

For the purposes of this recommendation, payments for contractual termination will be considered to include any payments the accrual of which or the obligation to pay which arises as a consequence of or on the occasion of the termination of the contractual relationship between the director and the company, including amounts not previously vested of long-term savings schemes and amounts paid by virtue of post-contractual non-competition agreements.

Complies ☒ Complies partially ☐ Explain ☐ Not applicable ☐

H FURTHER INFORMATION OF INTEREST

1. **If there is any significant aspect regarding corporate governance in the company or other companies in the group that has not been included in other sections of this report, but which it is necessary to include in order to provide a more comprehensive and reasoned picture of the structure and governance practices in the company or its group, describe them briefly below.**

2. **This section may also be used to provide any other information, explanation or clarification relating to previous sections of the report, so long as it is relevant and not repetitive.**

   Specifically, indicate whether the company is subject to any corporate governance legislation other than that of Spain and, if so, include any information required under this legislation that differs from the data required in this report.

3. **The company may also indicate whether it has voluntarily subscribed to other ethical or best practice codes, whether international, sector-based, or other. In such case, name the code in question and the date on which the company subscribed to it. Specific mention must be made as to whether the company adheres to the Code of Good Tax Practices of 20 July 2010.**

This Annual Corporate Governance Report was approved by the Board of Directors of the company in its meeting held on November 3rd, 2022

Indicate whether any director voted against or abstained from approving this report.

Yes ☐ No ☒

Auditor's report on the "Information relating to Internal Control over Financial Reporting (ICFR-SCIIF in Spanish)" of Compañía de Distribución Integral Logista Holdings, S.A. for the fiscal year ended on September 30th, 2022

COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A.

Building a better working world

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28003 Madrid

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AUDITOR'S REPORT ON THE "INFORMATION RELATING TO INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR-SCIIF IN SPANISH)" OF COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A. FOR THE FISCAL YEAR ENDED ON SEPTEMBER 30TH, 2022

Translation of a report originally issued in Spanish. In the event of discrepancy the Spanish-language version prevails

To the Directors
of COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINS, S.A.

At the request of the Board of Directors of Compañía de Distribución Integral Logista Holdings, S.A. (the Company), and in accordance with our engagement letter dated October 21, 2022, we have performed certain procedures on the accompanying "ICFR-related information" included in the Annual Corporate Governance Report of Compañía de Distribución Integral Logista Holdings, S.A. for the fiscal year ended on September 30th, 2022, which summarizes the Company's internal control procedures regarding annual financial information.

The Board of Directors is responsible for taking appropriate measures to reasonably ensure the implementation, maintenance, supervision, and improvement of a correct internal control system, as well as preparing and establishing the content of all the related accompanying ICFR data.

It is worth noting that apart from the quality of design and operability of the Company's internal control system in relation to its annual financial information, it only provides a reasonable, rather than absolute, degree of security regarding its objectives due to the inherent limitations to the internal control system as a whole.

Throughout the course of our audit work on the financial statements, and in conformity with Technical Auditing Standards, the sole purpose of our evaluation of the internal control system of the Company was to establish the scope, nature, and timing of the audit procedures performed on the Company's financial statements. Therefore, our internal control assessment, performed for the audit of the aforementioned financial statements, was not sufficiently extensive to enable us to issue a specific opinion on the effectiveness of the internal control over the regulated annual financial information issued.

For the purpose of issuing this report, we exclusively applied the following specific procedures described below and indicated in the Guidelines on the Auditors' report relating to information on the Internal Control over Financial Reporting on Listed Companies, published by the Spanish National Securities Market Commission on its website, which establishes the work to be performed, the minimum scope thereof and the content of this report. Given that the scope of the abovementioned procedures performed was limited and substantially less than that of an audit or a review on the internal control system, we have not expressed an opinion regarding its efficacy, design, or operational effectiveness regarding the Company's annual financial information for the fiscal year ended on September 30th, 2022, described in the accompanying ICFR.

Domicilio Social: C/ Raimundo Fernández Villaverde, 65. 28003 Madrid - Inscrita en el Registro Mercantil de Madrid, tomo 9.364 general, 8.130 de la sección 3ª del Libro de Sociedades, folio 68, hoja nº 87.690-1, inscripción 1ª. Madrid 9 de Marzo de 1.989. A member firm of Ernst & Young Global Limited.

Consequently, had we performed procedures additional to those shown in the abovementioned Guidelines, or carried out an audit or review on the internal control system of regulated annual financial information, other matters might have come to our attention which would have been reported to you.

Since this special engagement does not constitute an audit of the financial statements or a review in accordance with prevailing audit regulations in Spain, we do not express an opinion in the terms established therein.

The following procedures were applied:

1. Read and understand the information prepared by the Company in relation to the ICFR -which is provided in the disclosure information included in the Management Report- and assess whether such information addresses all the required information which will follow the minimum content detailed in Section F, relating to the description of the ICFR, as per the Annual Corporate Governance Report model established by CNMV Circular 5/2013 of June 12, 2013 and subsequent amendments, the most recent one being CNMV Circular 3/2021 of September 28 (hereinafter, the CNMV Circulars).

2. Question personnel in charge of preparing the information described in the above section 1, to: (i) obtain an understanding of its preparation process; (ii) obtain information making it possible to evaluate whether the terminology employed is in line with reference framework definitions; (iii) gather information regarding whether the described control procedures are implemented and functioning within the Company.

3. Review the explanatory documentation supporting the information described in section 1 above, which should, mainly, include that information directly provided to those in charge of preparing the descriptive ICFR information. This documentation includes reports prepared by the internal audit function, senior executives and other internal/external specialists in their role supporting the Audit and Control Committee.

4. Compare the information contained in section 1 above with the Company's ICFR knowledge obtained as a result of performing the procedures within the framework of auditing the financial statements.

5. Read the minutes of the Board of Directors Meetings, Audit and Control Committee, and other Company commissions in order to evaluate the consistency between issues described in the minutes related to the ICFR and information discussed in section 1 above.

6. Obtain the representation letter related to the work performed, duly signed by those responsible for preparing and authorizing the issuance of the information discussed in section 1 above.

As a result of the procedures applied on the ICFR related information, no inconsistencies or incidents have come to our attention which might affect it.

This report was prepared exclusively within the framework of the requirements of the article 540 of the Spain's Corporate Enterprises Act, and CNMV Circulars on ICFR description in the Annual Corporate Governance Report.

ERNST & YOUNG, S.L.

(Signed on the original version in Spanish)

María del Tránsito Rodríguez Alonso

November 3, 2022

2022
INTEGRATED ANNUAL REPORT

logista

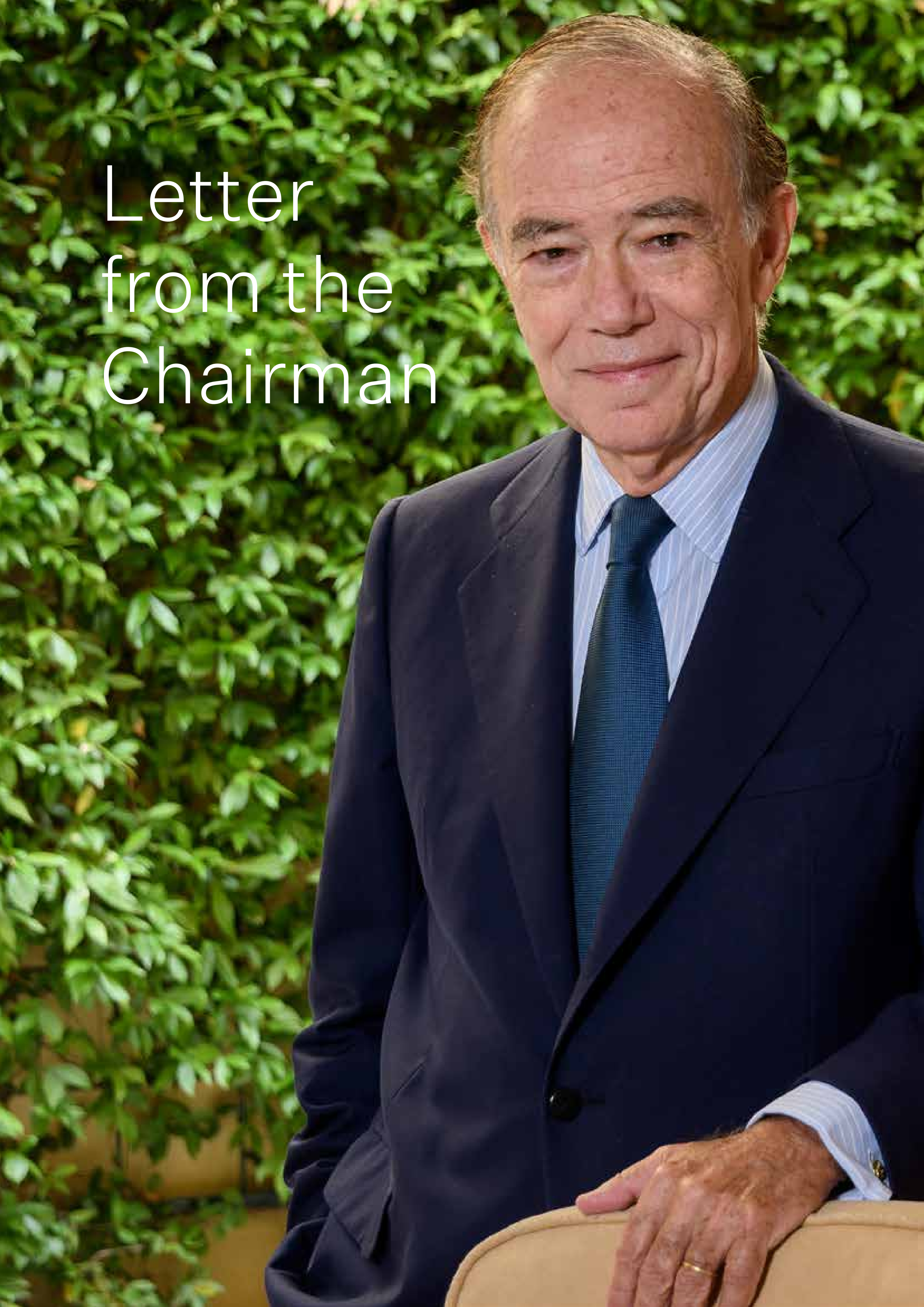
Contents

The icon is used throughout the report to indicate the aspects that are considered the most material aspects.

Figures are rounded, except percentages and certain remuneration data.

Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish language version prevails.

Letter from the Chairman



Dear shareholders,

It is my pleasure to present Logista's 2022 Integrated Annual Report, which sets out the key information for all our business areas and operations and reports on the progress made in areas such as corporate operations, sustainability and talent among others as well as the financial information of this financial year.

Last year in this letter, we outlined how Logista was equipped to overcome the complexities brought about by the COVID-19 pandemic. One year on, while we may well have come out the other side of the pandemic – particularly since the start of H2 2022 – the onset of new macroeconomic and geopolitical challenges means we continue to face a complex landscape. The escalating cost of raw materials and fuel prices has led to soaring inflation and presented companies with an important challenge that has only been further exacerbated by the war between Russia and Ukraine. This is why I must take a moment to highlight Logista's ability to continue to prosper in the face of adversity and underline the effort that has been made to drive international growth and diversify. There is no better example of this than the acquisition of Speedlink Worldwide Express and the announcement to acquire 60% of Transportes El Mosca and the remaining 40% over the next three years and to acquire 100% of Carbó Collbatallé – in line with the inorganic growth strategy announced.

Logista's strength as a company is deserving of a particularly special mention, with its income statement highlights, economic sales and net profit, as well as its share price performance all paying testament to its resilience. As such, I would like to take this opportunity to extend a special thanks to each and every member of the Logista team, as it is thanks to their positive approach and dedicated teamwork that we can continue to forge a successful future together.

We are committed to offering our clients best-in-class services, deeply invested in innovation, sustainable growth and long-term value, tailoring our services to meet their specific and growing needs in a constantly-changing world.

As you will read further on, the board of directors has worked incredibly hard across all matters concerning corporate governance. However, of all the initiatives undertaken, I would particularly like to underline the approval of a new remuneration policy for 2022-2024, with the main aim of bringing the current policy into line with both the new requirements introduced by the Spanish Companies Act and Logista's unwavering commitment to transparency and good governance. The policies governing the whistleblower channel and the Company's internal auditing guidelines have also been updated.

We are more than aware of our role in society and we remain deeply committed to ensuring our Company has a positive social impact. Our business operations are one way in which we can do this, offering services to companies from a range of sectors that provide basic needs for society, such as the pharmaceutical and food industries for example. However, we must also focus on helping other groups in less fortunate situations. That is why we have designed a sustainability policy that aims to help the social integration of these groups through collaboration with specialist organisations.

One of our other main commitments is to sustainable development. Our quality and environment master plan establishes guidelines and best practices to optimise the use of resources and prevent pollution caused by its business processes in order to minimise the environmental footprint of our business. Route optimisation and the use of sustainable vehicles and energy are just some of the initiatives we have rolled out, with the Company receiving a variety of national and international awards and recognition for both these and all the other initiatives implemented. CDP, for example, has included Logista in its prestigious "A List" as a global leader in tackling climate change – the only European distribution company to have achieved this recognition in the last six years. Logista has also been named a Supplier Engagement Leader in recognition of its work to make its clients' supply chains more sustainable. Our Company is also included in the FTSE4Good IBEX index, a list of organisations that demonstrate sound environmental, social and corporate governance practices, and has signed up to the 'manifesto for a sustainable recovery' in Spain.

Lastly, I would like to remind you of the Company's commitment to diversity and equal opportunities for all those forming part of the Logista team. The accolades it has received are testament to the hard work and dedication that has gone into achieving these goals. The Financial Times, for example, has named Logista as one of Europe's most inclusive companies, including it in its Diversity Leader ranking for a second consecutive year. Our inclusion programmes also earned us recognition as a Diversity Leading Company by the specialist publication Equipos y Talento. Lastly, it is also important to note that Logista is included in the IBEX Gender Equality Index, an index made up of the listed companies that have a ratio of between 25% and 75% of women on their board of directors and between 15% and 85% employed in senior management positions.

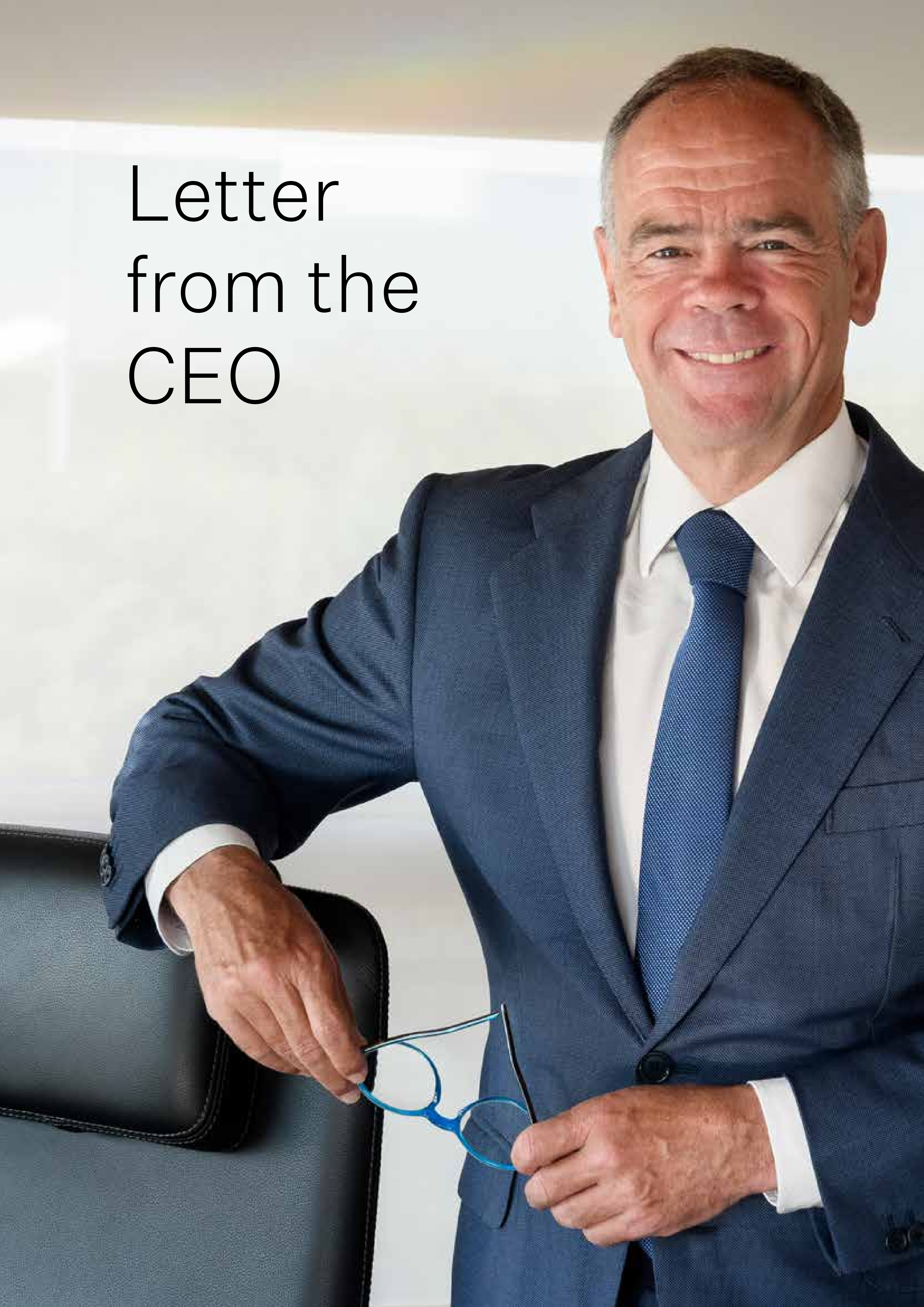
I would invite you to read this Integrated Annual Report to see a detailed account of everything the Company has achieved this financial year in terms of our operations, commitments and objectives, and to also take the time to consult our Annual Accounts, the Annual Corporate Governance Report and the Annual Board Remuneration Report.

Lastly, I would like to extend my thanks to you, our shareholders, for your continued support to Logista and its entire team. I am confident that we will continue to deliver, successfully achieving our goals that will allow us to continue to grow and offer value-add to our clients, society and you as shareholders, strengthening our leading position in the markets in which we operate as we do so.

Thank you.

Gregorio Marañón

Letter from the CEO



Dear shareholders,

It is also my pleasure to present Logista's 2022 Integrated Annual Report in which we offer an account of the Company's operations during this financial year, as well as its economic performance and financial results.

This has without a doubt been a key financial year for Logista, with the Company posting positive results at a time of adversity. The war between Russia and Ukraine has only served to exacerbate the problem of spiralling fuel and energy costs and the inflationary environment that has taken hold not just in Spain but across all the countries in which we operate. In addition to this, in March this year, the transport sector also had to deal with the effects of a strike by lorry drivers in Spain who decided to take a stand against the soaring fuel costs. All this in a context in which the economy was expected to bounce back after overcoming the COVID-19 pandemic.

However, despite this unfavourable backdrop, at Logista, we haven't just been able to overcome the obstacles faced – achieving positive results that not only show growth at a rate that outstrips pre-pandemic levels – but we have also remained fully focused on our growth strategy and on bolstering our leading position in European logistics and distribution, successfully acquiring companies that we believe will lead to powerful synergies.

In this regard, Logista's inorganic growth strategy maps out a plan that will see us break into more countries and widen the scope of services offered across the different businesses. The announcement of three acquisitions that will play a key part in our performance show that this plan is already well and truly on track and carves out a very promising picture for the future of our Company.

The first was the acquisition of 70% of Speedlink Worldwide Express, a company specialising in time-critical deliveries that are sent to or from Belgium and the Netherlands. This acquisition allows Logista to internationally expand its Nacex services in Benelux, whilst also strengthening our position in medical-health distribution, by extending our portfolio of services beyond Spain and Portugal.

We will also strengthen our position in the national and international transport sectors for the food and pharmaceutical industries, becoming the second largest operator in full load and temperature-controlled transport thanks to the acquisition of 60% of Transportes El Mosca, a Spanish company specialising in goods transport and storage, the transport of refrigerated or frozen goods and high-volume transport. With this acquisition, our Company will extend our catalogue of services, incorporating new capacities in temperature-controlled transport that complement our existing business lines, such as the refrigerated container sea freight service to the Balearic and Canary Islands and to other international markets, as well as a grouping service targeting the horticulture sector.

The acquisition of Carbó Collbatallé – a Spanish company specialising in cold chain transport and logistics for the food industry – will allow Logista to double down on the services offered in temperature-controlled transport by adding the shipping of frozen goods to its portfolio of services.

We expect to close and consolidate these last two acquisitions during Q1 FY2023.

I would also like to highlight on this letter the solid performance registered by Logista's businesses and mention some of the most noteworthy developments. Nacex remains deeply invested in innovation, launching a new sustainable electric micro-mobility vehicle in collaboration with Scoobic. The Scoobic eBox is the first vehicle to comply with the regulations governing the use of PMVs (Personal Mobility Vehicles) in the country and will help Nacex to carry out 30% more last-mile deliveries per hour than with a traditional van. This is just one example of how we are putting our steadfast commitment to ensuring we offer our clients the best possible service into practice, with the increased delivery rate and positive performance of rates in the B2B business leading to very strong results for this business.

Sales have also climbed in Logista Pharma, primarily on the back of the distribution of medicines to patients' homes from hospital pharmacies and the distribution of veterinary medicines. The tobacco and related products, convenience products, transport and publications businesses have all also grown in the Spanish and Portuguese markets.

In Italy, we have extended the services offered, adding new categories and products, and we have dynamised our sales force to continue growing our client base. In this regard, I would like to highlight our success in securing new points of sale in the HORECA channel.

Also, and consistent with last financial year, the Company has successfully increased the distribution of electronic transactions in France and has continued to grow in the categories of food, household products and electronic cigarettes, which have partially mitigated the decline in volumes of traditional business.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Our unwavering commitment to excellence in client services has meant that the business has performed well and posted very positive financial results in a truly challenging context. To be precise, revenue came in at €11,464 million, up 6% on financial year 2021. Economic sales also rose 5% to €1,235 million and EBIT stood at €266 million, 11% more than in financial year 2021.

Economic sales increased in the Iberian market and in Italy, climbing by 9% and 2% respectively, while they were 4% down on the previous financial year's figure in France.

This year generated capital gains of €14 million, higher than the €2 million registered last financial year, due to the sale of three non-operating assets in Spain. This has allowed us to offset the rise in restructuring costs and the impact of the divestment in Supergroup, one of our businesses in France.

As a result, the adjusted EBIT came in at €312 million, 5% up year-on-year, in spite of inflationary pressures and the adverse business climate. Net profit for the financial year rose 14% to €199 million, which in line with our shareholder remuneration policy would result in the distribution of a dividend of €1.38 per share allocated to the financial year.

With these results we have once again shown that as a company, we are fully prepared to overcome adversities and continue to prosper in difficult and challenging times. This without a doubt serves as a testament to Logista's strength and resilience.

We have also continued to roll out our new branding this financial year, one which represents the exciting future that we have before us. Logista's growth story continues apace, conscious of the key role that we play in our sector and the importance of bolstering our leading position in southern Europe.

Our immediate future is closely linked with diversifying our business and growing it internationally via the strategic acquisition of companies with whom we share core values such as excellence in client service, innovation and respect for the environment.

I would invite you to read this report and also take a look at our consolidated annual accounts to gain a more in-depth insight into these matters.

I would like to dedicate these last few lines to thanking and congratulating every single member of the Logista team, as it is their hard work and professionalism that has enabled the Company to register such a good performance and consolidate our position as a benchmark across our industry and a strategic partner for all our clients. I would also like to extend my sincere thanks to you, our shareholders, for the trust you continue to place in Logista. Rest assured that we will remain focused on successfully implementing our growth and value creation strategy to ensure a future of success for our Company.

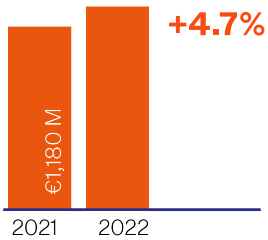
Thank you.

Íñigo Meirás

1. Logista at a glance

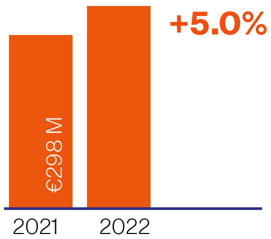
2022 Results

Economic sales



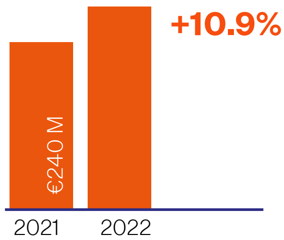
€1,235 M

Adjusted EBIT



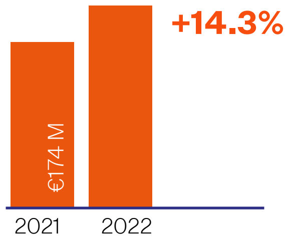
€312 M

EBIT



€266 M

Net profit



€199 M

Investments

€37 M

+3.3%

Good results in an adverse climate

Share performance

Capitalisation (30/09/2022)	Dividends allocated to the 2022 financial year	Earnings per share 2022
€2,476 M	€183 M	€1.51
+2.4%	V. €164 M in FY2021	+14.4%

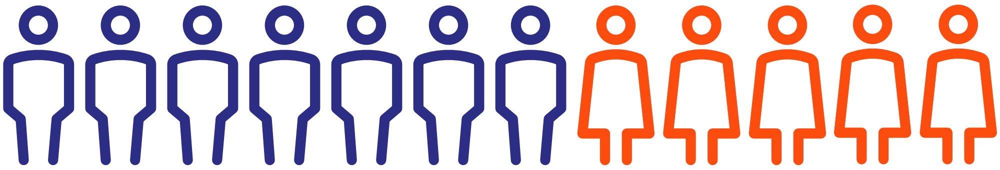
Acquisitions announced in 2022

In line with the goals set out in our expansion plan, in Q2 FY2022 we announced the acquisition of 70% of **Speedlink Worldwide Express**, a Dutch firm specialising in B2B time critical deliveries that are sent to or from Belgium and the Netherlands with an agreement to acquire the remaining 30% in three years.

In Q3 FY2022 we signed an agreement to acquire the 60% of **Transportes El Mosca**, a Spanish domestic and international goods transport company, with an agreement to acquire the remaining 40% in three years. The acquisition of the 60% of Transportes El Mosca has been closed at the beginning of 2023 financial year (28 October, 2022).

In Q4 FY2022 we announced the acquisition of 100% of **Carbó Collbatallé,** Spanish company specialised in cold transport and logistics in the food sector. The transaction has been closed at the beginning of 2023 financial year (1 October, 2022)..

Corporate governance



Women on the board of directors

42 %

We are included in the IBEX Gender Equality Index

Shareholders and investors

More than

€1,160 M

distributed as dividends since 2014

Market contacts

More than

250

13 firms

covered Logista in 2022, with

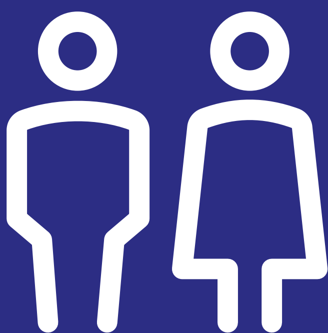
12 buy recommendation and 1 neutral

Average price target from research companies

€25

Employees

5,533



Men

63%

Women

37%

Permanent employees

89%

Nationalities

50

Training

Training in operational excellence, sales, leadership, project management, etc.

Hours of training

61,244

Clients

High client portfolio retention rate

Excellence and high-quality customer service
ISO 9001, GDP and GMP, OEA

Suppliers

Sustainable management of the supply chain

Number of suppliers in 2022

9,000

Audits to suppliers

708

Sustainability

Featured in indices

We are included in the **IBEX Gender Equality Index**, an index made up of the listed companies that have a ratio of between 25% and 75% of women on their board of directors and between 15% and 85% employed in senior management positions, and

in **FTSE4Good IBEX** index, a list of companies that demonstrate sound environmental, social and corporate governance practices.

FTSE4Good

High ESG ratings

We have obtained high ESG ratings in **MSCI** (AA)

Sustainalytics (**Top 5** in our subindustry and **Top 10** in Transportation industry)

S&P

MSCI ESG RATINGS AA

SUSTAINALYTICS a Morningstar company RATED

Recognitions

Logista have won recognition from **CDP,** being included in its prestigious **"A List"** as a global leader in tackling climate change and as a **Supplier Engagement Leader**.

The Financial Times named Logista as one of Europe's most inclusive companies, including it in its **Diversity Leader** ranking for a second consecutive year.

CDP A LIST 2021 CLIMATE

CDP SUPPLIER ENGAGEMENT LEADER 2021

FT LEADER IN DIVERSITY 2022

Unique business model

Inputs >

Our business

Financial capital

Strong balance sheet and significant capacity to generate operating funds. This enables the company to meet its business maintenance and growth investment needs.

Human capital

As a service provider committed to ensuring quality, having specialist human capital is key to offering a value-add service. Our capacities, skills, knowledge and development plans are focused on preserving, developing and **passing on know-how to ensure we remain head and shoulders above the competition over time.**

Physical capital

Our facilities, whether owned, leased or sub-contracted, enable us to develop the logistics strand of our operations according to **high quality standards.**

Intellectual capital

We develop internally and constantly improve the technology we deploy in our services, helping to preserve **our differentiation and competitive advantages.**

Natural capital

We use natural resources directly and indirectly for the running of our business, always ensuring an efficient usage that contributes to the **sustainability of our natural environment in the long term.**

Social capital and relationships

Relationships with all our stakeholders are based on **mutual benefit and respect** and are always focused on establishing relationships that are sustainable over time.

Omnichannel order-taking. Product purchasing

Automated order picking

Real-time warehousing and stock management

Transport and distribution

Billing and payment

Business Intelligence

Outputs > Outcomes

Physical distribution of a broad range of products to **local retail networks**

Point-of-sale terminals support business development and facilitate point-of-sale management

Distribution of digital products (electronic transactions) through our **proprietary platform**

Value-added **specialist transport**

Physical and thermal product traceability

Business intelligence/Information services

Customised services for clients

Home delivery for **online purchases and treatment of patients** from pharmaceutical service of hospitals and health centres

Reducing environmental impact

- **Route optimisation**
- Use of **sustainable vehicles and energy**
- **Reuse** of packaging
- Target to achieve a **54% reduction in emissions by 2050** compared with 2013

Creating wealth in the community

- Increased **revenue and savings** for manufacturers and retailers
- Support for **disadvantaged groups,** mainly in our local area
- Support for **exporting growth sectors**

Taxes paid in 2022

€20 M

Permanent employees

89%

Dividends distributed since 2014

More than €1,160 M

Developing talent

- Professional **development plans**
- **Internal promotion**

Training

61,244 hours

Operational excellence

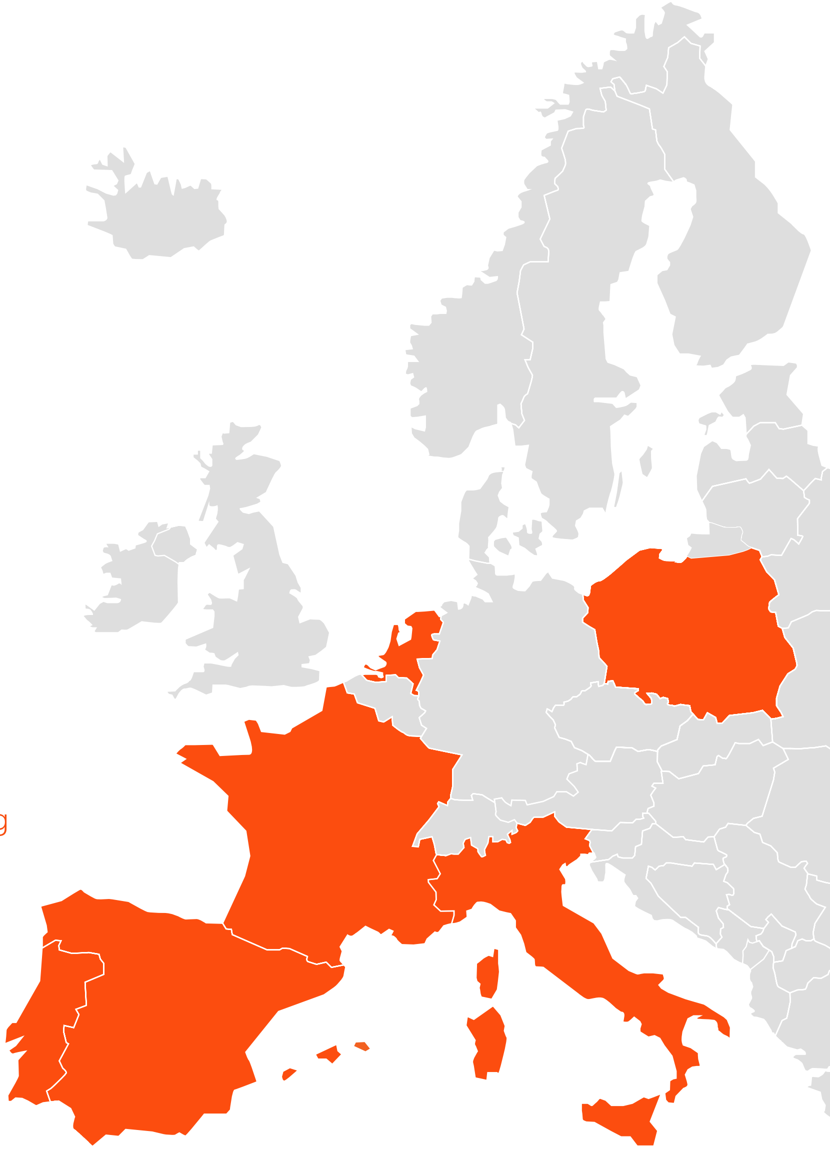
- Client **satisfaction**
- High proportion of **contract renewals**
- **Long-term relationships**

Market position

Logista is **one of the largest logistics operators in Southern Europe,** specialising in distribution to proximity retail networks.

We regularly serve almost 200,000 points of sale in Spain, France, Italy and Portugal, facilitating manufacturers with the best and fastest access to a **wide array of convenience products,** pharmaceutical products, electronic top-ups, books, publications, tobacco and lottery markets among others. We also offer international and domestic high value-add logistics services. Our operations in the Netherlands and Poland complete our catalogue of services.

We offer our clients innovation, sustainable growth and long-term value, tailoring our services to meet their specific and growing needs in a constantly changing world.



We are the preferred convenience product distribution partner for manufacturers, providing their route to consumers through simple and rapid access to local retail channels. We offer all the services they need – from the most basic outlets to those with greater value-add – to reach hundreds of thousands of independent points of sale.

As a hospital distributor and logistics operator, we develop dedicated services for each sector and channel, working closely with clients to tailor our offering to their current needs and anticipate their future requirements.

As a transport services operator, we pursue a strategy of differentiation by specialising in the long-distance transport of high-value products that require a temperature-controlled environment, industrial parcel transport and by offering home delivery (B2C) and the highest standard of courier transport and small parcel express services to business-clients (B2B).

Differentiation

We respect manufacturers' product strategies in each channel and ensure specialist and transparent distribution of their products to retail channels through a single service provider, thus enabling them to focus on their core business and on achieving economies of scale.

We have highly specialised staff who are continually working to anticipate their clients' needs and offer new services that meet those needs.

The **broad portfolio of products and services** that we provide through a single point of contact, along with our omnichannel order-taking capacity for retail points of sale allows us to offer specialist technological solutions (with Point-of-Sale Terminals developed in-house, we provide day-to-day simplicity and bring our clients opportunities to grow their businesses), thanks to the extensive use of technology.

Our operating model combines volume consolidation at large logistics centres, where operations can be automated, with a presence close to the point of sale via the nationwide roll-out of service points. Working in this way helps create synergies and gives us the flexibility to be able to adapt quickly to changes in the level of activity.

This differentiation is reflected in high retention rates of our client portfolio and in our solid margins and levels of return on capital employed.

Main business lines

Tobacco and related products

Distribution of tobacco and other convenience products, including both tobacco and non-tobacco related products, to the tobacconist channels in Spain, France and Italy, and to the tobacco distribution channels in Portugal. In Spain and Italy, this also includes the distribution of convenience products to other local retail channels. It also includes logistic services in Poland.

Transport

Through this business area, Logista provides transport services to its other businesses and to third parties, including management of full load and long-distance transport throughout Europe, and industrial and small parcel transport services in Spain and Portugal.

Courier transport services have been extended to other European countries after acquiring 70% of Speedlink Worldwide Express in Q2 FY2022 - a Dutch firm specialising in B2B time critical deliveries that are sent to or from Belgium and the Netherlands.

Pharmaceutical distribution

Pharmaceutical product logistics and distribution services in Spain and Portugal.

Other businesses

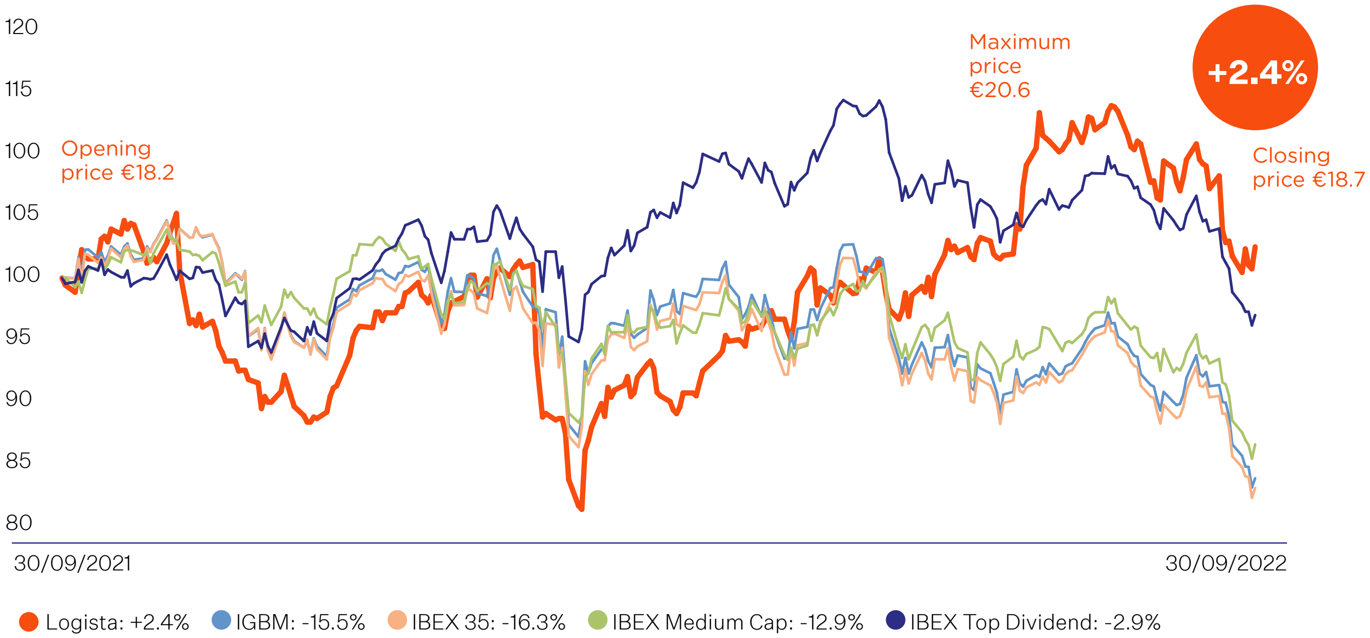
Publications logistics and distribution services in Spain.

The accounting management report is completed based on a primary segmentation by geography, while a secondary report – detailing information on revenue and economic sales – is segmented by business line.

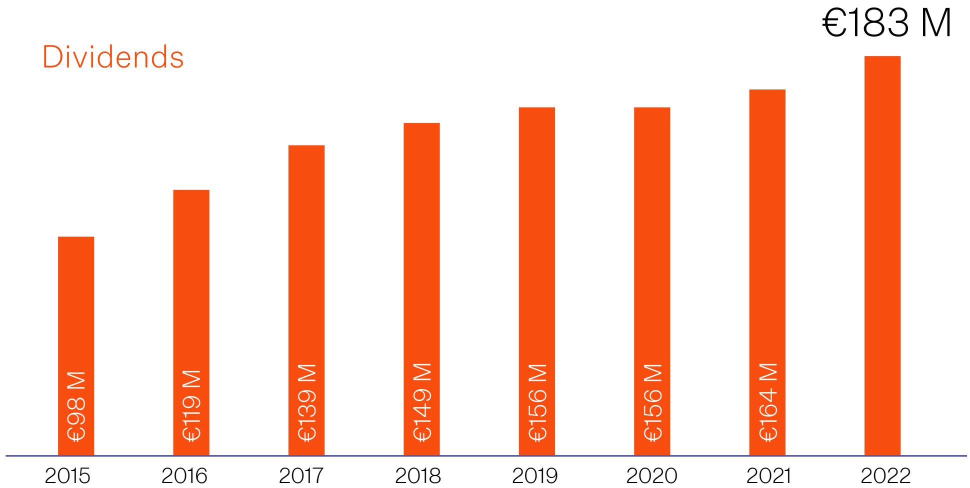
Logista and the stock market during the financial year 2022

Capitalisation (30/09/2022)	Closing price (€)	Revalorisation
€2,476 M	**€18.7**	**+2.4%**
Total trading volume	Average daily volume	Turnover
72,300,906 shares	**281,326 shares** **+15.2%**	**54% of share capital**

Share price performance during the financial year 2022



Dividends

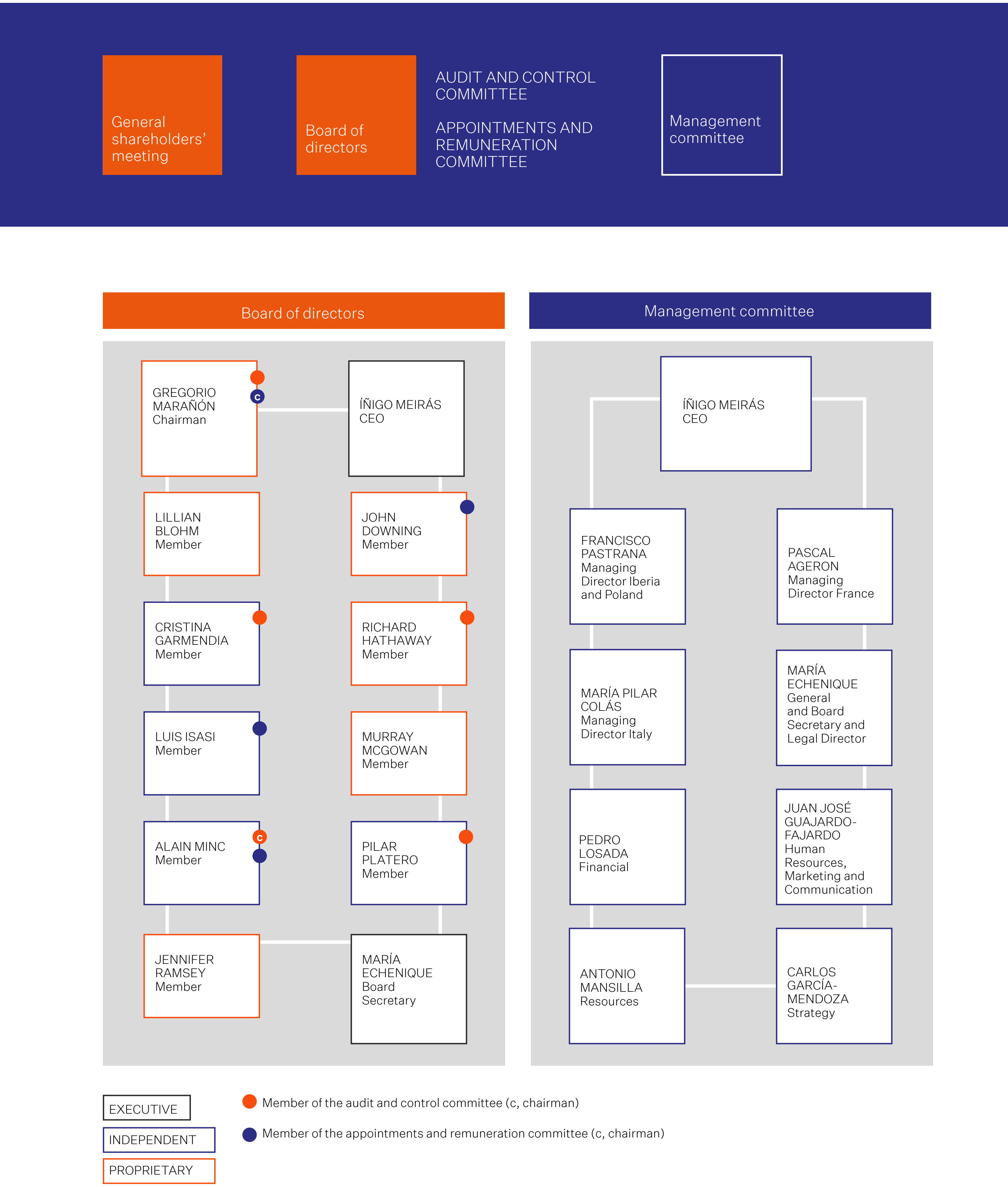


2022 Total shareholder return

9.4%

Dividends distributed allocated to each financial year.

Governing bodies



2. Strategy and value creation

Corporate purpose

We help make people’s lives easier and are experts in offering specialist logistics services and sustainable solutions.

Mission

As our clients’ trusted partner, we help drive their businesses by offering them logistics solutions with a high value-add. We are experts in increasing efficiency by developing innovative and sustainable long-term value-creation solutions.

Vision

To be a trusted partner for high-value logistics solutions.

Context

Macroeconomic context

Logista's many business operations around the world can be shaped by the international political, social and macroeconomic climate and the impact that this has at the European level. During the 2022 financial year, the macroeconomic climate of the post-pandemic economic recovery was marked by two key events, firstly soaring raw material prices, and the subsequent spike in fuel and energy prices, and secondly, the war which broke out on 24 February between Russia and Ukraine has only served to exacerbate this trend and increase uncertainty concerning the pace of economic recovery over the coming months. This uncertainty has triggered volatility in the markets and in the prices of raw materials and fuel. A problem that has in turn driven inflation up to levels far higher than anything seen in recent years and caused central banks to hike interest rates.

Although Logista was dealt a blow by this **complex macroeconomic climate** during the first few months of the year, efficient management has allowed the company to successfully offset its effects.

The **tourism sector has registered a positive performance** and even recovered pre-pandemic levels across the various regions of southern Europe. This has favoured overseas demand for tobacco and convenience products – one of our most important businesses in our main markets (Spain, France, Italy and Portugal). Meanwhile, **the Pharma business continues to benefit from the effects of the COVID-19 pandemic.** Lastly, we have **strengthened the solutions offered by the transport business lines, increasing the efficiency of our operations and acquiring Speedlink Worldwide Express at the start of the year,** which has allowed us to extend our platform to other countries and our logistics network in the European Union.

By continually improving the efficiency of our processes and our business model, we have successfully mitigated the negative impacts of the current macroeconomic context on the Company's results.

With regard to the short-medium term, we must also consider the possibility that the cost of the transport business will continue to climb on the back of rising oil prices. Although this complex backdrop is not expected to change over the coming months, **Logista should not be as adversely affected as other companies thanks to its equity structure and its ability to generate cash flow given that for the most part of its transport and distribution services involve non-cyclical products.** We also remain committed to investing in growing our businesses, as shown by the announcement of the agreement to acquire Transportes El Mosca and Carbó Collbatallé, acquisitions which we expect to help bolster our results in the short-medium term thanks to the synergies and the cost reduction they will generate. By continually improving the efficiency of our processes and our business model, we have successfully mitigated the negative impacts of the current macroeconomic context on the Company's results.

Regulatory context

As in previous financial years, the regulatory environment in the pharmaceutical and tobacco sectors has continued to introduce more stringent requirements for checks on the distribution of these products, and as such, any companies wishing to continue operating in the future must be able to comply with these requirements. **Logista has been actively involved in this process, both in terms of establishing internal systems and controls that will allow it to continue offering our traditional services,** but also in terms of acquiring new companies that allow us to break into new business areas such as the distribution of frozen goods.

This not only serves as a testament to our unwavering resolve to **comply in the strictest sense with regulatory requirements,** but also to our commitment to providing excellence in our client services via solutions that enable them to prepare for meeting such requirements.

Digital transformation and innovation

We are driving forward with our digital transformation of business processes to increase internal efficiency and we are deploying technical innovations for new client services.

The **most noteworthy projects** in 2022 were:

⇨ **Optimising transport management in the supply chain for pharmaceutical products,** maximising the potential of the routes and making best use of the available lorries for deliveries to pharmacies and hospitals. Entirely digitalised services include end-to-end temperature control in warehouses and lorries. Clients can track when their deliveries will arrive. The use of the digital twin in delivery services allows transport managers to simulate a number of scenarios to help them respond immediately to unforeseen circumstances.

⇨ Using huge amounts of sales data in pharmaceutical and convenience store businesses, allowing us to automatically **optimise how we segment points of sale and product groups with Artificial Intelligence (AI)**. As a result, the sales and marketing teams can launch highly targeted one-to-one marketing campaigns to thousands of retailers. Tailoring products and services to individual points of sale increases both sales and margins, with the latest AI-based technology guaranteeing high-quality data and reliable results.

We are driving forward with our digital transformation of business processes to increase internal efficiency and we are deploying technical innovations for new client services.

⇨ Increasing our presence at the points of sale in different channels by carrying out a full-scale update of the POS platform. Using the latest software technology, optimising the user interface and rolling out **new hardware for 50,000 point-of-sale terminals reinforces Logista's presence and integration.** The POS platform offers new value-added payment and lottery services and also helps to generate huge amounts of data about consumer behaviour.

⇨ Supporting tobacco manufacturers' direct-to-consumer (B2C) business model for reduced-risk products and its related devices by **extending an express delivery platform in Italy.** We are optimising transport services from tobacconists to consumers by taking advantage of the wide coverage of convenience stores and using riders to maximise last-mile deliveries to consumers.

Internally, the business processes pertaining to support services such as finance, human resources, procurement and information technology are being fully integrated through the use of robotic process automation. The replacement of manual operations with automated processes is significantly reducing processing times and increasing efficiency. An integrated budgeting tool is also being rolled out, phasing out manual processes and supporting data-driven decision-making by enabling finance experts to simulate various business scenarios.

During 2022 financial year and in line with our commitment to digitalisation and the use of technology, the installation of the "SAP GRC Risk Management" system has been rolled out. The aim is for the integrated risk management system to be up and running in the 2023 financial year (see detailed information in the corporate governance chapter: process for identifying, evaluating and mitigating risks).

Cybersecurity

We continue to improve **cybersecurity** at Logista, focusing on **three core pillars**: (1) **strengthening the overall internal structure** of our cybersecurity operations and ensuring we benefit from the expert services of the leading companies in the sector, (2) deploying **new security technology** and (3) raising **employee awareness** around the new emerging threats.

Four of the most significant improvements made this year include:

- **Setting up a Security Operations Centre** that monitors, analyses and detects any possible cyber incidents 24/7 and is equipped to work together with Logista to deal with any potential threats, thus minimising the impact that any of these cyber incidents could have on Logista's operations.

- **Adopting special measures to combat any threats of cyber-war related to the war in Ukraine,** with a view to primarily avoiding and responding to ransomware and denial-of-service attacks, which could potentially disable Logista's operations. All this in combination with the awareness campaigns given to staff on detecting phishing and other threats related to social engineering.

- **Using encryption to increase the level of security for any clients or third-party information** held on our databases, as well as for information concerning our employees and suppliers.

- **Taking measures to bring our policies into line with international cybersecurity standards,** such as obtaining ISO/IEC 27001 certification in Logista Pharma, in order to guarantee continued improvement in terms of security management.

E-commerce

The COVID-19 pandemic caused online sales to surge to unprecedented levels, and while the rate of e-commerce growth has slowed now that we are on the other side of the pandemic, online sales are still above the levels seen in 2019. As a result, we expect that the logistical needs of markets will continue to become ever more complex due to the last-mile deliveries' restrictions enforced by cities, and companies operating in this sector will be forced to offer quality solutions, a broad range of services and competitive rates. Against such a backdrop, **Logista is an attractive logistics partner, specialist in accompanying large manufacturers in their direct sales.**

Consumption in proximity retail channels

The end of the pandemic has seen consumers return to brick-and-mortar stores, with footfall levels returning to what they were in 2019. Small proximity retailers have particularly benefitted from this change in trend, winning back the loyalty of their customers. Logista distributes all types of products to almost 200,000 delivery points in France, Spain, Italy and Portugal, offering manufacturers simple, rapid access so that their products can be available in those establishments. **This positioning will allow Logista to continue to benefit from growth opportunities through proximity channels.**

Next-generation products

We continue to enhance our range of new tobacco-related products to complement the traditional products on offer. These innovative products call for new value-added services that in turn provide opportunities for Logista. **We offer manufacturers the fastest and most effective route to consumers in Spain, France, Italy and Portugal, thanks to our extensive distribution network in each of these countries.**

Environmental standards

There is **growing demand among clients for services that meet certain environmental standards,** a demand which has risen on the back of the COVID-19 pandemic and due to greater awareness about these issues in society as a whole.

Logista's actions are guided by a **quality and environment master plan, and a quality, environment and energy efficiency policy** that establish guidelines and good practices for optimising the use of resources and preventing pollution throughout its business processes.

We carry out **annual checks** in line with the ISO 14064-3 **standard on the main structures and processes for each business** in Spain, France, Italy, Portugal and Poland, using the GHG Protocol and the ISO 14064-1 standard itself as a benchmark.

We have significantly improved the **method used to calculate our carbon footprint,** now producing a far more detailed impact assessment for our main sources of emissions. This information will not only help us to identify the most effective action to take to reduce emissions, it will also allow us to calculate exactly how much the measures implemented have helped reduce emissions by.

In addition, we have made environmental concerns a key part of our strategy and have committed to **achieving a 30% and 54% reduction – compared with 2013 levels – in the direct and indirect emissions generated by our operations by 2030 and 2050 respectively.** These targets have been set in line with the Paris Agreement and have been ratified and scientifically approved through the Science Based Targets initiative.

Logista's efforts in this area have won recognition from several international bodies. CDP, for example, has included **Logista in its prestigious "A List" as a global leader in tackling climate change** – the only European distribution company to have achieved this recognition in the last six years. This year, Logista has also been named a Supplier Engagement Leader in recognition of its work to make its clients' supply chain more sustainable, in line with a more responsible business model.

Logista is also included in the FTSE4Good IBEX index, a list of companies that demonstrate sound environmental, social and corporate governance practices, and has signed up to the 'manifesto for a sustainable recovery' in Spain.

This year, **KPI targets linked to environmental management have been included in employees' short-term incentive plans** – in addition to those already set out in their long-term incentive plans. This reflects the company's commitment to continuing to integrate environmental sustainability into the day-to-day management of its business.

During the 2022 financial year Logista has rolled out various initiatives in a bid to improve its environmental performance:

100% of the electricity at all of our warehouses in the main markets in which we operate (Spain, Italy, France and Portugal) and in main warehouses in Poland, comes from **renewable sources.**

Plans to install **solar panels in our main warehouses** – with the panels already up and running at our largest European facility (Leganés).

Actively promoting the circular economy by improving the percentage of reusable boxes (Spain, France and Italy).

Setting energy efficiency standards for all our new facilities, including BREEAM and LEED certification, such as the Excellent BREEAM certification rating obtained in Italy.

Championing intermodal transport for long-distance routes, and the use of electric vehicles for last-mile logistics.

Business outlook and strategic goals

1. To strengthen our consolidated businesses

One of our main strategic goals is to **maintain our strong positioning in our most consolidated businesses**. However, given how mature some of these businesses are, it is vital to explore and develop new services that complement our distribution services. Extending our range of services can help us to position ourselves better in front of our clients and it allow us to generate growth opportunities.

2. To provide sustainable future growth, expanding our business base

Our long-term growth is based on continuing to develop the businesses that offer the greatest future growth potential – such as Business to Consumer (B2C) distribution and pharmaceutical product logistics – by optimising the distribution of complex products and increasing the range of logistics services offered, all while continuing to provide the required levels of security and quality for each business. In addition, both our long-distance and our industrial and small parcel transport and distribution businesses provide opportunities to distribute products that require special handling, either in terms of traceability or the cold chain.

As part of our **growth strategy,** we need to consider organic opportunities, by developing more specialist services, as well as inorganic opportunities that could help us to increase our capabilities and growth opportunities.

In this regard, in Q3 of the financial year we reached an **agreement to acquire the 60% of Transportes El Mosca, and the remaining 40% in the next three years.** Transportes El Mosca is a Spanish company specialising in goods transport and storage, the transport of refrigerated or frozen goods and high volume transport, primarily for the food industry. Aditionally, it has also consolidated its position as a domestic and international shipping company, highly specialist in handling dry and temperature-controlled goods. This acquisition helps to consolidate our position as one of Spain's leading logistics companies, complementing and adding to our services already offered by entering into the shipping industry and introducing value-add logistics for the horticulture sector. The acquisition of the 60% of Transportes El Mosca has been closed at the beginning of 2023 financial year (28 October, 2022).

In the same vein, in Q4 of the financial year we announced an **agreement to acquire 100% of Carbó Collbatallé S.L.,** a leading Spanish company specialising in cold chain transport and logistics for the food industry and experts in offering bespoke solutions that ensure the cold chain and quality of the foodstuffs are preserved throughout the entire logistics process, and that all goods are transported in secure conditions. With this acquisition we are strengthening the catalogue of services offered to our clients, adding temperature-controlled services, mainly in the frozen food sector. The transaction has been closed at the beginning of 2023 financial year (1 October, 2022).

Expansion into new countries where we export our business model is another core component of our future development that will bring future growth and reduce and offset any macroeconomic risks that could affect the countries in which we operate. Based on this, in Q2 of the financial year 2022, we acquired 70% of **Speedlink Worldwide Express,** a Dutch firm specialising in B2B time critical deliveries that are sent to or from Belgium and the Netherlands, and agreed to acquire the remaining 30% over the course of the next three years. This acquisition will allow Logista to internationally expand its Nacex services in Benelux, whilst also strengthening its position in medical/health distribution, extending its portfolio of services beyond Spain and Portugal.

3. To offer excellence in our services and increase profitability through continued improvements in operational efficiency

Deeply committed to our clients and working closely with them to continually seek mutually beneficial outcomes, we are driven to ensure we continue to offer the highest level of quality when delivering our services and carrying out our operations. As a result, we must constantly strive to maintain and **increase profitability through continuous improvements in operational efficiency.**

Another fundamental aspect of our objective for **continuous improvement is our commitment to sustainable growth from an environmental perspective.** The Company has identified road traffic pollution as one of the areas in which it can make improvements to reduce its carbon footprint. We outline the initiatives that we have rolled out in this field in the Minimising environmental impact chapter of this report.

4. To remain financially sound in order to maintain our shareholder remuneration policy

As in previous financial years, **operational efficiency, and protecting and developing internal know-how, serve as a basis for maintaining sound financial profitability and creating long-term value** for all our stakeholders. This means it is important that we increase our revenue base at the right cost levels so that all those involved are remunerated fairly, and that we offer prices that reflect the level of service provided.

3. Operational performance in 2022

Positive results at a time of great adversity, growing in the income statement highlights.

Iberia

Economic sales

€692 M
+9.1%

Tobacco and related products	
€332 M	+9.5%
Transport	
€318 M	+9.5%
Pharmaceutical distribution	
€90 M	+8.6%
Other businesses	
€18 M	+1.6%
Adjustments	
€(66) M	(9.9)%

Adjusted EBIT

€154 M
+15.2%

Tobacco and related products

Economic sales rose thanks to the increase in tobacco volumes distributed, value-added services billed to tobacco manufacturers and growth in the distribution of convenience products in Iberia.

Transport

Double-digit growth in economic sales in Nacex (courier transport and small parcel express) and in **Logista Freight** (long-distance transport) and **high-single digit growth in industrial parcel** (Logista Parcel).

Nacex: in the Spain and Portugal business, growth in deliveries and tariff rises in the B2B business line offset the impact of the reduction in the number of B2C e-commerce deliveries following the significant increase in the previous year. The addition of the Netherlands business through the acquisition of Speedlink Worldwide Express also contributed to boost growth in economic sales.

Logista Parcel: the gradual recovery of the industrial parcel business (Logista Parcel) since the beginning of the year and the tariff increases to reflect fuel prices led to high single-digit growth in economic sales in the year. Deliveries performed well in both the pharmaceutical and food industries.

Logista Freight: performed well in all sectors served thanks to the increase in activity and to a larger proportion of high-value businesses.

Pharmaceutical distribution

Good performance thanks to the constant addition of new customers and the increase in business with current customers via new services i.e: distributing medicines to patients' homes for hospital pharmaceutical and health centre services, distributing veterinary medicines and managing logistics for cannabis-related products (raw and processed) for medicinal use.

Other businesses

Logista Publicaciones began to distribute for two new international publishers in the children's books sector during the year.

Italy

Economic sales

€331 M

+1.8%

Tobacco and related products

€331 M **+1.8%**

Adjusted EBIT

€101 M

+2.8%

Positive performance in tobacco and next-generation product volumes distributed, in revenue from value-added services to manufacturers and in revenue from the sale of convenience products.

In addition, double-digit **growth in convenience products** distributed in the current year and in economic sales continued.

The **strong pace of sales,** despite the negative external factors, was possible thanks to two key drivers:

- our **commercial offering was widened by adding new products/categories** (for example, disposable electronic cigarettes and beverages by marketing new leading brands); and

- the **sales force invigoration process** helped to achieve sales targets and continue to grow the customer base.

In parallel, the **launch of new services** designed for manufacturers, as an evolution of our business model, allowed us to start expanding our activities into new proximity channels.

France

Economic sales

€217 M

(3.9)%

Tobacco and related products

€217 M **(3.9)%**

Adjusted EBIT

€57 M

(12.5)%

Growth in the distribution of electronic transactions and convenience products offset the poor performance in economic sales from tobacco distribution.

Performance in convenience product distribution varied depending on the categories in question. The **increases in food and electronic cigarettes recorded increases** that offset the falls in products more directly related to rolling tobacco (RYO) consumption.

Consolidated income statement highlights

€M	1 Oct. 2021 – 30 Sept. 2022	1 Oct. 2020 – 30 Sept. 2021
Income	**11,464**	**10,817**
Economic sales	**1,235**	**1,180**
(-) Operating cost of logistics networks	(782)	(750)
(-) Commercial operating expenses	(54)	(48)
(-) Operating expenditure on research and central offices	(86)	(84)
Total operating costs	**(923)**	**(882)**
Adjusted EBIT	**312**	**298**
Margin %	25.3%	25.2%
(-) Restructuring costs	(11)	(9)
(-) Amort. assets from acquisitions	(53)	(52)
(+/-) Profit/(loss) on disposal and impairment	15	2
(+/-) Profit/(loss) from equity-accounting companies and other	3	2
Operating profit	**266**	**240**
(+) Financial income	22	22
(-) Financial expenses	(2)	(2)
Profit/(loss) before tax	**286**	**261**
(-) Corporate income tax	(75)	(67)
Effective tax rate	26.2%	25.8%
(+/-) Results of discontinued operations	(12)	(19)
(+/-) Other income/(expenses)	0	0
(-) Non-controlling interests	(0)	(0)
Net profit	**199**	**174**

Consolidated balance sheet highlights

€M	30 September 2022	30 September 2021
Property, plant and equipment and other fixed assets	322	321
Net long-term financial investments	21	20
Net goodwill	932	921
Other intangible assets	313	354
Deferred tax assets	11	15
Net inventory	1,529	1,467
Net receivables and other	1,917	2,151
Cash and cash equivalents	2,648	2,299
Held-for-sale assets	0	42
Total assets	**7,694**	**7,588**
Shareholders' funds	562	524
Non-controlling interests	5	1
Non-current liabilities	133	137
Deferred tax liabilities	232	239
Short-term borrowings	41	72
Short-term provisions	7	7
Trade and other receivables	6,715	6,566
Liabilities linked to assets held for sale	0	41
Total liabilities	**7,694**	**7,588**

4. Corporate governance

Duties of the board of directors

With the exception of matters reserved for the annual general shareholders' meeting, the board of directors is **Logista's highest decision-making body.** Its role is to represent the Company by carrying out all of the duties included in its corporate purpose, as set out in the articles of association.

It is the board's policy to **delegate the everyday management of Logista to the executive bodies and senior management team, focusing its own efforts on its overarching role in determining company strategy and overseeing the work of the senior management team.** At the same time, the board must duly attend to those matters which, pursuant to the law or to the Company's articles of association or regulations, cannot be delegated to other bodies.

Logista's board of directors includes an audit and **control committee and an appointments and remuneration committee,** tasked with carrying out the duties required by law. The majority of these committees comprise independent directors.

Assessment of the board of directors

In accordance with the recommendations contained in the Code of Good Governance for Listed Companies, **the board and its committees are evaluated on an annual basis to assess the quality and efficacy of their performance.** The chairman of the board, CEO and board secretary are also evaluated as part of this exercise. Every three years, this evaluation is reviewed by an external advisor.

In financial year 2022, Deloitte carried out this evaluation for the Company.

Board of directors' remuneration model

When determining its remuneration policy, the Company considers both the relevant regulations (particularly those applicable to listed companies) and to the objectives set out in its business plan, which in turn conforms to the principles and recommendations of good corporate governance, market best practices and the guidelines issued by institutional investors and proxy advisors.

Every year, the **Company publishes information on board member remuneration** in its integrated annual report, annual accounts and annual report on board remuneration.

Board members receive a fixed monthly salary plus an attendance allowance paid at a flat rate. They also receive an additional attendance allowance for any committees on which they sit. The proprietary directors waive the right to receive any remuneration as directors of the Company. Only executive board members receive performance-related pay.

The current remuneration policy, which was drafted with external advice, was approved at the annual general shareholders' meeting on 4 February 2022. The results of the vote were as follows:

Number of shares	Percentage of share capital in attendance
In favour: 99,801,362	97.5841%
Against: 845,370	0.8266%
Blank ballots: 0	0.0000%
Abstentions: 1,625,371	1.5893%

Diversity in board appointments and reappointments

In line with the board skills matrix, the board has been particularly careful to ensure it **upholds its commitment to diversity when considering procedures for board member reappointment this year.** In particular, when reappointing members, it has ensured female representation on the board remains at 42% and has strengthened profiles in investor relations and sustainability.

Female representation on the board

42%

Key actions taken by the board of directors in 2022

a. Business management

Throughout the financial year the board of directors has carried out its regular duties to **establish the Company's general policies and strategies, boost operations and business plans, and monitor the performance of the business areas and their economic and financial situation**. In this regard, the board is proud to report the Company's excellent results and Logista's steadfast commitment to growth and improving its positioning across its various businesses via the acquisition of third-party companies this financial year.

Logista has monitored the impact of COVID-19 across all its businesses, with findings showing both the resilience of the Company's business model and the excellent performance of its businesses. The health of the workforce has also been monitored, particularly during the first few months of the financial year, to ensure that the Company's operations did not suffer any significant disruptions.

The board of directors has been extremely active over the course of the year across its varied remit.

b. Initiatives relating to corporate governance and compliance

Firmly committed to transparency and good governance, the board of directors has approved a **new remuneration policy for 2022-2024**, with the main aim of bringing the current policy into line with the new requirements introduced by the Spanish Companies Act.

It has also updated the policies governing the **whistleblower channel** in a bid to increase its compliance with best market practices. Its **internal auditing guidelines** have also been updated, with the internal audit department taking on the responsibility of matters relating to conflicts of interest as per the provisions of the updated code of conduct and in its capacity as the risk control and management unit.

The board has also pressed ahead with developing a group compliance model. This has been managed primarily by the audit and control committee and the corresponding compliance units. In this regard, **the criminal risk prevention model** has been enhanced, various ethic and compliance training initiatives have been launched and the audit and control committee has continued its supervisory role. More information about trainings programmes is available in the people development chapter.

c. Strategic projects development

During the 2022 financial year, the board has continued to roll out its inorganic growth strategy already presented to the market, assessing and approving a number of acquisitions that will allow Logista to consolidate its position as one Spain's leading logistics companies, become one of the leading companies in full load and temperature-controlled transport companies in Spain and break into the time-critical courier service market in the Netherlands.

The following acquisitions were approved by the board:

- the **acquisition of 70% of Speedlink Worldwide Express, with an agreement to acquire the remaining 30% over the course of the next three years.** Speedlink Worldwide Express is a Netherlands-based company specialising in express deliveries. This acquisition furthers the international expansion of Nacex (a Logista subsidiary) and guarantees the Company a strong foothold in Europe.

- the **acquisition of 60% of Transportes El Mosca, with an agreement to acquire the remaining 40% over the course of the next three years**. Transportes El Mosca is a Spanish company with a large global footprint that offers domestic and international intermodal shipping, road and air transport, as well as transport services for refrigerated and frozen goods. The acquisition of the 60% of Transportes El Mosca has been closed at the beginning of 2023 financial year (28 October, 2022).

- the **acquisition of 100% of Carbó Collbatallé,** Spanish company specialised in cold transport and logistics in the food sector. The transaction has been closed at the beginning of 2023 financial year (1 October, 2022).

The Company has also continued to work on other inorganic growth opportunities that it expects to see take shape in the near future.

d. Risk management

This year, the frequency with which risks are monitored by the audit and control committee and the board has been increased.

e. Board member remuneration

Logista has adjusted its 2021 board member remuneration policy to comply with the amendments introduced by Spanish Companies Act 5 of 12 April 2021 relating to the approval of remuneration policies. Accordingly, it has approved a new policy that broadly retains the approach taken in the version approved by the annual general shareholders' meeting in the last financial year, but that also introduces the changes required by the new legislation.

The new remuneration policy for 2022-2024 is therefore clearer and more transparent about executive directors' remuneration and goes into greater detail about how it aligns with best practices in corporate governance.

The specific changes introduced are as follows:

- **including the new wording required by the Law,** in particular by more closely defining the objectives for variable remuneration and the related weighting.

- **adapting executive directors' fixed remuneration** in line with the latest inflation forecasts applicable to the group's senior managers.

- **setting out measures to align corporate governance with best practices**, such as introducing caps on severance payments for executive directors, in line with shareholders' expectations. With regard to this final point, we would note that although it was not explicitly stated in its policy, the Company was already complying with these caps.

External advisers have worked with the Company to draft this remuneration policy.

Agenda for the annual general shareholders' meeting on 4 February 2022

- Examination and approval of the annual accounts (balance sheet, income statement, statement of changes in equity, cash flow statement and notes to the accounts) and management report of Compañía de Distribución Integral Logista Holdings, S.A. and the consolidated group, for the financial year ended 30 September 2021.
  - Approval of the individual annual accounts and management report of Compañía de Distribución Integral Logista Holdings, S.A., for the financial year ended 30 September 2021.
  - Approval of the consolidated annual accounts and management report of Compañía de Distribución Integral Logista Holdings, S.A., for the financial year ended 30 September 2021.
- Examination and approval of the consolidated non-financial information reporting statement, included in the Integrated Report of Compañía de Distribución Integral Logista Holdings, S.A. and its consolidated group, for the financial year ended 30 September 2021.
- Examination and approval of the board of directors' management during the financial year ended 30 September 2021.
- Examination and approval of the board of directors' application of the result for the financial year ended 30 September 2021 of Compañía de Distribución Integral Logista Holdings, S.A.
- Ratification, appointment and re-election of directors.
  - Ratification and appointment of Lillian Alice Blohm as a proprietary director.
  - Ratification and appointment of Murray Henry McGowan as a proprietary director.
  - Reappointment of Cristina Garmendia Mendizábal as an independent director.
  - Reappointment of Alain Minc as an independent director.
- Examination and approval of Logista's board member remuneration policy for 2022–2024.
- Advisory vote on the annual report on Company directors' remuneration for the financial year ended 30 September 2021.
- Information for the general shareholders' meeting on the amendment of article 33.2 of the board of directors' regulations.
- Delegation of powers to the board of directors to interpret, complete, correct, pursue, enforce, execute and register the above-mentioned agreements and record them in a public document, as well as substitute the powers granted by the general shareholders' meeting.

Tackling corruption and bribery

Logista has put in place a number of corporate policies and an internal control system aimed at preventing any conduct falling into the "criminal risks" category, whether on the part of managers, directors or any other employee. Examples of such criminal conduct include corruption, bribery and money laundering.

For the Company, issues relating to ethics and the fight against corruption are material concerns, and as such the board of directors is committed to fulfilling its social responsibilities by adopting all necessary measures to coordinate, oversee and monitor action in response to potential crimes or criminal risks, including those listed below.

The mandatory **Company's code of conduct** is available on the group's Intranet and corporate website (www.logista.com). Among other provisions, the code sets out the procedures to be followed when working with civil servants or government representatives. This document expressly forbids offering, giving or receiving payments, gifts or preferential treatment contrary to the law, which may have an influence on the normal course of business, governance or professional relationships or secure an undue advantage for Logista.

The **Company's criminal risk prevention handbook,** which was updated in 2020, is available on Logista's Intranet. This handbook sets out Logista's principles and objectives concerning criminal risk prevention, and the main internal processes established to prevent and mitigate any action that could bring a risk of criminal liability.

It outlines an **anti-corruption policy** that establishes general principles for preventing corruption, guidelines on behaviour with third parties – whether they be public or private officials – and the rules concerning gifts, hospitality, promotional events and donations.

In addition, the **handbook for the prevention of money laundering and terrorist financing** complements and expands on obligations that apply to all Logista Companies in Spain regarding such matters.

The Company's **compliance committee,** which reports to the audit and control committee, oversees the operation of and compliance with Logista's organisational model and its regulatory compliance system. The Committee is built around three core pillars: the code of conduct, the criminal risk prevention model and the whistleblower channel. The Committee is formed of representatives from the following corporate areas: the legal department, internal control, resources and human resources.

Logista employees at all levels are informed of the importance of following the criminal risk prevention handbook, adopting the principles set out in the code of conduct and carrying out their professional tasks in an ethical and diligent manner.

In the event of a breach of Logista's code of conduct, the relevant employee(s) will be subject to a disciplinary process and possible sanctions. Any incident involving the bribery of a public or private body or the failure to comply with the established collection and payments management policy will be treated as very grave misconduct.

There is a **whistleblower channel** that all directors, employees and authorised third parties (suppliers, clients, subcontractors, etc.) can use to submit an anonymous, confidential complaint about any form of irregular practice, breach or behaviour whatsoever that is contrary to Logista's ethical values or internal policies, the code of conduct or the law.

The compliance committee **reports any complaints received, and any investigative action taken, or** procedures conducted by Logista, to the Audit and Control Committee on a regular basis.

No reports in relation to crimes of bribery, corruption or money laundering were received during the 2022 financial year.

Logista's supervisory departments also carry out regular checks on any processes or activities that could potentially be affected by any of the criminal risks listed above, and the model is revised as necessary and checked to ensure it complies with the established Regulatory Compliance System.

During the financial year, the **Company did not detect any risks relating to corruption and/ or bribery** that would require putting contingency plans or other measures in place.

Human rights

Logista conducts its business based on ethical values, transparency and active communication. These core values are at the heart of its corporate governance model. Its commitments include:

Promoting best corporate governance practices through ethical, responsible and honest management of the business.

Encouraging transparency and communication with its different stakeholders.

Implementing the principles of the United Nations Global Compact into its business operations. It also promotes and complies with the provisions set out in the fundamental conventions of the International Bill of Human Rights, the International Labour Organization (ILO), the UN Guiding Principles (UNGP) on Business and Human Rights (UNGP) and the European Social Charter.

All Logista employees have signed updated contracts and are represented by works councils and union officials, whom they may freely approach at any time. Various independent unions are active within the Company and frequently exercise their right to hold a meeting. The Company ensures that employees are fully aware of their right to collective association, which is fundamental for compliance with ILO provisions.

In addition to monitoring activities carried out by the compliance committee, employees can report any act, conduct or omission that could amount to a human rights violation to the whistleblower channel. All complaints received are also reported to the board of director's audit and control committee. However, given the nature and geographical range of our operations and the robust regulatory framework in place, Logista does not tend to encounter any risks such as those potentially associated with forced and/or child labour.

During the 2022 financial year, the Company did not receive any reports of incidents relating to respect for freedom of association and the right to collective bargaining, job discrimination, forced or child labour or any other human rights violation or concern in any country in which Logista operates.

Respect for human rights is a material concern for Logista.

Logista's commitment to complying with the provisions of fundamental ILO conventions and the United Nations Global Compact is reflected in the following procedures and the monitoring activities carried out by the compliance committee and the other supervisory bodies:

Code of conduct

This document establishes that Logista is committed to protecting and respecting human rights in everything it does, recognising the need to avoid violating the human rights of others and to appropriately addressing any adverse human rights impact that may be caused by its operations. It is expressly stated in the code that:

Everyone at Logista must respect the dignity and human rights of all other colleagues and of any third parties with whom they come into contact in the course of their work.

Logista fully respects the fundamental right to form and/or join unions and manages relationships with workers' representatives and the unions in a flexible and transparent way. All Logista employees are entitled to decide whether they wish to join a union or to have recognised representation in accordance with applicable law.

Logista will never use, or permit the use of, forced labour or human trafficking. It will never employ anyone under the age of 16, or minors under the local minimum employment age or the minimum school leaving age (whichever is higher), nor will it employ anyone under the age of 18 to perform work that is considered to be dangerous or potentially damaging to health and/or safety.

Logista requires suppliers to comply with their employment obligations, to respect their employees' employment and trade union rights and to pay salaries that are in line with the higher of the legal minimum wage or the amount specified in the applicable collective bargaining agreements. Human trafficking and forced labour are expressly prohibited. Logista also requires its suppliers to promote integrity, teamwork, diversity and trust, guaranteeing a fair, respectful workplace that is free from any kind of harassment, discrimination or any other form of degrading behaviour. Suppliers must also promote a positive health and safety culture, prohibiting unacceptable or potentially dangerous behaviour in the workplace.

General recruitment protocol, internal selection guide and employee competence guidelines

These documents establish a set of general principles for matters concerning people management, to be applied in recruitment and candidate selection. They also provide clear guidance on the correct approach, tools and allocation of responsibilities for recruitment, selection, onboarding and performance evaluation. They establish guidelines to ensure each position is held by qualified staff.

Logista promotes gender equality in candidate selection, including as standard practices that the shortlist of candidates for any post should include at least as many women as men.

General principles of conduct for suppliers

This document stipulates the minimum standards and requirements for everyday conduct that suppliers must observe at all times, both in their dealings with Logista and with respect to their own employees and any third parties involved in their operations.

All suppliers must understand and accept these standards of conduct, which are contractually binding on all suppliers who enter into an agreement with a Logista company. The Company may terminate its contractual or business relationship with any supplier that fails to either comply with the standards of conduct or, in the event of an accidental breach, not taking the necessary measures to resolve the situation.

Procurement guidelines

This document establishes that all suppliers must be duly authorised and have demonstrable financial and technical capacity. Furthermore, all contractual relationships are governed by the principles of ethical and professional conduct (among others), which states that employees must behave ethically and professionally at all times.

Risk and opportunity management

Logista's corporate risk management system is an ongoing and **integrated risk management system** designed to help the company achieve its objectives and the goals set out in its strategy. It applies to every business area, department and country of operation, thus providing a global overview of all risks that Logista may encounter.

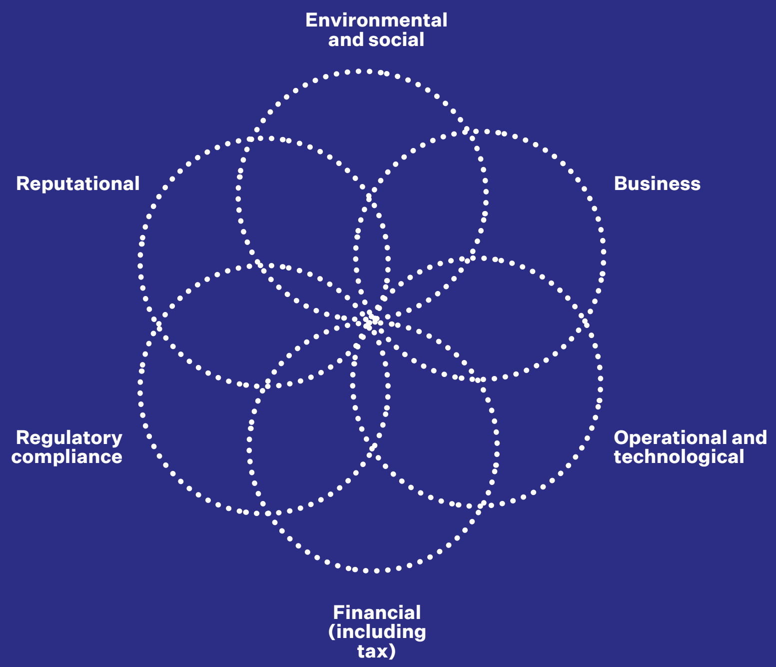
Logista's corporate risk management system is outlined in its general **risk management policy** and procedures – approved and last updated by the board of directors on 22 September 2021 – and in its procedures, which are based on the 2017 COSO ERM Framework.

The policy's overarching objective is to support the board of directors and management in their efforts to optimise results and ultimately enhance the Company's capacity to create, sustain and realise value.

This policy sets out the general protocols for controlling and managing all forms of internal and external risk to which Logista may be exposed, at any point in time, in the pursuit of its objectives:

objectives

- Identifying and managing risk across the group.
- Determining risk profile and appetite.
- Setting out planned risk management measures (risk mitigation).
- Regularly monitoring the risk management model.
- Facilitating efficient resource allocation.
- Ensuring the reliability of financial and non-financial information.
- Setting guidelines for transparency and good corporate governance.
- Assigning responsibilities to participants.
- Expanding the range of available opportunities.
- Considering general predefined risk types.



Governing risk management

The corporate bodies responsible for devising and implementing the risk control and management system are as follows:

Board of directors

- Determining the risk control and management policy, including fiscal risks.
- Overseeing the internal reporting and monitoring systems.
- Determining the risk level to be assumed by Logista.

Audit and control committee

- Overseeing and evaluating financial and non-financial risk control and management systems.
- Directly overseeing the risk management and control unit.

Management committee

- Establishing a risk strategy and ensuring correct implementation of the Company's risk management systems.
- Informing risk managers of the guidelines established.
- Overseeing key risks and making decisions about major risks.
- Encouraging a risk-awareness culture among its employees.
- Advising the risk management and control unit on any material issues.
- Draw up a risk appetite and risk tolerance proposal when required for its approval.

Risk management and control unit (carried out by the internal audit department)

- Coordinates the process for identifying and assessing risks for Logista, helping risk managers with this process and ensuring the main risks are identified, evaluated and managed so that they remain within an acceptable level of risk and ensure that the risk management system operates properly.
- Keeps Logista's risk map up to date
- Works with the management committee to define Logista's risk strategy, providing support when it must make important decisions relating to risk management.
- Ensures the measures set out in the risk management system to mitigate risks are in line with Logista's risk strategy.
- Regularly updates the management committee on the status and development of the main risks, as well as on the progress made in updating and assessing risks, ahead of reporting to the audit and control committee and, if required, to Logista's board of directors.

Risk and process manager

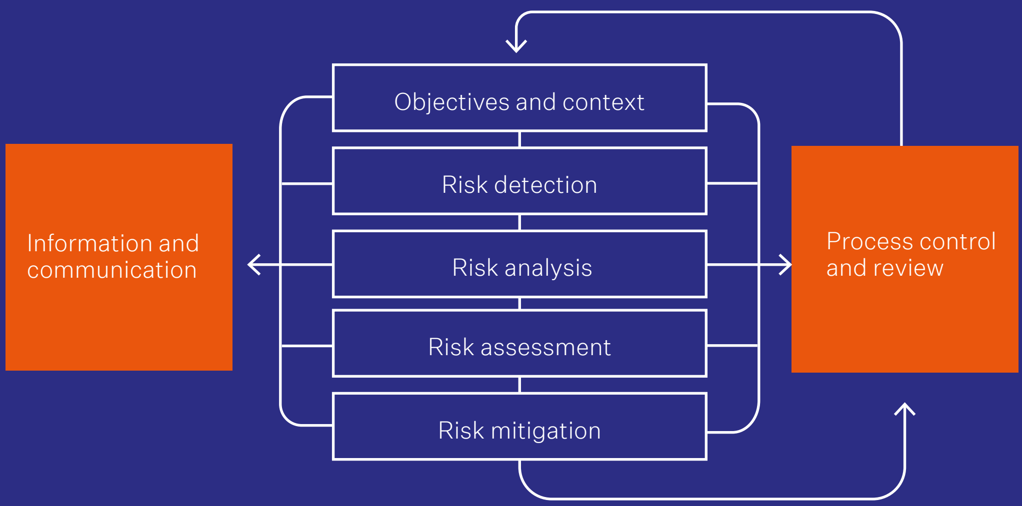
- Executes the risk strategy defined by the management committee and ensures compliance with the risk-related guidelines defined by Logista's business units.
- Identifies any potential risks and opportunities that could affect Logista's ability to achieve its objectives within its area of responsibility.
- Informs of risks by taking part in the established risk reporting process and by using the tools available, flagging any new risks, and informing on the mitigation and action plans proposed, as well as on their implementation and progress.
- Analyses and evaluates the identified risks that the Company faces in the process of achieving its objectives, according to the method available.
- Defines the most appropriate response for each risk, identifying and/or, designing and defining the control activities and internal regulations required to manage these risks.
- Ensures and promotes that the control activities designed for each identified risk are implemented appropriately.
- Oversees the various action plans and corrective risk mitigation measures introduced.

Process for identifying, evaluating and mitigating risks

In line with our commitment to digitalisation and the use of technology, the **installation of the "SAP GRC Risk Management" system** has been rolled out in the 2022 financial year. The aim is for the integrated risk management system to be up and running in the 2023 financial year.

This tool will contain Logista's entire risk management model via a set of features that will allow it execute the different risk management phases (from identification, analysis and assessment to mitigation and monitoring).

Logista's risk management process is based on the following framework:



Objectives and context

Logista determines its strategic objectives and operational scope, both internally and externally, with due regard to stakeholder interests. In turn, this perspective has an influence on its risk management approach. The Company also defines its risk appetite, i.e. the level of risk it is willing to accept in the course of its operations and its risk tolerance. Broadly speaking, risk appetite is categorised as follows:

Low risk tolerance profile

Logista seeks to comply with all laws, regulations, standards and tax rules to which it is subject.

Moderate risk tolerance profile

Towards risks that allows:
– achieve its strategic objectives while limiting uncertainty;
– maintain the strongest possible shareholder guarantee;
– protect group's results and reputation;
– defend the interests of shareholders, clients and manufacturers.

Higher risk tolerance profile

Towards plausible technological risks, that could arise as part of Logista's strategic framework of providing high value-add logistics services and, therefore, involving advanced technological solutions.

These baselines for risk appetite and tolerance are a tool for achieving the optimum balance between risk and opportunity.

During Q1 FY2022, the management committee presented its risk appetite proposal, based on both quantitative (economic-financial) and qualitative (non-financial) criteria to the board of directors, after having presented it to the audit and control committee for prior consideration. This risk appetite proposal was approved and validated by the board of directors.

Risk detection

Risk detection refers to the identification of future events that could potentially pose a threat to Logista's objectives, whether through interviews or self-assessment questionnaires.

Risk analysis

All risks must be recorded in such a way that they can be readily understood and, especially, used to facilitate decision-making. Each risk should be defined by reference to its causes and contributing factors, as well as the consequences for Logista were it to materialise.

Risk assessment

During this stage, the severity of each risk is assessed in order to prioritise those of greatest concern. The criteria used to explore potential impacts on Logista are: regulatory compliance, economic/financial, health and safety, impact on operations, reputation and strategic context.

A parallel assessment looks at the mitigation measures adopted by Logista in response to the identified risks, to derive what is referred to as the "residual risk". This exercise also evaluates the speed with which the risk could potentially materialise, which determines its ranking in the overall risk appetite and risk tolerance framework.

Risk mitigation

Logista's response to the risk is analysed and categorised according to the following five response types:

- **Eliminate:** take all possible measures to negate the likelihood of the risk occurring and/or its impact, so that the risk effectively disappears or is eliminated.
- **Mitigate:** take any necessary action to lessen the potential consequences should the risk materialise.
- **Transfer:** assign the consequences associated with the risk, should it materialise, to a third party.
- **Accept:** take no action, absorbing the potential consequences should the risk materialise.
- **Pursue:** accept a greater degree of risk where this is offset by a greater performance gain. When choosing to pursue a risk, managers must understand the nature and scope of any changes required to achieve the desired performance gain without exceeding the acceptable limits of tolerance.

Action plans should also be put in place.

Process control and review

The risk management process is continuously monitored and revised, with a particular focus on emerging risks, the ongoing development of known risks, obsolete risks and materialised risks.

Information and communication

The material information relating to risks, and concerning all parties involved in risk management at Logista, are managed via the risk management tool.

It fosters an appropriate setting and philosophy for risk management, through targeted communication with both senior management and the management committee, as well as the audit and control committee and the board of directors.

In this regard, the management committee has met each quarter to discuss the main risks and the Company's response strategies, and to also identify the most material risks for each business area, irrespective of its position on the corporate risk map, in order to facilitate lower-level decision-making. The committee has also approved Logista's risk map. It has drawn up a risk strategy and risk appetite proposal – both at Company level and in terms of each business line – which has been approved by the audit and control committee.

Four times a year, the audit and control committee also carries out a review of material risks, response strategies and mitigation plans, including those relating to fiscal and reputational matters, before approving and distributing Logista's updated risk map.

Twice a year, the board of directors receives additional information regarding the areas it is responsible for from the risk management and control unit regarding Logista's main risks.

This year, the frequency with which risks are monitored by the audit and control committee and the board has been increased.

Breakdown of main risks

The corporate risk map (among other documents) identifies the following risks, which are categorised as per the framework set out in the general risk management policy:

It also includes other risks that remain relevant, even though they may be at an acceptable level, such as specific financial risks and other non-financial (environment + climate change, etc.) risks.

Below, we detail the following risks and its mitigation measures:

Environment, social and business-related risks

Macro-economic, political and social context and changing consumer habits

CRITICAL

RISK

Aspects such as inflationary pressures, supply chain disruptions and a negative performance of the main macroeconomic indicators affect how Logista's businesses perform, subjecting them to new regulations, rising costs, changes in consumer habits and even events such as sector specific or general strikes, all of which impact on the Company's operations and/or its need to restructure.

MITIGATION

Logista continuously monitors the performance of its various businesses and any developments in the regulatory, social and political environment, adapting its strategy and objectives to changing conditions in the countries where it operates.

That said, the world's current adverse economic, political and social climate is having a direct impact on the countries in which Logista operates, with spiralling inflation being the most visible consequence and supply chain delays also causing disruptions, albeit to a slightly lesser degree. Meanwhile, soaring costs are being partially offset by transfering rising costs to clients, in line with the contracts signed, and by the cost reduction measures and restructuring and optimisation plans put in place by Logista, along with its drive to identify synergies.

Logista manages the potential shortfall in stock by signing agreements with its suppliers and ensuring adequate safety stock levels.

Development of other businesses

CRITICAL

RISK

Risks inherent in the successful expansion of Logista's different businesses – to offset a possible faster rate of decline in the traditional tobacco market – together with a misalignment with the market with regard to sustainability policies.

MITIGATION

The main measure is the rollout of the expansion plan, as established in Logista's strategic plan and implemented via the recent acquisition of SpeedLink Worldwide Express, and the agreement of acquisition of Transportes El Mosca and Carbó Collbatallé.

General situation in transport sector and lack of drivers

SERIOUS

RISK

The transport sector is currently a very competitive environment, one which is being exacerbated by the worsening economic climate and the potential increase in costs (fuel prices, tolls, distribution costs, salaries...), which could push prices up further, affecting the costs structure and as a result the product mix and profitability.

The lack of drivers, the difficulty that Logista is having in finding new drivers that meet its requirements is another factor that affects costs and could even affect the operations of the transport businesses.

MITIGATION

Logista specialises in providing its clients with value-add services and in the transport of high-value goods, guaranteeing the highest standards of service, making it less susceptible to potential price drops from its competitors and increasing its customer loyalty. In addition, it also has cost recovery mechanisms (transport tariffs indexed to fuel prices) and cost reduction measures in place.

The lack of drivers is dealt with by offering new drivers and transport companies approved long-term agreements that meet the standards established for all Logista's businesses – a process that is carried out by specialist departments.

Market liberalisation in countries where Logista operates

SERIOUS

RISK

Market liberalisation of the main markets in which Logista acts as an authorised distributor of tobacco products within the context of a state retail monopoly could have an impact on the group's results if it fails to take certain measures, which have already been identified. However, the current trend in these countries is for greater regulation of the tobacco market.

MITIGATION

The consequences of market liberalisation in the main markets in which Logista acts as an authorised distributor for tobacco products within the context of a state retail monopoly, may adversely affect its profits. However, such effects would be mitigated by the Company's capacity to distribute tobacco through an extensive network of outlets and an effective diversification strategy.

Operational and technological risks

Cybersecurity

CRITICAL

RISK

Systems damage from deliberate third-party attacks. Logista is exposed to various threats and vulnerabilities due to its use of technology and information systems across all of its daily operations. This presents a risk to information security and to system continuity, and may lead to privacy breaches, information loss or the theft or fraudulent use of data.

MITIGATION

Logista has a specific budget allocated to security area that has been activated in the further development and updating of the cybersecurity plan, which sets out measures such as external and internal intrusion testing, a cyber threat monitoring system, an incident response model and checks on the level of service delivered by the supplier contracted to manage and administer Logista's IT infrastructure among others. The budget is also used to offer a specific cybersecurity training plan.

Digital disruption and disruption to the business model

SERIOUS

RISK

Aside from benefits and opportunities, digitalisation brings risks associated with having an unsuitable strategy for defining and implementing technology, which could affect the viability of our business models, as well as our competitiveness, due to costs associated with lost opportunities. The rapid increase in the use of new technologies in our operations, together with the inherent risks associated with such a change, impacts on organisational models and our control framework.

MITIGATION

Digital transformation forms an integral part of Logista's strategy and is reflected in our new approach to client relationships, competition, data, innovation and values.

Risk of theft

SERIOUS

RISK

Theft of tobacco from the Company's facilities or during transport may result in higher insurance premiums.

MITIGATION

Adopting the most rigorous security standards possible and taking out insurance policies reduce both the likelihood of theft and the impact on tolerable risk levels.

Availability of information systems, safeguarding assets and business continuity

SERIOUS

RISK

There is a risk that a shock event could bring the company's operations to a standstill, or that the business continuity plans designed to ensure a timely and appropriate disaster response fail to assure the continued availability of information systems, the level of service and safeguarding of assets.

MITIGATION

Contingency plans in place are regularly tested to assess their effectiveness and the group continuously monitors the levels of service promised by Logista, allowing us to assess the need to invest in essential assets for the Company and ensure its stocks, among other things, are protected.

Committed to the environment and climate change

ACCEPTABLE

RISK

Growing concern in Logista and among stakeholders regarding the impact and consequences of climate change. Consequently, there is a risk Logista will not be able to fulfil its commitment to developing best practices with regard to quality and the environment. These practices are designed to reduce the impact our activities have on the environment, optimise the use of resources and prevent pollution in business processes, in accordance with strict regulation compliance (reducing our carbon footprint, using renewable energy sources, waste management, collaborating with environmental bodies and institutions and complying with energy efficiency standards).

MITIGATION

Logista has developed a quality and environment master plan and a quality, environment and energy efficiency policy that establish guidelines and best practices for optimising the use of resources and preventing pollution throughout its business processes. CDP has included Logista in its prestigious "A List" group as one of the global leaders in the fight against climate change. Logista calculates its carbon footprint pursuant to the ISO 14064 standard (via the method set out in the GHG Protocol).

Ethical business conduct

ACCEPTABLE

RISK

Any irregular conduct or willful act that leads to a breach in internal or external regulations and/or market expectations in relation to business ethics, whether it be tender or contract fraud, asset misappropriation, conflicts of interest, tampering with financial statements or corruption and/or malpractice.

MITIGATION

Logista has established general principles for ensuring an ethical business conduct, which must be followed both internally and externally. These general principles of conduct are all contained within its code of conduct.

Logista has several mechanisms in place to ensure that this code of conduct is duly observed. These include compliance training courses, the publication of these standards on the corporate intranet and supervisory measures within the Company's general internal control management system.

Regulatory compliance risks

Competition risk

SERIOUS

RISK

Given the specific nature of its business and more precisely, the fact it operates in regulated markets in which it holds a significant share of the market, Logista is monitored by the respective national authorities in terms of competition. In this regard, the resolution of several proceedings and/or processes that are currently underway are yet to be announced.

MITIGATION

Logista has support from third-party specialists in the event that it needs to defend the Company's position, which is always the strictest compliance with the Law.

Regulatory risk

MATERIAL

RISK

Logista's business operations must be compliant with numerous laws and regulations, both general and sectoral. These may apply at the European, national, regional and local levels in any country of operation. This exposes Logista to risks arising from potential breaches and associated sanctions.

MITIGATION

Logista continuously monitors the regulatory and legislative environment for changes that may affect its activities, aiming to anticipate such changes as early as possible to allow for effective management. The group has also produced various specific standards and procedures to govern its framework for action, in addition to criminal risk prevention models. These measures reflect a "zero-tolerance" approach to fraud and corruption.

Legal proceedings

MATERIAL

RISK

In the normal course of its business, Logista may become involved in legal disputes, either as the claimant or as the defendant. These may arise from differences in the interpretation of laws, regulations or contracts or as the result of legal action brought against it, the outcomes of which are uncertain by nature.

MITIGATION

Establishment of specific standards and procedures to govern the group's framework for action, in addition to criminal risk prevention models for each of Logista's companies.

Legal defence and procedures for managing and monitoring legal actions, with external expert advice as appropriate.

The corporate legal advice department coordinates a centralised review of the most significant contracts to ensure strict legal compliance.

Financial and tax risks

Annual accounts subject to audits and inspections

SERIOUS

RISK

The group's primary activity is the distribution of tobacco, and as such it is subject to a specific fiscal model that can be complex due to its extensive geographical presence. In this respect, the group has various tax disputes pending resolution requiring value judgements as to the probability of being obliged to settle certain liabilities. Logista has made provisions for these risks based on expert legal advice and the potential for transferring them to third parties. Logista's returns from a number of financial years are currently subject to inspection with respect to certain taxes.

MITIGATION

In discharging its fiscal obligations, the Company advocates strict compliance with all applicable tax requirements. It adopts a centralised approach to monitoring and verification, ensuring that all fiscal obligations across Logista are met. To this end, it draws on support from highly reputable tax advisors and law firms when preparing its tax reports and settling taxes owed. Such advice is also sought in the event of any special transactions and when mounting a legal defence of the Company's position, should this be necessary.

Changes to Logista's payment cycles or to fiscal policies

MATERIAL

RISK

Like any other wholesale business, Logista's purchasing and revenue cycles are staggered. This means that outgoings to tobacco manufacturers and incomings from retail outlets may not always balance out. Moreover, Logista's tax obligations must be settled according to a different cycle again. Changes to the tax payment cycle or significant increases in tax (primarily in excise duties) could have a negative impact on the business by weakening the financial outlook, thus affecting the Company's operating profit and cash management.

MITIGATION

Changes to Logista's payment cycles could force it to seek external financing in order to meet its obligations.

The businesses are developing more robust mechanisms for debt collection, with a view to shortening collection periods in business areas most exposed to client credit risk. In addition, they are lowering credit limits, monitoring credit lines more closely and seeking bank guarantees.

Impairment losses on fair value of assets, investments, goodwill and asset provisions

MATERIAL

RISK

One of Logista's basic objectives is to preserve the value of its assets by analysing and preventing risks and optimising the management of the main claims. Nevertheless, there is a risk that the fair value of assets may deteriorate, particularly with respect to the carrying value of goodwill, which is high. This is because Logista has a significant volume of assets and investments that have a substantial impact on its income statement.

MITIGATION

The finance department analyses potential accidental risks which Logista may be exposed to, both in terms of its assets and its business operations. Accordingly, it ensures that external insurance policies are in place as appropriate and commissions property valuations. With respect to the high carrying value of goodwill, Logista carries out impairment testing in accordance with International Accounting Standards.

Credit, liquidity and exchange rate risk

ACCEPTABLE

RISK

It is Logista's general practice to use only institutions with a high credit rating when depositing cash and equivalent liquid assets. Furthermore, Logista has a credit or counterparty risk exposure with Imperial Brands, by virtue of the signed agreements to transfer liquidity.

With regard to liquidity risk, Logista has sufficient reserves of cash and equivalent assets to cover payments arising in the normal course of its business operations.

Meanwhile, the exposure of Logista's equity and income statement to future changes in prevailing exchange rates is relatively slight, since so few of its transactions are carried out in currencies other than the euro.

MITIGATION

If necessary, Logista has a number of credit lines available to it.

With regard to the credit risk represented by Imperial Brands, loan agreements are in place with recovery safeguards. Imperial's credit rating (investment grade), which has remained stable during the financial year, is regularly monitored.

Insolvency and default risk

ACCEPTABLE

RISK

When dealing with clients in the ordinary course of its operations, Logista is exposed to commercial credit risk.

MITIGATION

Logista seeks to minimise insolvency and default risk by setting credit limits and imposing strict conditions with respect to collection periods. As Logista's main clients are licensed tobacconists, this commercial risk is spread over a large number of clients with fairly short collection periods. Consequently, the Company's exposure to third-party credit risk is not particularly significant. Where deemed necessary, insurance policies are in place to mitigate the impact of defaults on payments, although, historically, default rates in geographical regions where Logista operates have been consistently very low.

Opportunities within risk management

Logista's risk management system supports a comprehensive analysis of the group's business environment (its relationships and other factors with a bearing on current or future strategy or on company objectives). In turn, this has allowed the following opportunities to be identified:

1. Business expansion

Logista's growth strategy depends, among other factors, on its ability to expand its business areas such as transport and pharmaceuticals. This strategy will allow Logista to address one of the risks to which it is exposed, namely, the decline in traditional tobacco consumption in countries where it operates, in line with the market's focus on sustainability.

Certain market trends observed in these sectors present opportunities for sustainable and profitable growth. These include the significant increase in the volume of pharmaceuticals dispensed by hospital pharmacies, the relative rise in demand for OTC and personal care products, as well as medicines for veterinary use in pharmacies, and the growing demand for value-add transport services, such as time-critical deliveries or the transportation of goods requiring temperature-controlled conditions (more information available in strategy chapter, business outlook and strategic goals).

2. Next-generation products

The pharmaceutical sector is developing a new generation of bespoke medicines and direct-to-patient delivery services which are an excellent opportunity for Logista given the Company's existing high quality distribution network.

New tobacco products are also emerging, with many more choices available to consumers than just a few years ago. Logista offers manufacturers the fastest and most effective route to consumers in southern Europe, thanks to its extensive presence in each of its national markets and its expert market knowledge.

Logista actively participates in and supports the strategic transformation of the sector by offering consumers alternatives to traditional tobacco products, potentially with fewer health impacts. In its capacity as the preferred distribution partner for these kinds of products, Logista also works to foster a responsible approach to how they are sold.

3. Competitive advantage in the regulatory environment

Due to the regulatory context in the pharmaceutical and tobacco sectors, there are increasingly exhaustive checks on the distribution of these products, and companies therefore need to be able to comply with those requirements if they wish to continue operating in the future. Logista not only acts in compliance with these requirements, but anticipates them by offering new services in each of its distribution sectors. The group also has the benefit of significant financial capacity and extensive market experience, that helps foster client loyalty and presents a barrier to entry for new competitors – due to, for example, the high investment costs involved in ensuring compliance with regulatory requirements.

4. Developing an economy with a low carbon footprint

Sustainability is a key element of Logista's strategy. This is evidenced by the fact that Logista has been recognised as a global leader in fighting climate change by CDP for the sixth consecutive year, and is included on its "A-list".

Logista includes opportunities arising from climate change among its risks and its environmental plan, for example, optimising routes, using sustainable vehicles and energy, and reusing packaging for its product distribution business.

5. Creating value for shareholders and investors

Logista is deeply committed to creating short, medium and long-term value for its shareholders and investors.

Dividends allocated to the 2022 financial year

€1.38 per share

+11.3%

Earnings per share

€1.51

+14.4%

Capitalisation

€2,476 M

+2.4%

We work to ensure a **profitable business** and manage financial and non-financial risks carefully and responsibly.

We also maintain an **open dialogue with shareholders, investors and financial analysts** through the investor relations department, guided by the principles of maximum transparency in reporting and strict compliance with applicable law – one of the foundations on which its long-term sustainability promise is built.

In 2021 financial year, we updated our **information and communications policy with regard to shareholders, institutional investors and proxy advisors, as well as to sharing economic and financial, non-financial and corporate information,** in line with the good governance code for listed companies.

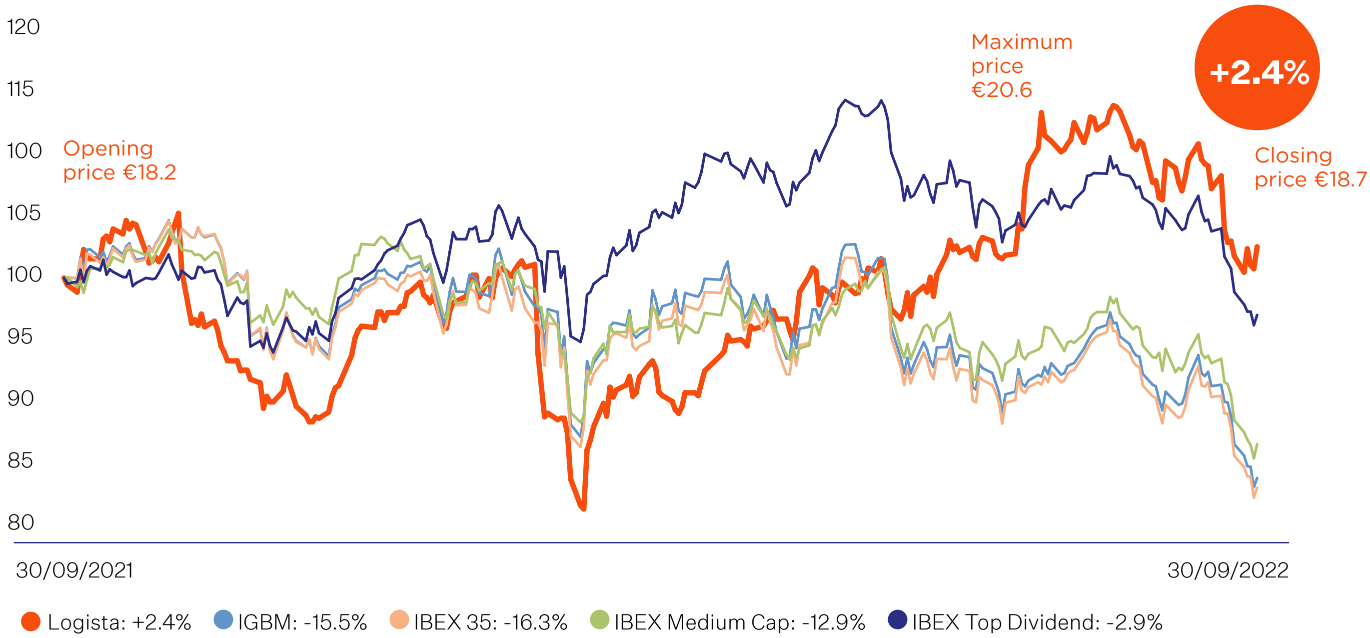
We therefore offer the investor community key information about the Company via notifications to the Spanish Securities Market Commission (CNMV), information published on our website, as well as in virtual and face-to-face meetings and by participating in conferences and seminars, etc.

During the 2022 financial year, following the COVID-19 pandemic, a considerable number of our roadshows, along with **participation in conferences** and seminars, as well as one-to-one meetings continued to be carried out by phone and virtually. However, the number of meetings/events held and attended in person did increase. The company engaged in a total of more than 250 meetings/events throughout the financial year.

Investor calendar

4 November 2022	Announcement of H2 2022 Results (Oct-Sept)
24 August 2022	Interim dividend payment (€0.43 per share)
21 July 2022	Announcement of Q3 2022 Results (Oct-Jun)
9 May 2022	Announcement of H1 2022 Results (Oct-Mar)
24 February 2022	Additional dividend payment (€0.83 per share)
7 February 2022	Announcement of Q1 2022 Results (Oct-Dec)
4 February 2022	Annual General Shareholders' Meeting 2022 (second call)
3 February 2022	Annual General Shareholders' Meeting 2022 (first call)
5 November 2021	Announcement of H2 2021 Results (Oct-Sept)

Logista and the Stock Market



Since the 2014 financial year-end, the year in which the company relisted, Logista has increased its value by 3.3% (average annual appreciation), compared to an average annual decline of 5% on the Madrid Stock Exchange General Index. The IBEX 35 and the IBEX Medium Cap fell 4.7% and 2.1% respectively while IBEX Top Dividend had a slight increase of 1.1%.

Coverage by research companies

13 firms covered Logista in 2022

12 buy **1 neutral**

No selling recommendation

Average price target

25 €

Indices
in which Logista is included

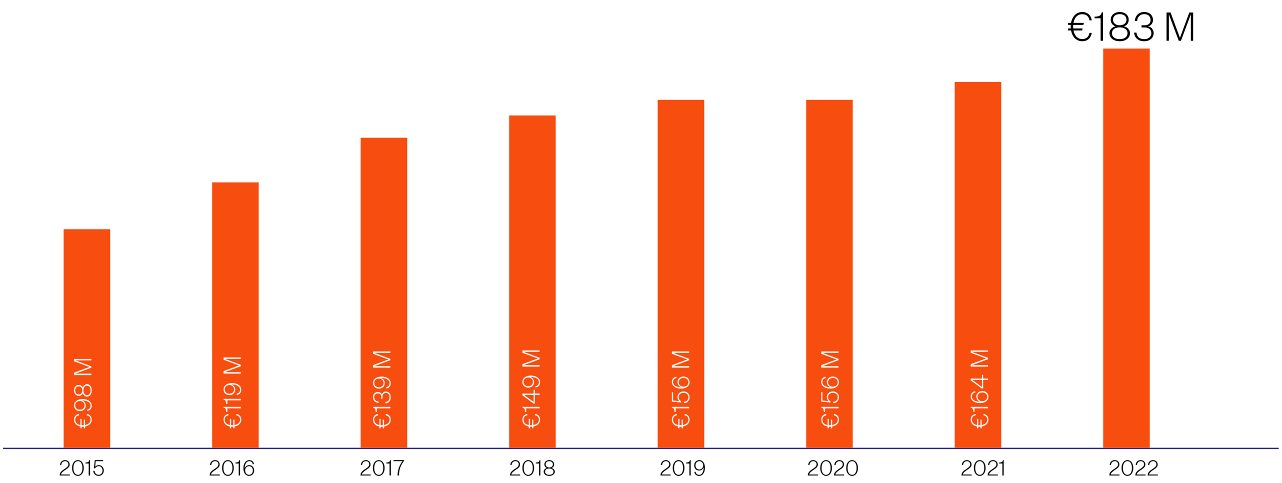
Madrid Stock Exchange General Index
IBEX Top Dividend
IBEX Medium Cap
FTSE4Good IBEX
IBEX Gender Equality

	2020	2021	2022
Capitalisation at financial year-end (€ million)	1,938.2	2,417.4	2,475.8
Closing price (€)	14.6	18.2	18.7
Maximum price (€)	21.3	19.3	20.6
Minimum price (€)	12.9	14.0	15.0
Total trading volume (shares)	41,772,377	62,762,606	72,300,906
Average daily trading volume (shares)	163,173	244,212	281,326
Turnover (% of share capital)	31.5%	47.3%	54.5%

Source: Bloomberg

Dividends

According to the provisions set out in Logista's dividends policy, which is subject to approval by the Annual General Shareholders' Meeting, shareholders should receive a payout of at least 90% of the consolidated net annual profit.



Dividends distributed allocated to each financial year.

More than

€1,160 M

distributed as dividends since 2014

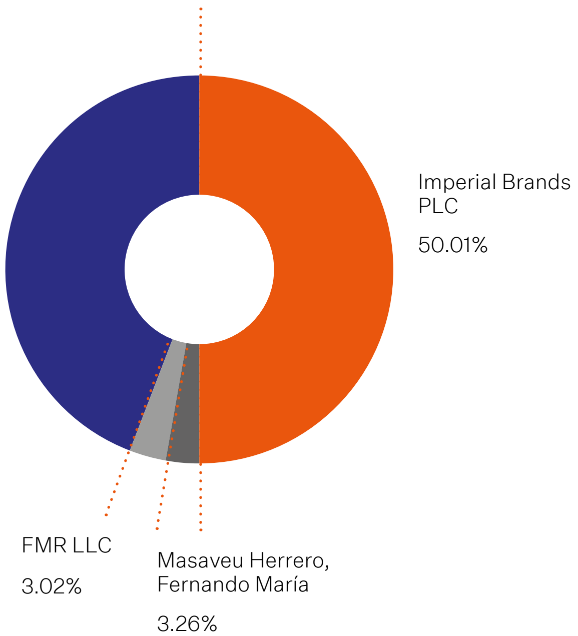
Capital structure

All Logista's shares belong to a single class and series with identical rights.

	2020	2021	2022
Number of shares	132,750,000	132,750,000	132,750,000
Share Capital	26,550,550	26,550,550	26,550,550
Par Value	0.20	0.20	0.20
Treasury Shares*	522,273	800,623	877,939
Treasury Shares as % of share capital	0.39%	0.6%	0.7%

*Primarily to meet the share distribution commitments resulting from the Company's incentives plans and to comply with the liquidity agreement entered into on 20 January 2021 with Banco Santander S.A.

Significant shareholdings



* According to information reported to the CNMV by the shareholders at 30 September 2022

On 16 March 2022 and 29 April 2022, FMR LLC and Fernando María Masaveu Herrero all reported that their respective shareholdings in the Company had risen above the 3% threshold.

On 18 July 2022, Capital Research and Management Company and Capital Income Builder Inc reported that their shareholdings in the Company had fallen below the 3% threshold.

Communications and other relevant information reported to the Spanish Securities Market Commission (CNMV) in 2022:

- **23 September 2022**
  Logista acquires Carbó Collbatallé S.L
- **19 August 2022**
  Related-party transactions report
- **21 July 2022**
  Press release announcing Q3 2022 results

  Announcement of results for Q3 2022
- **21 July 2022**
  Distribution of interim dividend for the 2021-2022 financial year
- **4 July 2022**
  Details of transactions completed under the liquidity agreement in Q2 2022
- **9 May 2022**
  Press release announcing H1 2022 results

  Presentation of results for the H1 2022

  Announcement of results for the H1 2022
- **3 May 2022**
  Invitation to take part in the H1 2022 Results presentation (audio-webcast)
- **6 April 2022**
  Board member resignation and appointment
- **5 April 2022**
  Details of transactions completed under the liquidity agreement in Q1 2022
- **16 February 2022**
  Acquisition of Speedlink Worldwide Express
- **15 February 2022**
  Press release naming Chief Financial Officer
- **7 February 2022**
  Press release announcing Q1 2022 results

  Announcement of Q1 2022 results
- **3 February 2022**
  Agreements approved by the 2022 Annual General Shareholders' Meeting
- **5 January 2022**
  Details of transactions completed under the liquidity agreement in Q4 2021
- **14 December 2021**
  Call for Annual General Shareholders' Meeting
- **5 November 2021**
  Press release announcing results for the 2021 financial year

  Results presentation for the 2021 financial year

  Announcement of results for the 2021 financial year
- **4 November 2021**
  Share buyback
- **29 October 2021**
  Notice of presentation of the results for the 2021 financial year
- **28 October 2021**
  Share buyback
- **21 October 2021**
  Additional information

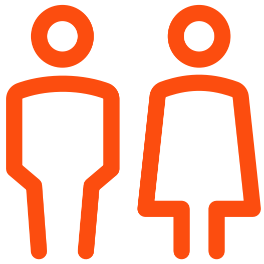
  Share buyback
- **15 October 2021**
  Share buyback
- **8 October 2021**
  Share buyback
- **6 October 2021**
  Details of transactions completed under the liquidity agreement in Q3 2021
- **5 October 2021**
  Share buyback

Announcements concerning inside information in 2022

17 June 2022
Announcement of agreement to acquire Transportes El Mosca

6. People development

The people who integrate Logista are the force that guarantees the results and development of the business. Safety, talent development, diversity and inclusion are the axes of the people management strategy at Logista.



In 2022, we have continued to roll out our comprehensive **human resources plan** which, as in previous years, is aligned with our corporate objectives and business needs, incorporating people management and all that this entails as part of the Company's general strategy.

The annual targets set out in this plan are included and further defined in our **human resources roadmap, which guarantees that the initiatives outlined within it will not only help to efficiently achieve goals** in terms of business operations, but also in terms of sustainability-related matters: employee health and safety, diversity and the attraction and development of talent.

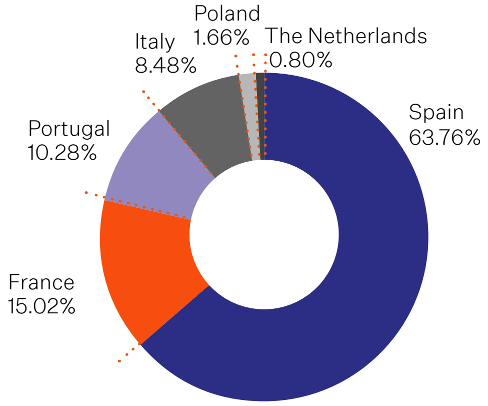
The **centres for excellence established by HR management** set out and define the company's people management processes. To do this, and based on the principle of continuous improvement, they are tailored to suit the specific needs of each business line and each market and designed to implement the best practices in each specialist area.

This year, a special effort has been made to **improve both our descriptive and predictive analytics** – improving our "Balanced Scorecard" – allowing us to enhance our overall ability to measure and analyse the impact of our practices over the upcoming years.

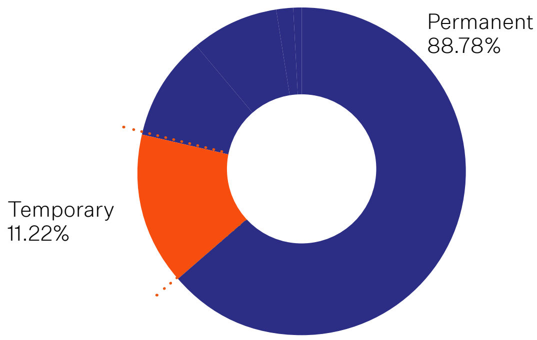
Logista employs a total of 5,533 employees of over 50 nationalities, figures that pay testament to the Company's commitment to **diversity**. The Financial Times has once again officially recognised Logista's commitment by including it in its listing of the leading European companies in diversity and inclusion for a second consecutive year.

Employees	Nationalities
5,533	**50**

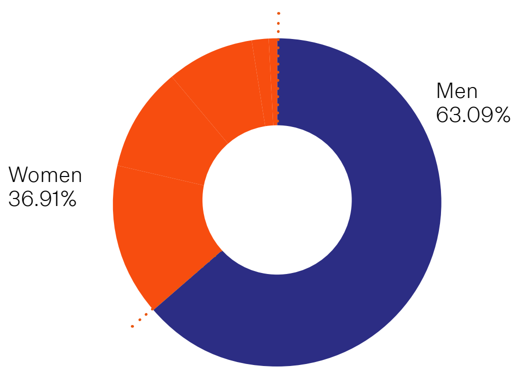
Employees by country



Distribution of work contract types

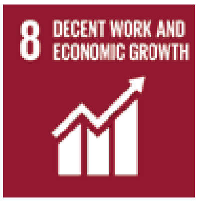


Employees by gender



Our comprehensive **human resources plan** is fully aligned with the sustainable development goals set out in the UN's 2030 Agenda. The following goals are the primary sources of inspiration for our main initiatives:

Health and well-being: guaranteeing the safety of our employees. This is why workplace accidents are incorporated into the way in which variable remuneration is calculated for the entire management and leadership team.



Decent work and economic growth: we have signed 672 permanent contracts in 2022, helping to create employment and a social environment contributing to our people development as part of our ongoing commitment to social compliance in the workplace.

Gender equality: incorporating the Rooney Rule into our selection processes to ensure that 50% of all our candidates are women. We also have dedicated programmes in place, such as the management development programme "Empowering Female Talent", together with the specific, customised development plans for women that are included as part of the succession plan.

Quality education: We help to integrate young professionals having the necessary technical and professional competences into the job market. We employ interns from a variety of educational institutions, including dual vocational students, creating specific professional development programmes for them. In 2022, a total of 67 students have worked with us as part of their course.

Developing **young talent** is one of the Company's key strategic goals. The "**Youners" programme,** first introduced four years ago remains one of Logista's flagship projects. Its aim is to ensure that employees enrolled on this programme work their way up to managerial roles or positions that require taking on greater responsibility within Logista, thereby strengthening succession plans and guaranteeing business continuity.

This year, we have welcomed 46 people to "Youners". This financial year events to bring together Youners and CEOs from the different businesses and countries were organised in a bid to give the youngest members an opportunity to get to know the top senior management of the group.

In order to ensure the sustainability and growth of the business, Logista is actively working on the succession plan for managerial and critical positions.

Once the Company's critical positions have been identified, we use the Talent Density indicator to determine the talent index in these critical positions. This indicator is the result of combining the level obtained in the annual performance review matrix with the potential for growth of people occupying these positions.

Thanks to the **individual development and action plans** put in place for those occupying critical positions, we have increased our talent density for this group by 22% over the course of the last two years. This indicator is one of the Company's sustainability goals, and as well as being linked to variable remuneration, it is annually reviewed by the Company's management committee and board of directors.

A **target of 90% has been set for this indicator, with 93% being achieved this year.**

This year **181 potential successors have been identified, +9% than last year** thanks to the previously mentioned Youners programme. Individually-prepared professional development plans have been drawn up and implemented to ensure that these employees have the preparation they need to take on the responsibilities required in the positions identified as critical for the business.

Organisation of working time

Over the past few years, we have rolled out **measures relating to the organisation of work and time worked across our businesses with a view to helping improve the work-life balance of our employees.** As an example of these measures, which are all tailored to the various businesses and sectors in which we operate, we would highlight the following: flexitime, reduced working hours during the summer months, at christmas and easter, as well as adapting working hours and granting unpaid leave to employees based on their personal circumstances and needs.

In 2022, Logista approved the option for employees to **work from home** in a bid to help improve their work-life balance. This initiative also helps to reduce the amount of people commuting on any given day, thus supporting the Company's commitment to environmental and social sustainability.

We remain **committed to designing and implementing digital tools that aim to improve people's work-life balance and ensure that the Company has the necessary mechanisms in place to allow its employees** to disconnect digitally and therefore from their work. Thus, rights such as digital disconnection and measures that promote conciliation and co-responsibility have been consolidated.

Absenteeism

Logista continually monitors the level of absenteeism, considering this as any absence from work due to an accident or illness that has an impact for social security purposes. During the 2022 financial year, there were 538,524 hours of absenteeism, compared with 558,223 hours in the previous year. Absenteeism therefore decreased by 3.5% during 2022, primarily due to two factors: less of an impact from COVID-19, as well as the reduction in the accident rate.

Remuneration policy

Logista remunerates its employees in line with their level of **responsibility, leadership and performance within the organisation.** When designing our remuneration policy, we take account of best market practice, with the aim of achieving a competitive compensation model that also promotes meritocracy and equal opportunity.

Our remuneration system is determined on a neutral and objective basis. It is founded on market recognised job evaluation methods to ensure there is no discrimination on the grounds of gender, age, background, sexual orientation, religion or race.

Logista's remuneration system consists of a **fixed annual salary, short- and long-term variable remuneration, remuneration in kind and different types of social benefits** that are tailored to the needs and local customs of each business and country. Some examples worth noting include social welfare, subsidised child support and health insurance schemes,etc.

Variable remuneration incentivises business growth through increasing operating revenue, cash flow and shareholder returns.

We also reaffirm our clear commitment to sustainability by including ESG objectives in the short- and long-term variable remuneration scheme for the entire management and leadership team. The Company incorporates benchmarks into its remuneration system to measure factors such as diversity, workplace health and safety, the fight against climate change and wage equality. **At Logista, we put the principle of equal pay for work of equal value into practice, meaning that our employees are paid equally irrespective of gender.**

In this regard, this financial year, the Company has embarked on a project to complete a **detailed analysis of the gender gap in each country and business.** The aim is to identify potential inequalities and implement the necessary measures to rectify them. During this financial year, the analysis has been focused on short-term fixed and variable remuneration and no specific gender inequalities have been found as the existing gap is predominantly defined by how long the employee has worked for the Company.

This analysis will continue in subsequent financial years and will include the total remuneration paid and a review of the current job map to ensure the value of each position has been correctly categorised. All of this will help to ensure the quality of this analysis.

Average remuneration by gender (€)	Total 2022	Total 2021
Men	39,430.95	39,282.97
Women	33,745.87	32,789.50

Average remuneration by professional category (€)	Total 2022	Total 2021
Senior management	300.558,82	285,238.52
Management	106,448.11	99,556.48
Professionals	63,226.02	59,485.81
Technical and administrative staff	33,884.52	33,564.18
Warehouse staff	27,293.40	28,102.99

Average remuneration by age (€)	Total 2022	Total 2021
Aged up to 30	22,337.19	23,703.33
Aged 30-50	35,688.62	35,234.14
Aged 51 and above	48,029.57	46,782.62

Average remuneration of management team by gender (€)	Total 2022	Total 2021
Men	303,743.91	292,373.88
Women	286,453.43	248,542.38

Average remuneration of board members by gender (€)	Total 2022	Total 2021
Men	198,135	194,664
Women	91,885	91,256

In average salary terms, the **global gender pay gap** is 14.42%, compared to 16.53% in 2021. To consider the average remuneration, all remuneration concepts are taken into account (except compensatory ones) of all employees active at the end of the year, considering them on an annualized full-time basis.

The most significant differences keep occuring in the categories of technical and administrative and warehouse, due mainly to seniority in warehouse and administrative staff. The category of technical and administrative staff brings together a diversity of positions with very different salary valuation in the market, from technical positions with a high degree of technical skills: engineers, etc. and administrative and business support positions, occupied mostly by female employees.

The overall median gender pay gap is 8.33%. This indicator is important as it takes into account the highest and lowest ends of the scale.

Health, safety and well-being

Logista regards the **health, safety and well-being** of its employees as one of its core values and is committed to providing a safe and secure working environment. Every one of us at Logista has a part to play in our **culture of health, safety and well-being.**

We have continued to bet on health and safety training as a basic element for the achievement of our objectives. In this period, a total of 3,500 training actions have been carried out that have reached a total of 5,500 people, representing a total of 20,919 hours of training.

The **centre for excellence** in health, safety and well-being has focused on the following priorities throughout the year:

Reducing the accident rate

As Logista's health, **safety and well-being policy** sets out, one of the Company's main priorities is to continually reduce the number of work-related accidents, with the ultimate aim of reaching "zero accidents". Based on this target, goals have been set for each one of Logista's businesses. In 2022, the Company successfully achieved the target set, reducing the accident rate down to 2.17% compared to the previous year's 2.22%.

Over the past five years, **Logista has managed to reduce its accident rate by more than 20%.**

ISO 45001 Certification

During the reporting period, Logista has continued to consolidate its management system for workplace health and safety, in line with the ISO 45001 international benchmark standard. The company is certified by this standard in a number of its business and facilities. In Spain, Logista, S.A., Logista Parcel, Logista Pharma, Nacex and Logista Freight are all certified. In Italy, Logista Italia. While in Portugal, Logista Portugal, Logista Parcel, Logista Pharma, Nacex and Midsid, which are all located in the Alcochete (Lisbon) facility, have all obtained the certification. And in Poland, Logista Polska has also been certified.

In line with the guidelines established by its management system, in 2022, Logista carried out 6 initial risk assessments of its new facilities and 16 assessments of its existing facilities. In addition, 350 safety inspections have been carried out and 15 internal audits have been conducted.

In terms of measures taken to prevent work-related accidents, the Company has investigated a total of 92 accidents that led to sick leave, 75 accidents that did not lead to sick leave, 3 workplace incidents and 35 accidents involving contracted suppliers.

Well-being in the workplace

Logista considers a strategic pillar within the management of people the **implementation of measures that promote the well-being of its work teams, both in the physical and psychosocial field.** With this objective, during the financial year 2022, numerous measures have been implemented, among which we can highlight the following actions implemented in different centres of the Company: analysis of psychosocial risks and action plan, cardio protection equipment in all centres, healthy menus in the canteens of the centres, fruit available to employees, etc.

Management of COVID-19 pandemic

In 2022, the Logista's health, safety and well-being committee has continued to manage the effects of the COVID-19 pandemic, to guarantee **the health and safety of those working with the company against COVID-19.**

	Total 2022	Men	Women	Total 2021	Men	Women
Accidents	92	67	25	114	82	32
Frequency index	9.4	10.87	6.9	11.22	13.02	8.29
Severity index	0.29	0.3	0.28	0.2	0.25	0.12
Confirmed occupational illnesses	0	0	0	0	0	0
"Lost time accidents rate"	1.88	2.17	1.38	2.24	2.6	1.66
Fatal work-related accidents	0	0	0	0	0	0

Work-related accidents resulting in sick leave, excluding accidents while travelling to or from work and relapses.

Social relations

The centre for excellence in labour relations is tasked with **managing the prevention of any potential legal and reputational risks or social conflicts,** so that each business can function in the best possible way both from a strategic and operational point of view. As such, Logista seeks to operate in the market by offering a safe and stimulating environment for our investors and shareholders, as well as for our employees and all other stakeholders.

The centre for excellence **champions and shares best practices in terms of social and labour relations, as well as relations with trade unions**, based on the principles of **regulatory compliance, responsibility, transparency and due diligence,** acting across the entire organisation. Based on this, and thanks to an international and specialist team which is fully integrated across each business, we are able to identify potential conflicts and risks before they materialise, in order to avoid or mitigate them.

Logista is committed to continuing to champion a **stable and safe work environment under the principles and mandates of the United Nations Global Compact on Human Rights**, and the resolutions and recommendation of the International Labour Organization and the European Social Charter. In short, we manage our labour relations in accordance with regulatory frameworks at the international, European and local level, and we improve the employment conditions of our employees via internal and collective agreements aimed at achieving a work environment that is safe and that respects the personal life of employees, their health and professional development.

Furthermore, we also encourage relations with trade unions and workers' representatives on the basis of responsibility and transparency, cooperation and commitment.

98.32% of Logista's employees are covered by conventions and collective agreements, with the exception of those who provide services in Poland and some seniors from Spain.

Training

In 2022, Logista has continued to design and implement its **individual employee development plans** based on the 3Es model: Experience (70%), Exposure (20%) and Education (10%).

The **number hours of training** given this year reached 61,244, versus 44,740 in financial year 2021, up 37% y-o-y. These figures are testament to the effort made by the Company throughout the year to ramp up the level of training offered and help with the continued development of talent and, as a result, of Logista.

Our **training plan** focuses on areas such as operative excellence, sales, leadership and project management. However, the money invested in training in 2022 has also targeted other areas, such as improving employees' digital skills, languages, their workplace well-being etc.

The **training plan** is incorporated as part of our development model together with the individual plans drawn up for our critical positions, as well as those defined as part of the succession plans put in place for these positions. In this way, we manage the development of our employees via a cross-cutting model that encompasses a mix of both collective action aimed at enhancing our overall business strategy and targeted action aimed at helping the individual professional development of the Company's employees.

Training is offered both online and in person to ensure it is available to the entire Logista team and to guarantee access to as much content and as many courses as possible to all those employed across our businesses, irrespective of where they are.

It is important to highlight two global training initiatives carried out this year, which although not directly linked to developing specific skills, underline the corporate culture and values that this Company wants to impress upon all its employees:

- **Diversity and inclusion training:** this was given to all those employees responsible for managing teams to highlight the importance of developing a leadership style and culture that ensures an inclusive work environment. All those holding managerial positions at Logista will be ambassadors of these values, ensuring they form part of the Company's corporate culture.

- **Ethics and compliance training:** Logista employees were required to complete a training course on issues that are particularly important to our business model, such as tackling fraud, corruption and bribery, fiscal responsibility and respect for human rights among others. During this last year, Logista has provided training for its employees in two basic areas that form an integral part of the management and operation of its business, namely the code of conduct and the prevention of money laundering and the financing of terrorism.

Total hours of training by professional category	Total 2022	Total 2021
Senior management	549	571
Management	3,188	4,381
Professionals	7,288	7,477
Technical and administrative staff	32,381	20,673
Warehouse staff	17,840	11,639

Social strategy, diversity and inclusion

Logista is deeply committed to its **social strategy,** which outlines the framework for ensuring the Company is a truly diverse and inclusive organisation.

The success of this strategy can be seen from the widespread **recognition** that the Company has received both on the **international level and within Spain.** One of the most prestigious accolades is without doubt the recognition received from the Financial Times, which has named Logista as **one of Europe's most inclusive companies, including it in its Diversity Leader ranking for a second consecutive year.** Our inclusion programmes also earned us recognition as a **Diversity Leading Company** by the specialist publication Equipos y Talento. Lastly, it is also important to note that Logista is included in the **IBEX Gender Equality Index,** an index made up of the listed companies that have a ratio of between 25% and 75% of women on their board of directors and between 15% and 85% employed in senior management positions. We have 42% of women on the board of directors and 22% of women on the management committee.

This recognition highlights the concerted and continued effort that Logista makes via its action plan, that this year has included initiatives such as:

- **Launching the "Leadership and Inclusive Environments"** training initiative designed to offer directors and managers a deeper appreciation of the personal needs and situations of the people forming part of their teams. The outcome is more flexible and better integrated teams throughout the Company.

- **Rolling out the "Empowering Female Talent"** programme, which included events, awards, training videos and a mentoring programme to promote the professional development of women in Logista.

These new initiatives come in addition to others introduced in previous years, such as the initiative to ensure that **50% of all final-round candidates in selection processes are women; to include specific plans designed to guarantee professional development opportunities for female talent; and to tie equality and diversity objectives** to the variable remuneration received by the Company's directors and managers.

Another key objective of Logista's social strategy is to champion **the inclusion of socially-vulnerable groups** by working with a number of foundations and associations. As a result of this commitment, in 2022 172 people with disabilities have joined the Logista team, up 23% on the previous year (140 people).

In 2022, workplaces have continued to be improved by adapting toilets, ramps or specific parking spaces, among others elements, with the aim of **ensuring that all persons who are part of the Company, regardless of their different capabilities, can access and use the Logista facilities of a similar way.**

Lastly, **Logista's social commitment** can also be seen through its collaboration with various NGOs and organisations, as well as via the initiatives it undertakes throughout the year in fields such as health and illness prevention, education and training, and in childhood-related issues, to name just a few.

Inclusion

50%

of all final-round candidates in selection processes are women

Employment

Employees by gender	Total 2022	% 2022	Total 2021	% 2021
Female	2,042	36.91%	2,213	37.82%
Male	3,491	63.09%	3,638	62.18%
Overall total	**5,533**	**100%**	**5,851**	**100%**

Employees by age	Total 2022	% 2022	Total 2021	% 2021
Aged up to 30	633	11.44%	657	11.23%
Aged 30-50	3,478	62.86%	3,731	63.77%
Aged 51 and above	1,422	25.70%	1,463	25.00%
Overall total	**5,533**	**100%**	**5,851**	**100%**

Employees by country	Total 2022	% 2022	Total 2021	% 2021
Spain	3,528	63.76%	3,553	60.72%
France	831	15.02%	1,228	20.99%
Portugal	569	10.28%	526	8.99%
Italy	469	8.48%	458	7.83%
Poland	92	1.66%	86	1.47%
Netherlands	44	0.80%		
Overall total	**5,533**	**100%**	**5,851**	**100%**

Employees by professional category	Total 2022	% 2022	Total 2021	% 2021
Senior management	38	0.69%	43	0.73%
Management	188	3.40%	198	3.38%
Professionals	362	6.54%	369	6.31%
Technical and administrative staff	2,621	47.37%	2,611	44.62%
Warehouse staff	2,324	42.00%	2,630	44.95%
Overall total	**5,533**	**100%**	**5,851**	**100%**

Distribution of work contract types	Total 2022	% 2022	Total 2021	% 2021
Permanent	4,912	88.78%	4,999	85.44%
Temporary	621	11.22%	852	14.56%
TOTAL	**5,533**	**100%**	**5,851**	**100%**
Full-time	5,148	93.04%	5,446	93.08%
Part-time	385	6.96%	405	6.92%
TOTAL	**5,533**	**100%**	**5,851**	**100%**

Average no. of employees by gender	Distribution by gender 2022		Distribution by gender 2021	
	Men	Women	Men	Women
Permanent	3,180	1,781	3,217	1,813
Temporary	371	324	445	368
TOTAL	**3,552**	**2,105**	**3,662**	**2,181**
Full-time	3,436	1,830	3,536	1,890
Part-time	115	275	126	292
TOTAL	**3,552**	**2,105**	**3,662**	**2,181**

*This indicator is calculated using the annual average number of employees at the end of each month.

Average no. of employees by age	Distribution by age 2022			Distribution by age 2021		
	<30	≥30-<50	≥50	<30	≥30-<50	≥50
Permanent	364	3,156	1,441	353	3,280	1,398
Temporary	239	390	67	262	440	111
TOTAL	**602**	**3,546**	**1,508**	**616**	**3,720**	**1,509**
Full-time	575	3,265	1,426	588	3,419	1,419
Part-time	27	281	83	28	301	89
TOTAL	**602**	**3,546**	**1,508**	**616**	**3,720**	**1,509**

*This indicator is calculated using the annual average number of employees at the end of each month.

Average no. of employees by professional category 2022	Senior management	Management	Professionals	Technical and administrative staff	Warehouse staff
Permanent	41	189	374	2,477	1,881
Temporary		1	3	210	482
TOTAL	**41**	**190**	**376**	**2,687**	**2,363**
Full-time	41	187	358	2,500	2,180
Part-time		3	19	186	182
TOTAL	**41**	**190**	**376**	**2,687**	**2,363**

*This indicator is calculated using the annual average number of employees at the end of each month.

Average no. of employees by professional category 2021	Senior management	Management	Professionals	Technical and administrative staff	Warehouse staff
Permanent	44	197	384	2,328	2,078
Temporary	0	2	1	281	530
TOTAL	**44**	**199**	**384**	**2,609**	**2,608**
Full-time	44	193	362	2,427	2,401
Part-time	0	6	22	182	207
TOTAL	**44**	**199**	**384**	**2,609**	**2,608**

*This indicator is calculated using the annual average number of employees at the end of each month.

Dismissals by gender	Total 2022	Total 2021
Women	47	64
Men	83	111
Overall total	**130**	**175**

Dismissals by professional category	Total 2022	Total 2021
Senior management	3	1
Management	3	7
Professionals	6	14
Technical and administrative staff	59	75
Warehouse staff	59	78
Overall total	**130**	**175**

Dismissals by age	Total 2022	Total 2021
Aged up to 30	12	23
Aged 30-50	71	100
Aged 51 and above	47	52
Overall total	**130**	**175**

Turnover	Total 2022
Women	13.4
Men	13.0
Overall total	**13.1**

7. Client satisfaction

Clients are the core focus of Logista's business model. We have developed a unique business model, offering clients innovation, sustainable growth and long-term value in a constantly-changing world.

Excellence and the highest quality of service

Thanks to an **extensive use of technology,** we offer clients a bespoke service, specifically tailored to each sector: tobacco and related products, transport and pharmaceutical distribution among others.

We include sustainability in our objective to offer the highest quality of service, always seeking efficiency in our operations and to carry them out in the right social and environmental conditions.

We therefore promote ongoing **open and transparent dialogue** with our clients through a range of specific communication channels tailored to their circumstances (person-to-person contact, meetings, electronic mailboxes, call centres, etc.), or through shared communications channels for different stakeholders, such as the Company's corporate website (www.logista.com) or the websites of its different businesses.

Logista also has a range of **different systems for dealing with consumer complaints and claims.** Each business sets up these systems, tailoring them to suit its individual nature and that of its consumers.

During the 2022 financial year, Logista received 15,383 claims and complaints from consumers (15,691 in 2021). In total, these accounted for just 0.04% of shipments and consignments handled by Logista.

99.95% of these claims and complaints relate to operational incidents from the transport division, for example due to the loss of goods; and these were resolved through agreements with the clients, based on the contractual terms agreed in the service provision. The remaining 0.05% correspond to complaints and claims received by other businesses in Spain, Italy and France.

We apply our commitment to **quality, sustainability and continuous** improvement across all our business activities and operations.

Stable, long-lasting relationships

Logista seeks to **establish stable, long-lasting relationships with its clients.** Relationships built on trust, that are beneficial to both parties and that always guarantee independent management and operational neutrality.

We apply our commitment to quality, sustainability and continuous improvement across all our business activities and operations and has numerous certifications to confirm this.

ISO 14064: verification of greenhouse gas emissions, including all Logista business and geographies.

ISO 9001: quality management system in place at more than 300 facilities belonging to a number of Logista's businesses in Spain (pharmaceutical product distribution, distribution of convenience products, tobacco distribution and transport services) and externally audited every year.

GDP (Good Distribution Practices): distribution of medication in accordance with European and Spanish regulations. This certification assures the quality and integrity of the pharmaceutical products throughout the supply chain. The businesses that distribute medical products are certified under this standard: Logista Pharma, Nacex, Logista Parcel and Logista Freight. Nacex has also widened the scope of its GDP certification to include for Best Distribution Practices for Medication intended for veterinary use.

GMP (Good Manufacturing Practices): correct handling, re-packaging and re-packing of medicines, awarded to Logista Pharma by the Spanish health authorities.

AEO (Authorised Economic Operator): the Agencia Estatal de Administración Tributaria (State Tax Administration Agency, AEAT), in its most stringent customs simplification, security and safety procedure, has certified Logista's pharmaceutical distribution and distribution of tobacco and related product businesses in Spain, along with its transport services businesses (Nacex, Logista Parcel and Logista Freight) and Logista Italia, as having appropriate customs control, financial solvency and levels of security and administrative management to ensure satisfactory fiscal compliance.

TAPA: certifies Logista Freight and Nacex's compliance with FSR (Facility Security Requirements) and TSR standards (Trucking Security Requirements) designed to guarantee the safe and secure transit and storage of assets of any member of TAPA worldwide.

ISO 14001: environmental management system in the businesses of pharmaceutical distribution and the distribution of tobacco and related products in Spain and in transport services (Nacex, Logista Parcel and Logista Freight).

IFS Logistics: accredits Logista Parcel for the security of its storage and transport operations and Logista Freight for the security of its storage and transport of foodstuffs and non-foodstuffs.

ISO/IEC 27001: information security management systems in Logista Pharma's medication storage and distribution operations at the Leganés headquarters.

New services in 2022

We offer a portfolio of client services specifically tailored to each sector and are committed to always delivering excellence and the most exacting standards of quality.

In a constantly changing world, we offer our clients innovation and sustainable growth, adapting and adjusting our services to make sure our solutions meet their ever-evolving needs.

During the 2022 financial year, we have continued to offer the services rolled out in previous years and also introduced important new additions.

For example, in **pharmaceutical distribution,** we would highlight:

- the distribution of medicines to patients' homes from hospital pharmaceutical and health centre services,
- the distribution of veterinary medicines, introduced on the back of the strong performance in the pet sector and the legislative change that came into effect in January, tightening requirements for the distribution of medicines for animal use. We have increased and strengthened our distribution services to veterinary clinics and, in particular, to pharmacies, where we expect to see an increase in our market share of medicines for animal use,
- the logistics management for cannabis-related products (raw and processed) for medicinal use.

All of these services are offered ensuring the most exacting of traceability and security standards.

In the **transport business,** we have introduced new services and also widened the scope of the services we already offered, completing a number of acquisitions.

The **acquisition of Speedlink Worldwide Express** has given Nacex access to more international routes, improving the shipping routes of its international service, and allowing it to offer specialist services worldwide. Speedlink Worldwide Express is a Dutch company belonging to the express courier sector.

The agreement sets out the acquisition of 70% of the company's share capital, and the acquisition of the remaining 30% over the course of the next three years.

In the **long-distance freight services,** Logista Freight has rolled out **new routes that offer an alternative to road transport,** such as rail motorways in France, Luxembourg, Poland and the UK and has acquired new P400 huckepack trailer units that allow the entire semi-trailer (chassis + bodywork) to be placed on the train. When the semi-trailers reach the end of their rail journey, they are then reattached to the lorry's cab and taken to their final destination. This type of transport reduces road mileage and therefore also helps to cut CO2 emissions, releasing circa 90% less CO2 into the atmosphere compared to road transport.

In June 2022 we announced the **agreement to acquire Transportes El Mosca,** a Spanish company specialising in goods transport and storage, the transport of refrigerated or frozen goods and high volume transport, primarily for the food industry. Transportes El Mosca has also consolidated its position as a domestic and international sea freight company, highly specialist in handling dry and temperature-controlled goods.

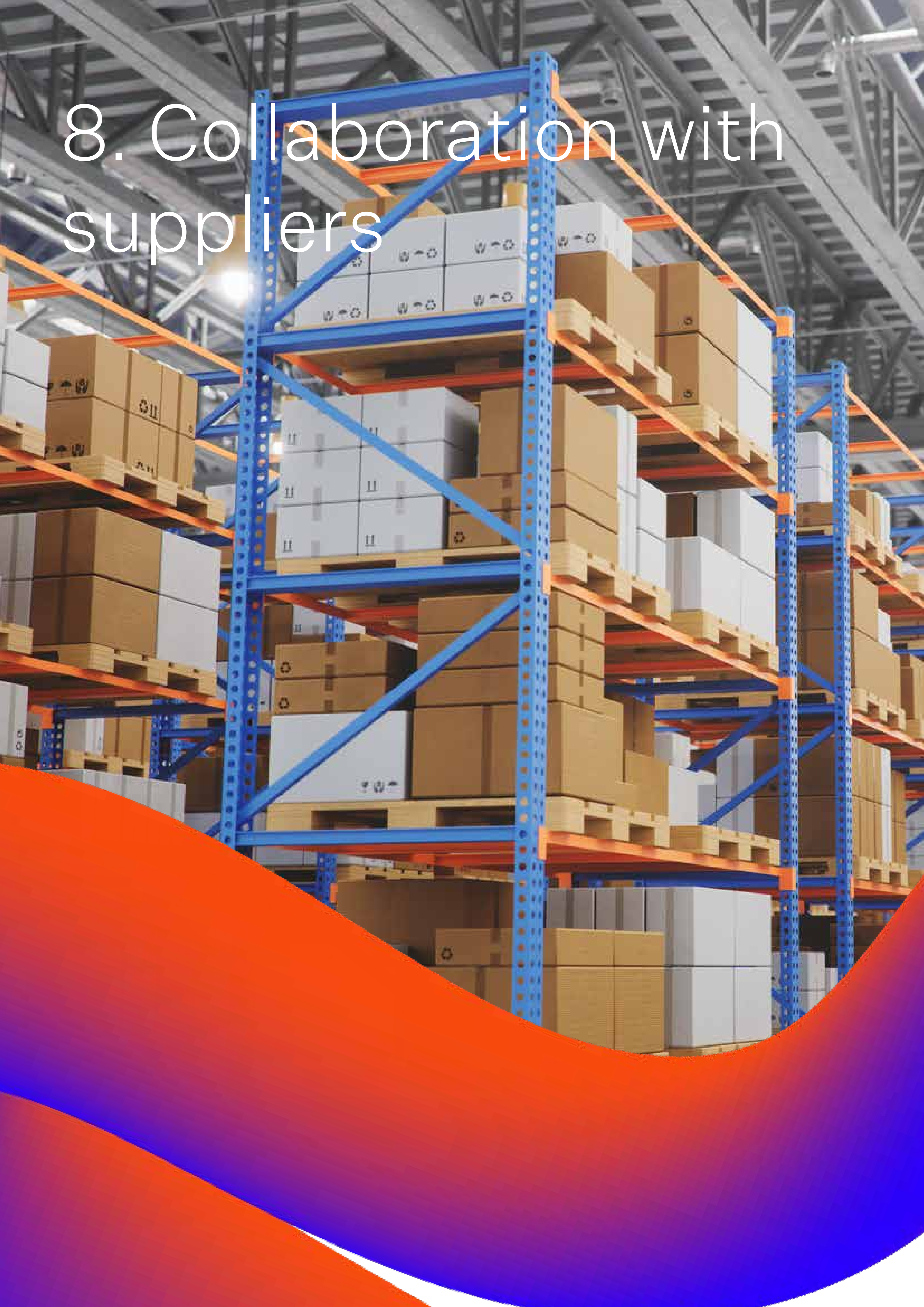
With this acquisition **we have extended our catalogue of value-add client services,** incorporating new temperature-controlled services which complement our existing business lines, particularly highlighting the refrigerated container sea freight service to the Balearic and Canary Islands and to other international markets, as well as a grouping service targeting the horticulture sector.

The agreement sets out the acquisition of 60% of the company's share capital, and the acquisition of the remaining 40% over the course of the next three years. The acquisition of the 60% of Transportes El Mosca has been closed at the beginning of 2023 financial year (28 October, 2022).

We have also announced the **acquisition of 100% of Carbó Collbatallé S. L.** The transaction has been closed at the beginning of 2023 financial year (1 October, 2022). Carbó Collbatallé is a Spanish company specialising in cold chain transport and logistics for the food industry.

This acquisition will help to bolster our position in the temperature-controlled transport sector in Spain, boosting our current capacity and extending the scope of the services offered to include the transport of frozen goods for the food industry.

8. Collaboration with suppliers



We ensure a responsible management of our supply chain, with sustainability representing a key element of our relationships with suppliers.

Logista's **general principles of conduct** set out the minimum standards and basic rules of conduct that must govern supplier operations – both towards their own employees and towards any third parties involved in carrying out their activities – in their dealings with Logista.

Compliance with these principles of conduct is **mandatory** and as such they must be understood and accepted by all of Logista's suppliers. To ensure they are publicly available, they are published on the Company's corporate website.

Procurement Policy

Logista's procurement policy also sets out Logista's guiding principles on ethics, labour, sustainability, quality and client satisfaction, and forms the basis for supplier tendering and selection.

Under the **procurement guidelines,** tendering must also be governed by the principle of ethical and professional conduct.

Supplier **tendering and selection** is conducted via an **objective and rigorous process.**

To evaluate how compliant suppliers are with **standards of quality, safety and professionalism,** as well as with all other standards required by Logista, we conduct regular evaluations.

In 2022, Logista carried out **708 supplier audits,** and did not identify any significant shortcomings in any of them. In 2021, 824 supplier audits were carried out.

The checks form part of the control systems put in place in each business. The regular checks include the evaluation of certified quality control systems, a review of the degree of compliance with regulatory strategies, and the monitoring and evaluation of delegates and other commercial representatives via unannounced on-site inspection.

Resource optimisation

In order to **optimise and streamline resources,** all significant purchases of goods and services corresponding to general purchases, supplies, maintenance services and information and communications technologies, as well as CAPEX, are centralised.

However, due to their nature or low cost, the procurement of some goods and services is not suitable for centralised management. In these cases, the established procurement process is followed, to comply with the general procurement guidelines set out in the procurement policy and **to ensure transparency, efficiency and equity in those purchases.**

1. Principles of ethical and professional conduct. Code of conduct	2. Procedure and rules for reporting malpractice
Objectives	**Objectives**
Establishes ethical values and other guidelines and principles of responsible conduct, applicable to Logista's management	The code of conduct created a whistleblower channel for reporting any conduct, facts, omissions or non-compliance (malpractice) that constitutes an Infringement of the code of conduct
Area	**Area**
General. All Logista employees	General. All Logista employees
Scope	**Scope**
Criminal activities, theft of products by clients/suppliers, bribery, fraud, falsification of company accounts or records, facilitating incorrect data or information, theft of company information, breaches of security/health and safety/environmental rules, discrimination	n/a

3. Procurement policy/guidelines

Objectives

i) Optimising and streamlining the use and availability of resources through centralisation (synergies, economies of scale), ii) Highlighting the importance of the procurement process (duties and responsibilities of those involved in the process), iii) Preventing risks of fraud in procurement processes, iv) Establishing basic principles of procurement: 1- competition, 2- publicity, 3- non-discrimination, 4- preventing conflict of interest, 5- ethical and professional conduct, 6- reasoned decisions, 7- separation of roles, 8- general principles of supplier conduct, v) creating a register of suppliers

Area

Procurement activities

Scope

Purchases included, purchases excluded

4. General principles of supplier conduct

Objectives

Minimum standards and basic rules of conduct that must govern the operations of Logista suppliers. Not just in relation to Logista, but also in terms of suppliers' relationships with their employees, third parties and the environment. Logista's principles are also the principles that we expect of our suppliers

Area

Suppliers

Scope

Compliance with laws, transparency in dealings with public authorities, freedom of competition, prevention of money laundering, compliance with tax and social security regulations, principles of honesty and transparency, confidentiality of information, respect for intellectual property rights, respect for personal and family privacy, compliance with labour obligations, respect for employees, safe and healthy working environment, protection of the environment

9. Minimising environmental impact

Logista is committed to minimising the environmental impact of its business operations.

Recognition

A-List

by CDP for sixth consecutive year

Use of electricity from renewable sources

100%

in all of our warehouses in our main markets

Our quality, environment and energy efficiency policy establishes guidelines and best practices that are designed to **optimise the use of resources and prevent processes from causing pollution** – in strict compliance with regulations and the voluntary targets we have signed up to.

We are therefore involved in various initiatives that **aim to control and manage the current and foreseeable impacts of our business activity on the environment,** and to address key environmental aspects.

Logista champions respect for the environment among our employees, clients, suppliers and society as a whole.

We have specified the **main environmental and quality indicators** relevant to a sustainable development, and monitor and evaluate these regularly, carrying out energy audits in each country and for each business.

In addition, we promote respect for the environment among our employees, clients, suppliers and society as a whole.

The quality, environment and energy efficiency policy is available for all employees and other stakeholders on the Intranet and on our corporate website.

Pursuant to the ISO 14064 standard, Logista has also calculated its carbon footprint, using the methodology set out in the GHG Protocol. The environmental management system of Logista's businesses in Spain is also certified under the ISO 14001 standard.

Logista actively promotes modernising its facilities and renewing its subcontracted vehicle fleets with more efficient and less-polluting modes of transport, committed to reducing its CO_2e emissions and its emissions of other ozone-depleting substances (ODS), nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air pollutants.

List of ISO 14001-certified centres

Business line	Centre	Address	Certifying body	Expiry date	Scope
Transport (Logista Parcel)	Sant Andreu de la Barca	Dronas 2002 S.I.U. / C/ Energía, 25-29 Pg Nordeste, 08740, Sant Andreu de la Barca, Barcelona	TÜV RHEINLAND	02/10/2025	Transport and distribution of temperature-controlled goods.
Transport (Logista Parcel)	Getafe	Dronas 2002 S.I.U. / P.I.La Carpetania C/Miguel Faraday, 32-34,28906, Getafe, Madrid	TÜV RHEINLAND	02/10/2025	Transport and distribution of temperature-controlled goods.
Transport (Logista Freight)	Leganés	P.I. Polvoranca, C/ del Trigo, 39, 28914 - Leganés (Madrid)	AENOR	30/06/2025	Management of national and international road transport of general goods.
Tobacco and related products (Spain)	Leganés	Compañía de Distribución Integral Logista S.A.U - Dirección de Zona Centro. C/ Trigo 39 Poligono Industrial Polvoranca, 28914 Leganés	BUREAU VERITAS	24/07/2024	The storage and distribution of tobacco and tobacco-related products, postage stamps, stamped and other documents, lottery tickets, food (excluding frozen products) and beverages, retail consumer products to retailers and management of the organisation's own collections and payments.
Tobacco and related products (Spain)	Riba-Roja	Compañía de Distribución Integral Logista S.A.U. - Dirección de Zona Levante. P.I. La Reva, C/ Mistral, 2 Naves A y B. Riba-Roja, 46190, Valencia	BUREAU VERITAS	24/07/2024	The storage and distribution of tobacco and tobacco-related products, postage stamps, stamped and other documents, lottery tickets, food (excluding frozen products) and beverages, retail consumer products to retailers and management of the organisation's own collections and payments.
Tobacco and related products (Spain)	Barcelona	Compañía de Distribución Integral Logista S.A.U. - Dirección de Zona Noreste. P. I. Parc Logistic. Avda 1 Nº 5-7, 08040 Barcelona	BUREAU VERITAS	24/07/2024	The storage and distribution of tobacco and tobacco-related products, postage stamps, stamped and other documents, lottery tickets, food (excluding frozen products) and beverages, retail consumer products to retailers and management of the organisation's own collections and payments.
Tobacco and related products (Spain)	La Rioja	Compañía de Distribución Integral Logista S.A.U. - Delegación de Logroño. P. I. El Sequero, C/ Rio Leza, s/n, 26509 Agoncillo	BUREAU VERITAS	24/07/2024	The storage and distribution of tobacco and tobacco-related products, postage stamps, stamped and other documents, lottery tickets, food (excluding frozen products) and beverages, retail consumer products to retailers and management of the organisation's own collections and payments.
Tobacco and related products (Spain)	Sevilla	Compañía de Distribución Integral Logista S.A.U. - Dirección de Zona Sur-Sevilla. P. I. Aeropuerto, Cl. Rastrillo, s/n, 41020 Sevilla	BUREAU VERITAS	24/07/2024	The storage and distribution of tobacco and tobacco-related products, postage stamps, stamped and other documents, lottery tickets, food (excluding frozen products) and beverages, retail consumer products to retailers and management of the organisation's own collections and payments.

Business line	Centre	Address	Certifying body	Expiry date	Scope
Tobacco and related products (Sspain)	Andújar	Compañía de Distribución Integral Logista S.A.U. - Delegación de Andújar. Crta. Madrid-Cadiz, Km. 325, 23740 Andújar	BUREAU VERITAS	24/07/2024	The storage and distribution of tobacco and tobacco-related products, postage stamps, stamped and other documents, lottery tickets, food (excluding frozen products) and beverages, retail consumer products to retailers and management of the organisation's own collections and payments.
Pharmaceutical distribution (Logista Pharma)	Leganés	Oficinas Centrales/ Planta C/ Trigo, 39 - 28914 Leganés Madrid	SGS	12/03/2025	Pharmaceutical and healthcare product logistics (handover, warehousing, order picking and shipping), reverse logistics (returns of pharmaceutical and healthcare products), partial manufacture of medicines (handling) and investigational medicinal products.
Pharmaceutical distribution (Logista Pharma)	Piera	Planta Piera C/ Copérnico, 7 - 08784 Piera Barcelona	SGS	12/03/2025	Pharmaceutical and healthcare product logistics (handover, warehousing, order picking and shipping), reverse logistics (returns of pharmaceutical and healthcare products), partial manufacture of medicines (handling) and investigational medicinal products.
Pharmaceutical distribution (Logista Pharma)	Las Palmas Entrerrios	Planta P. I. El Sebadal C/ Entrerios, 5 Nave 3 35008 Las Palmas de Gran Canaria	SGS	12/03/2025	Pharmaceutical and healthcare product logistics (handover, warehousing, order picking and shipping), reverse logistics (returns of pharmaceutical and healthcare products), partial manufacture of medicines (handling) and investigational medicinal products.
Pharmaceutical distribution (Logista Pharma)	Barberá del Vallés	Avda. Torre del Mateu, 107 Can Salvatella, Manzana 6, Parcela 2 - 08210 Barberà del Vallès Barcelona	SGS	12/03/2025	Pharmaceutical and healthcare product logistics (handover, warehousing, order picking and shipping), reverse logistics (returns of pharmaceutical and healthcare products), partial manufacture of medicines (handling) and investigational medicinal products.
Transport (Nacex)	Hospitalet	P.I. Gran Vía Sur C/ Pablo Iglesias 112-122. 08908 - Hospitalet de Llobregat (Barcelona)	AENOR	19/11/2025	Express documentation and parcel delivery service and associated activities (collection, handling, storage, distribution and delivery).
Transport (Nacex)	Coslada	P.I. Coslada, Avda. Fuentemar, 8-12. 28823 - Coslada (Madrid)	AENOR	19/11/2025	Express documentation and parcel delivery service and associated activities (collection, handling, storage, distribution and delivery).
Transport (Nacex)	Barberá del Vallés	P.I. Can Salvatella, Avda. Torre Mateu, 107. 08210 - Barberà del Vallès (Barcelona)	AENOR	19/11/2025	Express documentation and parcel delivery service and associated activities (collection, handling, storage, distribution and delivery).

Environmental management

We include environmental risks and opportunities in our multidisciplinary risk management procedure described in the risk management detailed in the corporate governance chapter.

In 2021, we carried out a first analysis in line with the recommendations issued by the "Task Force on Climate-related Financial Disclosure" (TCFD) when assessing risks and opportunities related to climate change.

These recommendations not only apply to financial institutions but also to any other organisation, particularly the four sectors potentially most affected by climate change: energy, transport, materials and buildings, and agriculture, food and forestry. The objective of this initiative is to provide information about the economic impact of climate change on the organisation, so that the group's stakeholders (whether they are clients, investors, etc.) can have a clear idea of the material risks that lie ahead.

During the TCFD analysis carried out by Logista, we have considered two sets of physical scenarios (low emissions and high emissions) and two sets of transition scenarios ("Stated Policies Scenario" and "Future Policies for Sustainable Development").

Emissions scenarios

a) Low emissions: we have selected the RCP 4.5 scenario as the common scenario for lower emissions into the atmosphere. The outlook in the RCP 4.5 scenario includes major mitigation action and as a result sees emissions into the atmosphere peaking around the year 2040 before beginning to decline.

b) High emissions: we have chosen the RCP 8.5 scenario for analysing climate projections in a future with high emissions. The RCP outlook is a Business-as-Usual (BaU) scenario in which GHG emissions continue to rise at the current pace. This is a worst-case scenario of higher GHG emissions into the atmosphere and increased global warming.

Transition scenarios

a) Stated policies scenario: we have only considered policies that have been formally adopted by governments or are derived from current trends already observed in social, business, technological or market fields. For example, Spain's National Energy and Climate Plans.

b) Future policies for sustainable development scenario: the scenario we have adopted includes more ambitious reductions than current policies, in which the rise in global temperatures is kept below the 2ºC indicated in the Paris Agreement.

We have therefore completed an analysis of the above climate scenarios and transitional scenarios, as outlined by the TCFD through which future risks and opportunities were assessed from a general point of view.

We subsequently made an assessment, in accordance with the TCFD, of the economic impacts (impact on income, expenditure, assets, etc.) and the impacts on specific services (products and services, supply chain/value chain, adaptation and mitigation, investment in R&D and operations) were also assessed, together with our resilience to impacts, i.e. our capacity to respond to physical and transitional risks and to take advantage of opportunities identified.

In order to fulfil the TCFD requirements we will continue developping a cross-cutting procedure in the organisation involving all of its members in the identification and assessment of high-level risks.

Logista's risk and opportunities management system, includes climate change inside its climate-related risks (see risks detail in corporate governance chapter).

Procedure for prioritising climate-related risks and opportunities

Climate change risks and opportunities within the risk map are prioritised on the basis of the methodology described in the risks and opportunities management section from the corporate governance chapter.

Climate change's related risks generally cover a period of between five and seven years because a longer period would involve more uncertainties, although depending on the type of risk it could be longer.

The procedure for prioritising climate-related risks and opportunities follows the same stages as the risk management procedure applied across the group although it considers the casuistry and particularities of the recommendations.

Logista has prepared a TCFD-compliant report on climate-related risks and opportunities, fulfilling the requirements of the four declarations (governance, strategy, risk management and objectives and metrics).

Main environment-related risks and opportunities

Transitional risks

Current regulations

NOT MATERIAL

Logista analyses the impact of carbon taxes on fossil fuels. Although Logista sub-contracts vehicles for its transport activity, incorporating them into its activity, any carbon tax that is applied to fossil fuels will affect our operational costs through its impact on the tariffs of transport providers sub-contracted by Logista.Nonetheless, this type of risk has been identified as not relevant, with a "moderate probability" and a "low impact".

New regulations

RELEVANT

Europe's strategy to be the leading carbon neutral economy by 2050, hence exceeding the initial commitment made in the Paris Agreement, will require new regulations affecting all business sub-sectors and companies. This strategy includes among others objectives decarbonising the road transport sector.

This will also be complemented by increasingly greater restrictions on vehicles' access to cities. It is envisaged that these restrictions, until now isolated and supported by local regulations, may become widespread in all cities, supported by a common regulatory framework.

Logista may be indirectly affected by this risk, since its transport operations are sub-contracted, and account for more than 90% of all Logista's emissions.

This type of risk has been identified as relevant, with a probable probability and a moderate impact.

Technology

RELEVANT

New technology designed to reduce carbon emissions from transport is relevant to Logista, since existing and future regulations are pushing in this direction, and 90% of the Company's emissions are generated by its transport division's operations.

This type of risk has been identified as "relevant", with a moderate "probability" and a "moderate impact".

Legal

NOT MATERIAL

Legal risks have been identified as "not relevant" due to the nature of our business operations.

Moreover, Logista considers that there is "very little probability" of this risk materialising and the impact if it did would be "low".

Market

NOT MATERIAL

Logista distributes different types of products, and a change in consumer behaviour may affect the business in question.

This risk has been identified as not relevant to Logista.

Reputation

NOT MATERIAL

This risk has been identified as not relevant, as our business model helps to minimise the main climate-related impact.

Physical risks

Acute physical

RELEVANT

Acute physical risks mean those that are caused by climate events, including the greatest severity of extreme weather events such as snowstorms, storms and floods. These types of events are possible, although their probability is "low".

Floods or snowstorms could cause an interruption to distribution operations at our warehouses.

However, the number and frequency of these events is very low. When these climate events have occurred, Logista's rapid and effective response in the materialisation of this risk has resulted in a low impact. However, the fact that a service interruption may occur means that the impact of this risk should be considered "significant".

Chronic physical

NOT MATERIAL

Temperature and rainfall patterns may change, affecting animal species such as Lasioderma serricorne, commonly known as the tobacco beetle. Logista stores and distributes the final tobacco product, so the probability and the impact of any plague is much lower than at the manufacturer's premises. This risk has therefore also been identified as not relevant

Opportunities

Efficiency of resources

Although Logista outsources its transport operations, this process is fully integrated into its business operations and taken into account when calculating the Company's environmental impact. The group could reduce operating costs by using more efficient means of transport, which could also be key to allowing the group to meet its carbon emissions reduction targets.

In this regard, these savings could be achieved by using vehicles that are financed and/or partially subsidised, or by increasing Logista's market share in cities with restricted access as a consequence of the definition of low emission zones.

Logista is also already developing its transport decarbonisation strategy to include measures such as transport by rail or switching to vehicles with low carbon technology.

Energy resources

Cost reductions in the very long term, resulting from falling production costs of electrical energy from renewable sources. 100% of the electricity consumed at all of our warehouses in our main markets comes from renewable sources, as well as in the main warehouses in Poland.

The resources that Logista allocates to the prevention of environmental risks include:

- 94 people, with different allocation % (84 in 2021)
- 2,962,981 € (1,822,573 in 2021)

Given the nature of our business operations, we do not have any environmental provisions or guarantees that could be significant in relation to the Company's assets, its financial position or results. However, Logista is insured, applying the precautionary principle, through a civil liability policy that covers claims for personal injury and damages accidentally caused by sudden or unexpected contaminating events.

Logista has not been subject to any significant environmental fines or sanctions during the 2022 and 2021 financial years.

Climate change

Logista **calculates and promotes the reduction of its carbon footprint,** as part of its initiatives to minimise the environmental impact of its operations.

We calculate the carbon footprint of all our businesses and operations in the different countries in which we operate. This calculation includes the most relevant of our outsourced operations, such as 100% of the emissions resulting from transport and franchise operations, as well as indirect operations such as the purchase of goods and services. **The calculation is made based on the following recognised reporting standards:** Greenhouse Gas Protocol, UNE-EN 16258:2013: methodology for calculation and declaration of energy consumption and GHG emissions of transport services (freight and passengers) and ISO 14064-1:2019: Greenhouse gases.

An independent accredited entity verifies the carbon footprint calculation under the UNE-EN ISO 14064-3 standard, confirming the figures, reliability and traceability of the process.

Our transport division also notifies its clients, free of charge, of the carbon footprint of their deliveries and routes.

Greenhouse gas emissions 2022[1]

Direct stationary, mobile and fugitive GHG emissions

46,922

Scope 1 (t CO_2 eq,) 45,268 in 2021[2]

Indirect GHG emissions from imported energy

88

Scope 2 (t CO_2 eq,) 290 in 2021[2]

Indirect GHG emissions from the transport, purchase and use of goods and other sources

185,565

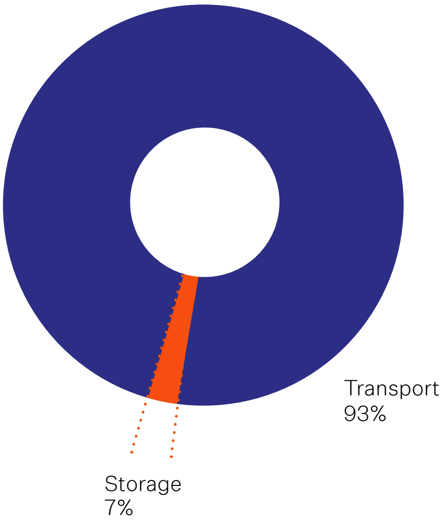
Scope 3 (t CO_2 eq,) 194,634 in 2021[2]

1 For the months in which no current data is available, a calculation has been made based on estimated forecasts and/or data from the previous year.

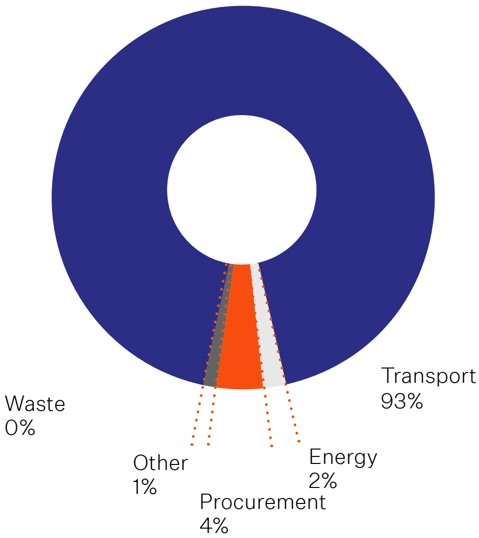
2 The reason for the variation between the '2021' data reported in the non-financial reporting statement (EINF) for the 2021 financial year compared with those reported in the 2022 EINF is due to the adjustment of estimated data from the previous year to the updated data obtained in 2022.

Distribution of GHG emissions in 2022

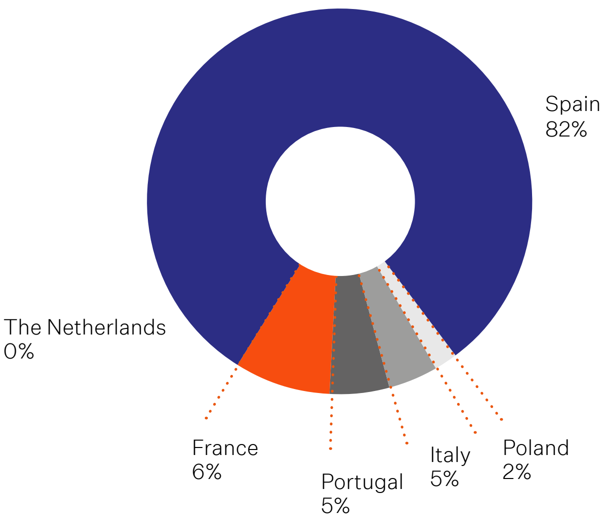
Emissions by operations



GHG emissions by source



GHG emissions by country



Noise and light pollution

Noise during daytime and night-time hours is measured at each of our facilities as per the frequency stipulated by environmental regulations. If the measurements show values close to the legal limit, there are action plans in place to correct the noise level.

Light pollution is not significant, we have made no specific arrangements for this aspect.

Measures adopted to adapt to the consequences of climate change

The **current risk management system** provides for the analysis and definition of action plans to address the consequences that climate change may have for the Company in the short and medium term.

Measures adopted to reduce carbon emissions

We reduce emissions by **continually optimising routes and renewing transport fleet agreements, including efficiency criteria,** promoting a gradual increase in the fleet of vehicles that operate with less polluting fuels.

In particular, we set ourselves the **target of increasing the number of low-emission vehicles** managed by our transport division by 15% in 3 years (2021-2023).

This year, Logista Freight has also strengthened its combined rail/road intermodal operations, enabling it to reduce CO_2 emissions for long-distance goods transport, in line with our environmental strategy.

100% of the electricity consumed at all of our warehouses in our main markets (Spain, Italy, France and Portugal) and our main warehouses in Poland, comes from renewable sources.

In addition, measures taken to improve energy eficiency and increase the use of renewable forms of energy, also foster the reduction of greenhouse gas emissions.

Awards

Logista was once again recognised in 2022 as one of the global leaders in combating climate change, having been included in CDP's prestigious 'A list' on the basis of the Company's 2021 climate report.

We are the only European distributor, and one of the only two global distributors, to be included in the 'A List' for the sixth year running. Only three Spanish companies, and 15 worldwide, have managed to maintain this distinction for six consecutive years.

Logista has also been recognised as a Supplier Engagement Leader again by CDP in recognition of its commitment to our suppliers and efforts to reduce emissions across the supply chain.

Every year, Logista sends CDP information about the Company's management of climate change, both at corporate level and at individual business level. This information can be viewed on CDP's website.

2030 target

30%

reducción (base year: 2013)

2050 target

54%

reducción (base year: 2013)

Emission reduction targets

We have developed our own sustainability index to identify opportunities for reducing emissions, based on the Science-Based Target (SBT) initiative.

After analysing the existing methodologies, we have taken the view that the GEVA method (Greenhouse gas emissions per value-added unit) is the most suitable method for our operations.

We have therefore reviewed this methodology and adapted it to include our transport operations within its reduction targets, since it is the most pertinent in terms of emissions. The proposed unit of reference therefore includes the distances covered.

This indicator shows the overall performance of Logista's emissions because it includes scope 1 (that includes transport activities with operational control), scope 2 and scope 3 (that include all emissions related to transport activities without operational control: upstream and downstream emissions), emissions, as well as emissions from franchise transport.

We have considered CDP recommendations concerning year-on-year reduction and have set an annual emissions reduction target of 2.1%. We include the majority of scope 3 emissions in this target, exceeding the percentage recommended by SBTi, as 95% of Logista's scope 3 emissions are included in this target. The result is an overall target that accounts for and includes 95.5% of all Logista's emissions (considering scopes 1+2+3).

$$\frac{\text{scope 1+2 (market-based)+ 3 (transport)}}{\text{TmCO}_2\text{e per €M\&Mkm}}$$

Renewable energy consumption target

Logista is firmly committed to renewable energy.

100% of the electricity consumed at all of our warehouses in our main markets (Spain, Italy, France and Portugal) and our main warehouses in Poland, comes from renewable sources.

In the 2021 financial year, we consumed 51,438 MWh, of which 51,067 MWh corresponded to the purchase of renewable energy. In the 2022 financial year, our electricity consumption fell to 48,740 MWh, with the purchase of renewable energy accounting for 48,611 MWh. This renewable energy consumption entails an estimated saving of 13,698 metric tonnes of CO_2e compared with conventional energy consumption, taking into account the different emissions factors in each country.

A solar self-consumption renewable energy facility was also installed in Leganés in 2022, enhancing the Company's energy efficiency and reducing its consumption and operating costs. We are currently working on rolling out this initiative to more facilities.

Sustainable use of resources

We are fully aware of how important the eficient use of resources is. As such, we compile and analyse information about water consumption, waste and about the materials that are most relevant for the group.

Renewable material (kg)

11,355,842[1]

12,903,351 in 2021[2]

Non-renewable material (kg)

691,583[1]

640,736 in 2021[2]

The following categories are classified as "Renewable material": Pallets, paper, cardboard boxes and lids. The following categories are classified as "Non-renewable material": Bags, wrapping film and airpad film.

1. For the months in which no current data is available, a calculation has been made based on estimated forecasts and/or data from the previous year.

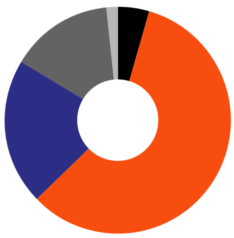
2. The reason for the variation between the '2021' data reported in the non-financial reporting statement (EINF) for the 2021 financial year compared with those reported in the 2022 EINF is due to the adjustment of estimated data from the previous year to the updated data obtained in 2022.

Energy management

The main sources of energy consumption in the Company are electricity, natural gas, diesel and fuel oil.

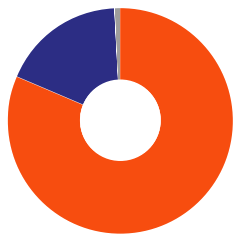
Total energy by country 2022 (Kwh)

	2022[1]	2021[2]
Portugal	3,268,242	2,848,240
Spain	33,412,779	36,471,910
France	5,626,804	13,853,079
Italy	6,017,566	8,993,678
Poland	251,486	1,234,383
The Netherlands	33,712	-



Energy consumption 2022 (Kwh)

	2022[1]	2021[2]
Electricity consumption	48,739,931	51,438,049
Natural gas	9,976,522	11,491,487
Other energy consumption	631,564 Diesel: 582,013 Fuel oil: 49,551	471,754 Diesel: 398,813 Fuel oil: 72,941



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Measures adopted to improve energy efficiency

We are carrying out various action plans aimed at reducing the amount of fuel and energy used, such as optimising routes, upgrading fleets, adjusting the volume of existing infrastructure, setting local targets and reduction initiatives at our main warehouses, implementing energy efficiency criteria in both new and existing premises, etc.

We regularly carry out energy audits of our main processes and at our main warehouses to identify and prioritise actions to reduce consumption.

Other actions undertaken to reduce energy consumption include, among others:

All of our new facilities are LEED/BREEAM certified. We have established a mandatory internal requirement that all new facilities are LEED/BREEAM certified, with a minimum efficiency classification of LEED silver or BREEAM Very Good.

The continuous implementation of corporate and local projects (monitoring consumption, lighting replacements, improving insulation, updating equipment, etc.).

In 2022, the new Anagni facility obtained BREEAM Excellent certification, becoming both the first Logista facility to receive such recognition and a benchmark for technology, sustainability and employee well-being.

Measures adopted to ensure sustainable mobility

Logista is part of the national mobility committee set up by Spain's General Traffic Directorate (DGT) and works on the 'Autonomous Ready' project driven by the DGT and Barcelona city hall.

This project aims to lay the foundations for the testing and approval of autonomous vehicles and to define a regulatory framework that guarantees safe and sustainable urban mobility.

Meanwhile, other measures introduced by Logista (flexitime, compressed hours, remote working) are in line with the needs of cities in relation to the staggering of employee travel around times of peak traffic and congestion.

Water consumption

Wastewater discharge is not considered a material aspect at Logista due to the fact that the group's operations produce sanitary wastewater and is discharged into municipal water systems.

The best practices introduced to reduce water consumption include the installation of water-saving devices, monitoring consumption, signage and campaigns to raise awareness and certification of all the group's new facilities under the LEED/BREEAM efficiency standards.

In the 2022 financial year, water accounted for 0.006% of Logista's environmental impact, because it is only used for sanitary purposes (0.007% in 2021).

During 2022, 98,331 * m3 of the supply network was consumed, in accordance with local limits. In 2021, water consumption from the supply network stood at 114,501 m3 and was in line with the established local limits.

* For the months in which no current data is available, a calculation has been made based on estimated forecasts and/or data from the previous year.

Consumption of raw materials

The principal raw materials consumed and their quantities are shown below:

	2022[1] (t)	2021[2] (t)
Airpad film	142.35	117.96
Cardboard boxes and lids	9,051.89	9,182.19
Pallets	2,085.71	3,400.66
Paper	218.25	320.50
Single-use plastic bags	11.31	15.41
Reusable bags	0.75	0.69
Wrapping film	536.76	506.52
Biodegradable bags	0.42	0.16

1. For the months in which no current data is available. a calculation has been made based on estimated forecasts and/or data from the previous year.

2. The reason for the variation between the '2021' data reported in the non-financial reporting statement (EINF) for the 2021 financial year compared with those reported in the 2022 EINF is due to the adjustment of estimated data from the previous year to the updated data obtained in 2022.

Eficiency measures for improving the use of raw materials include the recovery of reusable cardboard boxes through a system involving specific continuous improvement actions.

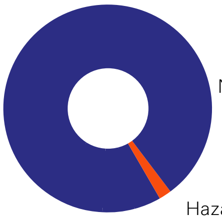
In addition, our environment, quality and energy efficiency policy includes, among its commitments, the implementation of policies and best practices for the rational use of resources, where the formula underpinning its processes is optimisation.

Circular economy, waste prevention and management. We have significantly reduced waste and emissions produced by our operations through the use and recovery of reusable cardboard boxes, via a system already implemented at Logista's centres in Spain, France, Italy and Portugal, and in its specialist express courier service for parcels and documents.

Due to the nature of its operations, the main types of waste currently generated by the Company are paper and cardboard, wood (pallets), municipal waste, plastics and oils, among others.

Hazard classification (Kg)

	2022[1]	2021[2]
Hazardous	27,448	15,893
Not hazardous	18,112,488	18,850,845



The following waste materials are considered "hazardous": batteries, accumulators. absorbent materials, contaminated packaging and oils.
The following waste materials are considered "non-hazardous": tyres, urban waste, paper, cardboard, plastics and wood.
1. For the months in which no current data is available, a calculation has been made based on estimated forecasts and/or data from the previous year.
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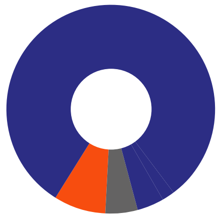
Classification by end use (Kg)

	2022[1]	2021[2]
Recycling	15,776,447	16,272,380
Landfill	1,658,858	1,795,703
Energy recovery	704,631	798,654



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2. The reason for the variation between the ‘2021’ data reported in the non-financial reporting statement (EINF) for the 2021 financial year compared with those reported in the 2022 EINF is due to the adjustment of estimated data from the previous year to the updated data obtained in 2022.

Protection of biodiversity. Logista’s operations do not have a direct impact on protected areas, and as such biodiversity is not included in our material considerations.

There was no significant impact on biodiversity during the 2022 financial year.

Strategic Objective	Actions	2022 target	Future actions
CO_2e emissions	– Science-backed reduction targets approved by the Science Based Targets Initiative – Monthly calculation and monitoring of emissions – Calculation and reporting of emissions detailed in Scope 3	**Target:** **-2.1% per year** CO_2e/ Mkm&€M	– Improving the emissions calculation methodology – Rolling out of low-level reduction targets
Renewable energy	– Purchasing electricity from renewable sources at all facilities directly managed by Logista in Spain, France, Italy and Portugal – Monthly monitoring and control of energy consumption sources at the group’s facilities	**Target:** **100%** Electricity from renewable sources	– Continuing consumption of electricity from renewable sources
Low carbon transport	– Increase percentage of low emission vehicles	**Target:** **+15%*** Logista Freight. Logista Parcel and Nacex fleet *Three-year target	– Renew fleet in accordance with sustainability criteria and introduce use of alternative fuel vehicles.
Climate change management	– Maintain our excellent ranking with regard to managing and reporting on climate change, and initiatives relating to it	**A** CDP score	– Align CDP’s reporting and management requirements with Logista’s climate change strategy

10. Impact on the community

Long-term employment relationship with our employees

We foster a long-term employment relationship with our employees in a working environment with high levels of motivation and job satisfaction. We have signed 672 permanent contracts in 2022

89% of Logista's employees are permanent staff.

Employees with permanent contract

89%

Committed to diversity

Logista is deeply committed to diversity and ensuring an inclusive work environment, values for which it has received both national and international recognition:

- **The Financial Times named Logista as one of Europe's most inclusive companies,** including it in its Diversity Leader ranking for a second consecutive year.
- The Company's inclusion programmes also earned it recognition as a **Diversity Leading Company by the specialist publication "Equipos y Talento".**

Logista is also included in the IBEX Gender Equality Index, an index made up of the listed companies that have a ratio of between 25% and 75% of women on their board of directors and between 15% and 85% employed in senior management positions.

Logista employs people of over 50 different nationalities and in the 2022 financial year, 172 people with disabilities (140 in 2021).

Employees with disabilities

172

Indirect local job creation

In addition to Logista's **5,533 employees in 2022, a large number of partner companies and individuals collaborate indirectly with us in our various operations and countries,** for example, Nacex franchisees, Logista Parcel agents, drivers, etc.

Minimising environmental impact

- Included in **CDP's 'A List' for the sixth consecutive year**
- Recognised as a **supplier engagement leader** by CDP
- We are part of the **FTSE4Good IBEX** index, a list of companies that demonstrate sound environmental, social and corporate governance practices
- UNE-EN **ISO 14064**
- **100% of the electricity consumed** at all of our warehouses in our main markets (Spain, Italy, France and Portugal) and our main warehouses in Poland, comes from renewable sources.
- **LEED/BREEAM** certification for new premises

Committed to helping society

We work with various foundations and associations, mainly focusing on local communities.

Contributions to foundations and non-profit organisations in financial year 2022 amounted to €260,398 (€331,726 in 2021), primarily to support humanitarian initiatives and social welfare and integration by helping to improve the quality of life of society's most vulnerable groups.

The majority of these contributions take the form of donations of consumer goods to local churches and social canteens among others.

Logista's sustainability policy is aligned with the United Nations Global Compact principles on human rights, labour, the environment and anti-corruption. This explicit commitment by the Company is integral to its business, and extends to all its employees, clients and suppliers that it works with, to respect and guarantee human rights compliance.

Contributions to foundations and non-profit organisations in 2022

260,398€

Fiscal reporting

Country	Pre-tax profit/(loss) (€ thousand) in 2022	Pre-tax profit/(loss) (€ thousand) in 2021
Spain	132,510	113,575
France	12,932	23,234
Italy	114,764	109,378
Portugal	22,304	13,378
Poland	1,568	966
The Netherlands	1,496	0
Total	**285,574**	**260,531**

Country	Corporate income tax paid (cash basis) (€ thousand) in 2022	Corporate income tax paid (cash basis) (€ thousand) in 2021
Spain	-27,127	2,935
France	11,369	24,955
Italy	30,882	33,220
Portugal	4,361	2,907
Poland	274	174
Total	**19,759**	**64,191**

In 2022, Logista received a public subsidy for development amounting to 14,097€ (in 2021, Logista did not receive any public subsidy).

Partnership and sponsorship initiatives

We are a **founding member of Grupo Español para el Crecimiento Verde**, an organisation that works to convey its vision of a sustainable economic growth model compatible with the efficient use of natural resources to both society and government.

We sponsor The Madrid Futuro non-profit association which was founded by businesses and public organisations looking to boost Madrid's recovery following the health and socio-economic impact of the pandemic.

Every year we take part in CDP's initiatives and for the sixth year running the Company has been included in CDP's 'A List' for our climate change leadership. This financial year we have also continued to be named a CPD Supplier Engagement Leader.

At sector level, we are also members of a number of associations, such as Mesa del Tabaco, Farmaindustria, UNO, ANEFP, AESEG, AEFI and AECOC.

Appendix I:

About this report

This integrated annual report is drafted in accordance with the guidelines set out in the International Integrated Reporting Council (IIRC)'s framework for the preparation of integrated reports and in line with the GRI standards framework.

This report includes the updated non-financial information reporting statement and the annual CSR report, and has been subject to an independent external review. The independent assurance report, which includes the objectives and scope of the external review, as well as the procedures used and their conclusions, are attached as an appendix.

This document forms part of the FY2022 consolidated Management Report of Compañía de Distribución Integral Logista Holdings S.A. and its subsidiary companies. It is subject to the same criteria for approval, presentation and publication as the Management Report. By drafting this report, Logista complies with the provisions of Articles 262 of the Spanish Companies Act and Article 49 of the Spanish Code of Commerce, as amended by Act 11 of 28 December 2018 on non-financial information and diversity.

The report's quantitative data correspond to the year 2022 financial year – the period from 1 October 2021 to 30 September 2022. Figures are rounded, except percentages and certain remuneration data.

The qualitative information included in the report explains the historical performance and the performance expected by the Company from analysis of the current context. It does not make a commitment to attaining those objectives, since they are subject to risks and uncertainties.

The scope of this report encompasses all the operations carried out by 100% of Logista's subsidiaries included in the consolidation scope.

In addition, according to the analysis completed and as required by Law 11 of 28 December 2018, Logista companies which have a legal obligation to present a non-financial reporting statement in accordance with Law 11 of 28 December 2018, and the new wording of Article 262.5 of the Spanish Code of Commerce, are exempt from issuing a non-financial reporting statement as this information is included in the 2022 Integrated Annual Report, except for Logista Libros S.L. which will issue its own non-financial reporting statement given that it is equity-accounted by Logista.

For further information on the 2022 financial year, Logista also publishes the following reports, which are also available on our website.

- Annual Accounts
- Annual Corporate Governance Report
- Annual Report on Board Member Remuneration

Materiality

During the 2022 financial year, Logista has reviewed the aspects identified as the most material aspects during the 2021 financial year, carrying out a materiality analysis on them once again in order to include any new aspects considered material and/or any that have emerged throughout the course of 2022, such as the macroeconomic context's potential impact on the Company's results due to inflationary pressures.

Both internal and external sources have been considered in order to update the aspects requiring assessment, as have the opinions and concerns expressed by the Company's stakeholders, primarily shareholders and investors.

Materiality analysis

For the 2022 financial year, Logista has applied the same double materiality analysis that it applied the previous year. It directly contacted its external stakeholders (analysts, investors, clients, suppliers and CSR agents) to hear their view on Logista's impact from an environmental, social and corporate governance standpoint; and it also consulted its internal stakeholders – its employees – in a bid to assess how these factors respectively affect the company in the short, medium and long term.

In order to broaden the scope of this analysis, Logista has increased the list of contacts for its various stakeholders, reaching out to a total of over 900 contacts to complete the analysis.

The conclusions drawn from this analysis indicate that client satisfaction and financial performance are the most material aspects overall. For external stakeholders, the most material aspect is client satisfaction, while employees consider financial performance to be the most relevant.

Material aspects analysed

Environment

- Minimising the environmental impact of our operations
- Environmental risk management
- Adapting to regulations aimed at combatting climate change

Social

- Client satisfaction
- Health, safety and well-being
- Respect for Human Rights
- Social impact
- Attracting and retaining talented professionals

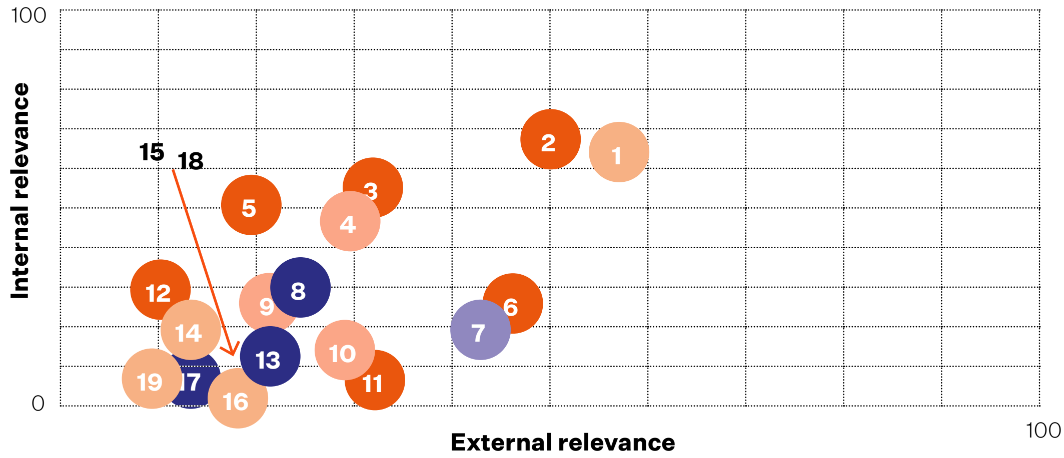
Corporate governance

- Ethics and anti-corruption
- Composition of the Board of Directors and Board Member Remuneration
- Governance policies

Operations and financial

- Financial performance
- Innovation
- Cybersecurity
- Risk management
- Sustainable supply chain management
- Macroeconomic and geopolitical climate
- Integration of acquisitions
- Supply chain management

Materiality matrix



- 1 Client satisfaction
- 2 Economic performance
- 3 Innovation
- 4 Attracting and retaining talented professionals
- 5 Macroeconomic and geopolitical climate
- 6 Supply chain management (no disruptions)
- 7 Minimising the environmental impact of our operations
- 8 Ethics and anti-corruption
- 9 Integration of acquisitions
- 10 Health, safety and well-being
- 11 Sustainable supply chain management
- 12 Risk management
- 13 Governance policies
- 14 Cibersecurity
- 15 Environmental risk management
- 16 Social impact
- 17 Composition of the board of directors and board member remuneration
- 18 Adapting to regulations aimed at combatting climate change
- 19 Respect for human rights

This icon is used throughout the report to indicate the aspects considered to be most material overall

Participation of stakeholders and communication channels

Logista encourages a continued, open and transparent dialogue with all of its stakeholders and society as a whole.

As such, it maintains two-way channels of communication and dialogue with all stakeholders in order to take account of both their financial and their non-financial (environmental, social and corporate governance related matters) needs and expectations.

To ensure dialogue is open and ongoing, Logista has established specific communication channels tailored to the characteristics of each stakeholder, although it also has common communication channels for all of them, for example the Company's corporate website (www.logista.com) and the company reports it publishes each year.

Information is mostly shared or published through the following channels:

- Spanish Securities Markets Commission (CNMV)
- Corporate website
- Other means of communication, for example, via the email address used by analysts and investors (investor.relations@logista.com)
- Logista's investor relations department and corporate communications management team

Appendix II:

Logista composition

Compañía de Distribución Integral Logista Holdings, S.A.

- Compañía de Distribución Integral Logista, S.A.U. (100%)
  - Logista Strator. S.L.U. (100%)
- Logista Pharma. S.A.U. (100%)
  - Be to Be Pharma. S.L.U (100%)
- Logista Pharma Canarias. S.A.U (100%)
- Dronas 2020, S.L.U. (100%)
- Logista-Dis, S.A.U. (100%)
- Logista Libros, S.L. (50%)
- La Mancha 2000, S.A.U. (100%)
- Logesta Gestión de Transporte, S.A.U. (100%)
  - Logesta Italia, SRL (100%)
  - Logesta France,SARL (50%)
  - Logesta Deutschland Gmbh (100%)
  - Logesta Lusa, Lda. (51%)
  - Logesta Polska, sp. z o.o. (51%)
- Compañía de Distribución Integral de Publicaciones Logista. S.L.U. (100%)
  - Logista Regional de Publicaciones, S.A.U. (100%)
  - Distribuidora Valenciana de Ediciones, S.A. (50%)
  - Distribuidora de Publicaciones del Sur, S.L. (50%)
  - Distribuidora de Aragón, S.L. (5%)
  - Sociedad Anónima Distribuidora de Ediciones (70%)
  - Publicaciones y Libros, S.A.U. (100%)
  - Distribución de Publicaciones Siglo XXI Guadalajara, S.L. (80%)
- Logista Payments, S.L.U. (100%)
- Logista France Holding, S.A. (100%)
  - Logista Promotion et Transport, SAS (100%)
    - Logesta France, SARL (50%)
- Logista France SAS (100%)
  - Societé Allumetiére Francaise, SAS (100%)
- Logista Italia, S.p.A. (100%)
  - Terzia, S.p.A. (100%)
- CDIL Companhia de Distribuiçao Integral Logista Portugal, S.A. (100%)
  - Midsid Sociedad Portuguesa de Distribuiçâo, S.A. (100%)
  - LTTP - Logista Transportes Transitários e Pharma, Unipessoal, Lda. (100%)
    - Logesta Lusa, Lda. (49%)
- Logesta Polska sp, z o.o (49%)
- Compañía de Distribución Integral Logista Polska, sp. z o.o (100%)
- Logista Transport Europe, B.V. (100%)
  - Speedlink Worldwide Express BV (70%)
  - 24 Hours BV (70%)
  - German-Ex BV (70%)

Appendix III:

Taxonomy

The EU Taxonomy Regulation is part of the European Commission's action plan (EU Green Deal), which aims to redirect capital flows to achieve a carbon neutral economy by 2050 in a more sustainable economic framework aligned with the Sustainable Development Goals.

In line with this Regulation, we have consulted the list of economic activities described in Annexes I and II to Delegated Regulation (EU) 2021/2139 of 4 June 2021 concerning the European Union's first two environmental objectives (climate change mitigation and adaptation).

We have determined the Company's activities deemed eligible based on those annexes. We have considered the following aspects:

- Economic activities eligible for the Taxonomy are described in Annex I and II to the above-mentioned Delegated Regulation (EU) 2021/2139 of 4 June 2021, regardless of whether the economic activity meets some or all of the stipulated technical selection criteria.

- According to the Taxonomy, any economic activity not described in the annexes is a non-eligible economic activity.

For all economic activities identified as eligible, we have obtained the key performance indicators associated with turnover, capital expenditure (CapEx) and operating expenditure (OpEx) as laid down in Delegated Regulation (EU) 2021/2178 of 6 July 2021.

Identification of eligible activities

Prior to calculating the key eligibility indicators, we have assessed the potential eligibility of all economic activities relevant to our business in accordance with Annexes I and II to Delegated Regulation (EU) 2021/2139.

In this analysis we have taken account of both Logista's revenue-generating activities and cross-organisational activities that do not bring in revenues but incur capital and/or operating expenditure (CapEx and/or OpEx).

The following table describes the types of operations carried out by Logista that correspond to activities categorised as eligible under the above-mentioned regulation.

Regarding the activity "6.6. Road freight transport services", the Taxonomy activities attributable to Logista and thus eligible were identified as transport services in which the Company has operational control.

Logista prepared its own method to identify the transport services in which the Company has operational control. Using this method, Logista collected a set of predefined vehicle and route characteristics for each transport service. By reference to these characteristics, criteria were developed to determine whether the transport service is conducted under Logista's operational control, such as whether there is control over the route by defining the exact route to be followed by the carrier, over the vehicle or over the driver.

We effectively control the remaining (cross-organisational) operations. In particular our real estate department determines the technical specifications of projects and systems in place in the assets managed by the Company.

Activity description	Reference to the Taxonomy activity
Project aimed at improving the efficiency of the collection system of used boxes for subsequent recycling, developed at Logista Italia.	5.5 Collection and transport of non-hazardous waste materials in segregated fractions at source
Transport services under the operational control of the group. Investments made in semi trailers.	6.6 Road freight transport services
Adaptation of industrial warehouses to the needs of the Company's logistics activities. Full refurbishment of office buildings.	7.2 Renovation of existing properties
Energy efficiency systems in warehouses in Spain and France.	7.3 Installation, maintenance and repair of energy efficiency equipment
Solar panels installed on rooftops of some warehouses in Spain.	7.6 Installation, maintenance and repair of renewable energy technologies.

Findings for key indicators (eligibility)

Set out below are the calculations for the eligibility KPIs based on Annex I to Delegated Regulation 2021/2178 of 6 July 2021, which specifies the calculation approach.

Revenue KPI

Delegated Regulation 2021/2178 defines this KPI as the ratio of revenues from eligible activities to total revenues at the group level. These are revenues recognised in accordance with International Accounting Standard (IAS) 1, paragraph 82.a), as adopted by Commission Regulation (EC) No 1126/2008.

The numerator for this KPI was calculated taking into consideration eligible revenue-generating activities. In view of the group's business model, the Company only identified as an eligible activity: "6.6. Road freight transport services", i.e. freight transport services categorised as under operational control and thus eligible.

Revenues from such activities (activity 6.6. according to the Taxonomy) amount to €9.5M.

The KPI denominator is include on the notes to Logista's consolidated financial statements for the financial year ended 30 September 2022 (see the income statement line "Net turnover").

	Eligible total (€ Million)	Total (€ Million)	Eligible economic activities according to Taxonomy (as a %)
Revenue	9.5	11,463.6	0.1%

Logista plays an important role as a wholesaler of tobacconists and other local retail establishments, which means that a large part of our turnover comes from the sale of the products we supply to our channels. This particularity of our business model explains the amount of eligibility reported.

CapEx KPI

The CapEx KPI is defined as the ratio of CapEx associated with eligible activities to total CapEx at the group level. Total CapEx covers asset additions before depreciation, amortisation, restatements and impairment losses (excluding fair value changes). The types of asset additions to be recognised, in accordance with the Taxonomy legislation, are defined by the following accounting standards:

- IAS 16 Property, Plant and Equipment, paragraph 73, letter e), indents i) and iii);
- IAS 38 Intangible Assets, paragraph 118, letter e), indent i);
- IAS 40 Investment Property, paragraph 76, letters a) and b), (for the fair value model);
- IAS 40 Investment Property, paragraph 79, letter d), indents i) e ii), (for the cost model);
- IAS 41 Agriculture, paragraph 50, letters b) and e);
- IFRS 16 Leases, paragraphs 53 letter h).

In Logista's case, only asset additions associated with property, plant and equipment (IAS 16), intangible assets (IAS 38) and right-of-use assets under long-term leases (IFRS 16) were identified. These three types of assets were therefore included in the calculation of both the numerator and the denominator of the CapEx KPI.

The KPI numerator was therefore calculated based on these types of asset additions (mentioned in the previous paragraph) relating to the identified set of eligible activities. The total of this numerator amounts to €10.4 million.

The KPI denominator is directly linked to the Logista group's consolidated financial statements for the financial year ended 30 September 2022 and is the sum of the costs reflected under "additions or charges" associated with the following headings: "Property, plant and equipment" (see the table for 2022 in Note 6.1, "Rights of use" (see the table for 2022 in Note 6.2 and "Other intangible assets" (see the table for 2022 in Note 8).

	Eligible total (€ Million)	Total (€ Million)	Eligible economic activities according to Taxonomy (as a %)
Capex	10.4	80.0	13.0%

In relation to these results, it should also be noted that most of Logista's eligible CapEx comes from activities: 7.2 Renovation of existing properties and 6.6 Road freight transport services.

OpEx KPI

Finally, the Taxonomy regulation defines the eligibility indicator KPI associated with total expenditure (OpEx) as the ratio between the operating expenditure defined by the Taxonomy (referred to below as: "Taxonomy OpEx") associated with eligible activities and total expenditure.

According to applicable legislation (Annex I to Delegated Regulation 2021/2178), Taxonomy OpEx is limited to non-capitalised operating expenses relating to research and development, building renovation measures, short-term leases, repairs and maintenance, and other direct expenditure incurred in the daily maintenance of property, plant and equipment by the company or a subcontracted third party, which must be necessary to allow the continued, efficient use of the assets.

In view of the group's business model and based on the provisions of paragraph 1.1.3.2 of Annex I to Delegated Regulation 2021/2178 of 6 July 2021, the Logista group reports this eligibility KPI as immaterial.

To support non-materiality, the Company calculated the ratio of the "Taxonomy OpEx" to the group's total costs. This ratio is well below the Company's materiality threshold of 5%. Specifically, only 0.2% of the Company's total costs meet the Taxonomy OpEx definition, as shown in the table below.

The result obtained is consistent with the type of total costs incurred by the Company and, in particular, with the relevance of procurement expenditure compared to other operating expenses, due to the business model of Logista, which plays an important role as a wholesaler of tobacconists and other local establishments, which implies that supplies are a necessary expense for the development of its activity.

Consequently, and considering the provisions of paragraph 1.1.3.2 of Annex I to Delegated Regulation of 6 July 2021, the Company reports the numerator of the OpEx KPI to be zero.

	Total (€ Million)	Ratio of operating expenditure as defined by the Taxonomy to total costs (as a %)
Total costs*	11,151.2	0.2%
Operating expenses according to the Taxonomy	20.7	

* Excluding restructuring, etc.

Appendix IV:

Contents required under act 11/2018 and GRI indicators and under EU Delegated Regulation (2020/852) - Taxonomy

Contents required under act 11/2018 and GRI indicators

Contents	Reference	Reporting framework
Business model		
- Business environment and business model	11-27	102-2
- Materiality analysis	93-94	102-47
- Organisation and structure	19, 95	102-2
- Markets in which the company operates	16-17	102-6
- Objectives and strategies	20-27	102-15
- Factors and trends affecting performance	20-27	102-15
Policies	These are set out in detail according to subject area in each of the respective sections of this report	102-15
Risks	These are set out in detail according to subject area in each of the respective sections of the report; in particular in Corporate Governance / Risk and Opportunity Management	102-15
Environmental matters		
Global		
- Effects of the company's operations on the environment, and on people's health and safety	75-87	Internal framework: qualitative description of the principle effects
- Environmental assessment or certification procedures	75-79, 83, 85	Internal framework: qualitative description of assessments and certifications
- Principle of precaution, number of provisions and guarantees for environmental risks	76-87	102-11
- Resources dedicated to environmental risk prevention	81	Internal framework: qualitative description of dedicated resources
Pollution		
- Measures associated with carbon emissions	78-87	Internal framework: qualitative description of key measures and action taken
- Measures associated with light, noise and other types of pollution	82	Internal framework: qualitative description of key measures and action taken
Circular economy and waste prevention and management		
- Initiatives aimed at promoting circular economy	84, 86	306-2

Contents	Reference	Reporting framework
- Measures associated with waste management	84, 87	306-2
- Actions to combat food waste	Not material, bearing in mind the company's business sector	n.a.
Sustainable use of resources		
- Water: consumption and supply	86	303-1
- Raw materials: consumption and measures	86	301-1
- Energy: consumption, measures and use of renewables	84-85	302-1
Climate change		
- Greenhouse gas emissions	81	305-1/ 305-2/ 305-3
- Measures to adapt to climate change	78, 83	Internal framework: qualitative description of measures
- Emission reduction targets	78, 84	Internal framework: Qualitative description of targets
Biodiversity		
- Conservation measures	87	Internal framework: qualitative description of measures
- Impacts on protected areas	87	304-2
Social and staff-related matters		
Employment		
- Total number of employees and distribution by gender, age, nationality and professional category	57, 64	102-8/405-1
- Total number and distribution of work contract types	57, 64	102-8
- Annual average of permanent, temporary and part-time employees by gender, age and professional category	64-65	102-8/405-1
- Number of dismissals by gender, age and professional category	65	Internal framework: total number of dismissals during the financial year broken down by gender, age and professional category
- Average pay and change in average pay by gender, age and professional category, or equivalent	60	Internal framework: average remuneration (including fixed and variable remuneration)
- Gender pay gap, remuneration for similar jobs or the company average	60	Internal framework: (1-(average male remuneration – average female remuneration)/average male remuneration)
- Average remuneration of board members and directors	60	Internal framework: average remuneration including fixed and variable remuneration
- Policies for disconnecting from work	59	Internal framework: qualitative description of policies in force
- Employees with disabilities	63, 89	405-1
Organisation of working time		
- Organisation of work	59	Internal framework: qualitative description of organisation of working time
- Number of hours of absenteeism	59	Internal framework: number of hours of absenteeism
- Measures for work-life integration	59	Internal framework: qualitative description of measures
Health and safety		
- Health and safety conditions in the workplace	61	103- Health and safety in the workplace

Contents	Reference	Reporting framework
- Workplace accidents, particularly their frequency and severity	61	403-2 Internal framework: Frequency index: number of work-related accidents resulting in sick leave for every 1,000,000 hours worked. Severity index: number of working days lost due to work-related accidents resulting in sick leave for every 1.000 hours worked. Lost time accident rate: number of work-related accidents resulting in sick leave for every 200,000 hours worked.
- Professional illnesses, separated by gender	61	403-2
Social relationships		
- Facilitating social dialogue	62	Internal framework: qualitative description of the ways in which social dialogue is facilitated
- Percentage of employees covered by collective bargaining agreements by country	62	102-41
- Assessment of collective bargaining agreements on health and safety in the workplace	62	403-1
Training		
- Policies implemented in training	62	Internal framework: qualitative description of policies
- Total hours of training by professional category	62	Internal framework: total hours of training by professional category
Equality		
- Universal access for people with disabilities	63	Internal framework: qualitative description of measures
- Measures adopted to promote equality, plans for equality and policy against discrimination and diversity management	63	Internal framework: qualitative description of measures
- Equality plans and measures adopted to promote employment, protocols to prevent sexual and gender-based harassment	63	Internal framework: qualitative description of measures
- Policy against any form of discrimination and, where applicable, for diversity management	63	Internal framework: qualitative description of diversity management
Human Rights		
- Due diligence procedures in human rights matters and where applicable, in relation to their mitigation, management and remedy	38-39	102-16/102-17
- Complaints relating to human rights violations	38	406-1
- Promoting and compliance of ILO covenants relating to freedom of association and collective bargaining	39	102-16
- Elimination of employment discrimination, forced and child labour	38	102-16

Contents	Reference	Reporting framework
Corruption and bribery		
- Measures adopted to prevent corruption and bribery	37	102-16/102-17
- Measures to combat money laundering	37	102-16/102-17
- Contributions to foundations and non-profit organisations	90	Internal framework: amount of contributions in euros
Society		
Company commitments to sustainable development		
- Impact of the company's activity on employment and local development	89-90	Internal framework: qualitative description of impact
- Dialogue with the local community	90	Internal framework: qualitative description of dialogue
- Partnership and sponsorship initiatives	91	102-12/102-13
Subcontracting and suppliers		
- Inclusion of social, gender equality and environmental matters in the procurement policy	39, 71-73	102-9
- Consideration of social and environmental responsibility in relations with suppliers and subcontractors	71-72	102-9
- Monitoring and auditing systems and their results	71	Internal framework: qualitative description of the reviews forming part of the control systems in operation in each business
Consumers		
- Consumer health and safety measures	67-69	Internal framework: qualitative description of measures
- Complaints and claims systems and resolution process	67	102-17
Fiscal reporting		
- Profits by country	90	Internal framework: pre-tax profit/(loss) by country
- Income tax paid	90	Internal framework: corporation tax paid by country
- Public subsidies received	90	201-4

Contents required under EU Delegated Regulation (2020/852) - Taxonomy

Regulation requirements	Reference	Reporting framework
UE Taxonomy		
- Eligible and non-eligible economical activities according to UE Taxonomy	96-99	Article 8 of the EU Taxonomy Regulation (2020/852) and the Delegated Regulations (EU Delegated Act 2021/2139 – climate and EU Delegated Act 2021/2178 – disclosure), complemented with internal methodology explained in Appendix III: Taxonomy

Appendix V:

Verification report

Independent Limited Assurance Report of the Integrated Annual Report for the year ended September 30, 2022

COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A. AND SUBSIDIARIES

Building a better working world

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INDEPENDENT LIMITED ASSURANCE REPORT OF THE INTEGRATED ANNUAL REPORT

Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the Shareholders of COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A.

Pursuant to article 49 of the Code of Commerce we have performed a verification, with a limited assurance scope, of the accompanying Integrated Annual Report for the year ended September 30, 2022, of COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A. and Subsidiaries (hereinafter, the Group), which is part of the accompanying Consolidated Directors' Report of the Group.

The content of the Integrated Annual Report includes additional information to that required by prevailing mercantile regulation in relation to non-financial information that has not been subject to our verification. In this regard, our review has been exclusively limited to the verification of the information shown in the Appendix IV: "Contents required under act 11/2018 and GRI indicators and under EU Delegated Regulation (2020/852) - Taxonomy" of the accompanying Integrated Annual Report.

Responsibility of the Board of Directors

The preparation of the Integrated Annual Report included in the Consolidated Directors' Report and its content is the responsibility of the Board of Directors of COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A. The Integrated Annual Report was prepared in accordance with the content required by prevailing company law and in conformity with the criteria outlined in the *Global Reporting Initiative Sustainability Reporting Standards* (GRI standards) selected, as well as other criteria described in accordance with that indicated for each subject in the chapter Appendix IV: "Contents required under act 11/2018 and GRI indicators and under EU Delegated Regulation (2020/852) - Taxonomy" of the Integrated Annual Report.

The Board of Directors are also responsible for the design, implementation and maintenance of such internal control as they determine is necessary to enable the preparation of the Integrated Annual Report that is free from material misstatement, whether due to fraud or error.

They are further responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the Integrated Annual Report is obtained.

Our independence and quality control

We have complied with the independence and other Code of Ethics requirements for accounting professionals issued by the International Ethics Standards Board for Accountants (IESBA), which is based on the fundamental principles of integrity, objectivity, professional competence, diligence, confidentiality and professionalism.

Our Firm complies with the International Standard on Quality Control No. 1 and thus maintains a global quality control system that includes documented policies and procedures related to compliance with ethical requirements, professional standards, as well as applicable legal provisions and regulations. The engagement team consisted of experts in the review of Non-Financial Information and, specifically, in information about economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report. Our review has been performed in accordance with the requirements established in prevailing International Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and the guidelines for verifying Non-Financial Statement, issued by the Spanish Official Register of Auditors of Accounts (ICJCE).

The procedures carried out in a limited assurance engagement vary in nature and timing and are smaller in scope than reasonable assurance engagements, and therefore, the level of assurance provided is likewise lower.

Our work consisted in requesting information from Management and the various Group units participating in the preparation of the Integrated Annual Report, reviewing the process for gathering and validating the information included in the Integrated Annual Report, and applying certain analytical procedures and sampling review tests as described below:

- Meeting with Group personnel to know the business model, policies and management approaches applied, the main risks related to these matters and obtain the necessary information for our external review.
- Analyzing the scope, relevance and integrity of the content included in the Integrated Annual Report based on the materiality analysis made by the Group and described in Appendix I: "About this report", considering the content required by prevailing mercantile regulations.
- Analyzing the processes for gathering and validating the data included in the Integrated Annual Report for the year ended September 30, 2022.
- Reviewing the information on the risks, policies and management approaches applied in relation to the material aspects included in the Integrated Annual Report.
- Checking, through tests, based on a selection of a sample, the information related to the content of the Integrated Annual Report for the year ended September 30, 2022 and its correct compilation from the data provided.
- Obtaining a representation letter from the Board of Directors and Management.

Paragraph of emphasis

Regulation (EU) 2020/852 of the European Parliament and the Council, June 18 2020, on the establishment of a framework to facilitate sustainable investments settles the obligation to disclose information on how and to what extend the company's activities are associated with economic activities that are considered environmentally sustainable in relation to climate change mitigation and adaptation objectives for the first time for the financial year 2021, provided that the Statement of Non-Financial Information is published as of January 1 2022. Consequently, comparative information on this matter has not been included in the accompanying Consolidated Management Report. Additionally, information has been included, for which the Shareholders of COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A. has chosen to apply the criteria that, in their opinion, best enable compliance with the new obligation and which are defined within the Appendix III: "Taxonomy" chapter of the accompanying Consolidated Management Report. Our conclusion has not been modified in relation to this matter.

Conclusions

Based on the limited assurance procedures conducted and the evidence obtained, no matter has come to our attention that would cause us to believe that the Group's Integrated Annual Report for the year ended September 30, 2022 has not been prepared, in all material respects, in accordance with the contents required by prevailing company law and the criteria of the selected GRI standards, as well as other criteria, described as explained for each subject matter in the Appendix IV: "Contents required under act 11/2018 and GRI indicators and under EU Delegated Regulation (2020/852) - Taxonomy" of the Integrated Annual Report.

Use and distribution

This report was prepared in response to the requirement established by prevailing company law in Spain and may not be appropriate for other uses and jurisdictions.

ERNST & YOUNG, S.L.

(signed in the original version)

Alberto Castilla Vida

November 3rd, 2022