DECLARATION OF RESPONSIBILITY ON THE CONTENT OF THE ANNUAL FINANCIAL REPORT FOR THE YEAR CLOSED AT 30 SEPTEMBER 2021
(Translation for information purposes)

Members of Board of Directors of Distribución Integral Logista Holdings, S.A. declare that, to the best of their knowledge, the individual and consolidated financial statements for the year ended 30 September 2021 (1 October 2020 - 31 September 2021), formulated by the Board of Directors at its meeting of November 4th, 2021, and prepared in accordance with accounting principles that are applicable, provide a true and fair view of the equity, financial position and results of Compañía de Distribución Integral Logista Holdings, SA, as well as of the subsidiaries included in the consolidation taken as a whole, and that Directors' individual and consolidated report, and the integrated annual report, include a fair analysis of the performance and results and the position of Compañía de Distribución Integral Logista Holdings, SA and of the subsidiaries included in the consolidation taken as a whole, as well as a description of the main risks and uncertainties they face.

Mr. Gregorio Marañón y Bertrán de Lis
Chaiman

Mr. Íñigo Meirás Amusco
CEO

Ms. Lillian Alice Blohm
Director

Online attendance

Ms. Marie Ann D'Wit
Director

Online attendance

Mr. John Matthew Downing
Director

Ms. Cristina Garmendia Mendizábal
Director

Mr. Richard Guy Hathaway
Director

Mr. Luis Isasi Fernández de Bobadilla
Director

Mr. Murray Henry McGowan
Director

Mr. Alain Minc
Director

Ms. María Echenique Moscoso del Prado
Secretary Director

Ms. Pilar Platero Sanz
Director

Leganés, November 4th 2021

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, 2021

Ernst & Young, S.L.
Calle de Raimundo Fernández Villaverde, 65
28003 Madrid

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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 2021, 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 ("2021").

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, 2021 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 2021, the Group recognized, on the heading "Revenue" in the consolidated income statement, 10,414 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.

Impairment of non-financial assets

Description	At year-end 2021, the Group recognized property, plant, and equipment under non-current assets in the amount of 313 million euros, intangible assets totalling 354 million euros, mainly related to distribution contracts with manufacturers, and goodwill amounting to 921 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 4.5 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 2021, 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 2021 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, 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 regarding the consolidated non-financial information statement is presented in a separate report, "Integrated Annual Report 2020" and that the remaining information contained in the consolidated management report is provided as stipulated by applicable regulations and is consistent with that provided in the 2021 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

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 4, 2021.

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 4, 2021

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

Consolidated financial statements for the year ended 30 September 2021 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 2021 AND 2020

(Thousands of Euros)

ASSETS	Notes	30-09-2021	30-09-2020	EQUITY AND LIABILITIES	Notes	30-09-2021	30-09-2020
NON-CURRENT ASSETS:		1,629,668	1,740,092	**EQUITY:**		524,474	516,298
Property, plant and equipment	Note 6	313,474	358,863	Share capital	Note 14	26,550	26,550
Investment property	Note 4.2	7,137	14,390	Share premium	Note 15	867,808	867,808
Goodwill	Note 7	920,800	920,800	Reserves of the Parent	Note 15	289,014	42,806
Other intangible assets	Note 8	353,960	408,095	Reorganisation reserves	Note 15	(753,349)	(753,349)
Investments in associates		3,886	2,895	Reserves at consolidated companies	Note 16	(31,735)	215,566
Other non-current financial assets	Note 9	15,898	16,330	Translation differences		(97)	(101)
Deferred tax assets	Note 20	14,513	18,719	Reserve for first-time application of IFRSs	Note 15	19,950	19,950
				Consolidated profit for the period		173,961	157,184
				Interim dividend	Note 15	(54,116)	(51,569)
				Treasury shares	Note 15	(14,346)	(10,681)
				Equity attributable to shareholders of the Parent		523,640	514,164
				Minority interests	Note 17	834	2,134
CURRENT ASSETS:		5,916,550	6,106,830				
Inventories	Note 11	1,467,146	1,294,312	**NON-CURRENT LIABILITIES:**		376,478	421,198
Trade and other receivables	Note 12	2,075,171	1,900,529	Other financial non-current liabilities	Note 21	98,365	128,184
Tax receivables	Note 20	69,796	80,400	Long-term provisions	Note 19	38,779	39,454
Other current financial assets	Note 10	2,126,922	2,664,078	Deferred tax liabilities	Note 20	239,334	253,560
Cash and cash equivalents	Note 13	171,760	162,741				
Other current assets		5,755	4,770	**CURRENT LIABILITIES:**		6,645,539	6,909,444
				Other current financial liabilities	Note 21	72,446	77,386
				Trade and other payables	Note 22	1,148,803	1,145,033
				Tax payables	Note 20	5,339,752	5,598,599
				Short-term provisions	Note 19	7,276	13,498
				Other current liabilities		77,262	74,928
ASSETS CLASSIFIED AS HELD FOR SALE	Note 9	41,570	18	**LIABILITIES CLASSIFIED AS HELD FOR SALE**	Note 9	41,297	-
TOTAL ASSETS		7,587,788	7,846,940	**TOTAL EQUITY AND LIABILITIES**		7,587,788	7,846,940

The accompanying Notes 1 to 32 and Appendix I and II are an integral part of the consolidated balance sheet at 30 September 2021

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 2021 AND 2020
(Thousands of Euros)

	Notes	2021	2020 (*)
Revenue	**Note 24.a**	**10,816,832**	**10,407,748**
Procurements		**(9,637,307)**	**(9,290,509)**
GROSS PROFIT		**1,179,524**	**1,117,241**
Cost of logistics networks:		**(808,205)**	**(781,733)**
Staff costs	**Note 24.b**	(181,594)	(181,694)
Transport costs		(248,962)	(237,631)
Provincial sales office expenses		(79,482)	(78,083)
Depreciation and amortisation charge	**Notes 4.2, 6 and 8**	(116,502)	(114,667)
Other operating expenses	**Note 24.c**	(181,666)	(169,658)
Commercial expenses:		**(48,132)**	**(47,961)**
Staff costs	**Note 24.b**	(29,422)	(29,023)
Other operating expenses	**Note 24.c**	(18,710)	(18,937)
Research expenses		**(2,488)**	**(2,602)**
Head office expenses:		**(84,639)**	**(85,314)**
Staff costs	**Note 24.b**	(64,846)	(67,088)
Depreciation and amortisation charge	**Notes 4.2, 6 and 8**	(5,748)	(5,480)
Other operating expenses	**Note 24.c**	(14,045)	(12,746)
Share of results of companies		2,232	879
Net gain on disposal and impairment of non-current assets	**Notes 4.2, 6 and 8**	2,058	12,688
Other expenses		(23)	(60)
PROFIT FROM OPERATIONS		**240,327**	**213,137**
Finance income	**Note 24.e**	21,934	17,293
Finance costs	**Note 24.f**	(1,731)	(5,047)
PROFIT BEFORE TAX		**260,531**	**225,383**
Income tax	**Note 20**	(67,324)	(60,496)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		**193,207**	**164,887**
NET INCOME FROM DISCONTIUED OPERATIONS	**Note 9**	(19,062)	(7,296)
PROFIT FOR THE PERIOD		**174,145**	**157,591**
Attributable to:			
Shareholders of the Parent-		173,961	157,184
Minority interests	**Note 17**	183	407
BASIC EARNINGS PER SHARE	**Note 5**	**1.32**	**1.19**

(*) Modified by discontinued operations. See Note 2.4
The accompanying Notes 1 to 32 and Appendix I and II are an integral part of

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 2021 AND 2020
(Thousands of Euros)

	Notes	2020	2019
PROFIT FOR THE YEAR		**174,145**	**157,591**
Items that may be reclassified to income statement			
Net actuarial gain (loss) recognised directly in equity	**Note 18**	(628)	-
Items that will not be reclassified to income statement			
Foreign exchange rate changes		4	(53)
TOTAL NET GAIN (LOSS) REGISTERED DIRECTLY IN EQUITY		**(624)**	**(53)**
TOTAL NET GAIN (LOSS) CONSOLIDATED REGISTERED DURING THE YEAR		**173,521**	**157,538**
Attributable to:			
Shareholders of the Parent		**173,337**	**157,131**
Minority interests		**183**	**407**
TOTAL ATRIBUIBLE		**173,521**	**157,538**

The accompanying Notes 1 to 31 and Appendix I and II are an integral part of the consolidated statement of comprehensive income for 2020.

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 2021 AND 2020

(Miles de 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 AT 30 SEPTEMBER 2019	**26,550**	**867,808**	**35,431**	**(753,349)**	**216,482**	**(48)**	**19,950**	**164,626**	**(48,938)**	**(9,893)**	**518,619**	**1,727**	**520,346**
Net profit attributable to the Parent	-	-	-	-	-	(53)	-	157,184	-	-	157,131	-	157,131
Loss attributable to minority interests	-	-	-	-	-	-	-	-	-	-	-	407	407
Actuarial losses	-	-	-	-		-	-	-	-	-			
Income and expenses recognised in the period	**-**	**-**	**-**	**-**	**-**	**(53)**	**-**	**157,184**	**-**	**-**	**157,131**	**407**	**157,538**
Transactions with Shareholders:													
Distribution of profit-													
To reserves	-	-	9,509	-	(916)	-	-	(8,593)	-	-	-	-	-
To dividends (Note 15.e)	-	-	-	-	-	-	-	(156,033)	48,938	-	(107,095)	-	(107,095)
Dividends (Note 15.e)	-	-	-	-	-	-	-	-	(51,569)	-	(51,569)	-	(51,569)
On treasury shares operations (Note 15.b and 15.f)	-	-	(4,533)	-	-	-	-	-	-	(788)	(5,321)	-	(5,321)
Incentive Plan (Note 4.12)	-	-	2,399	-	-	-	-	-	-	-	2,399	-	2,399
Others	-	-	-	-	-	-	-	-	-	-	-	-	-
BALANCE AT 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**
	-	-	-	-	-	4	-	173,961	-	-	173,965	-	173,965
Net profit attributable to the Parent	-	-	-	-	-	-	-	-	-	-	-	184	184
Loss attributable to minority interests	-	-	-	-	(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 3)	-	-		-	-	-	-	(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 AT 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**

The accompanying Notes 1 to 32 and Appendix I and II are an integral part of the consolidated statement of changes in equity for 2021.

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 2021 AND 2020
(Thousands of Euros)

	Notes	2021	2020 (*)
OPERATING ACTIVITIES:		**(302,028)**	**830,104**
Consolidated profit before tax from continuing operations		**260,531**	**225,383**
Net income from discontinued operations		**(19,062)**	**(7,296)**
Adjustments for-		**108,588**	**122,960**
Result of companies accounted for using the equity method		(2,232)	(879)
Depreciation and amortisation charge	**Notes 6 and 8**	123,864	124,687
Impairment		(1,834)	850
Change in provisions		8,451	20,282
Provisions recognised/ (reversed)	**Notes 6 and 8**	(2,034)	(12,486)
Proceeds from disposal of non-current assets		2,577	2,753
Other adjustments		(22,059)	(14,429)
Financial profit		1,855	2,183
Net change in assets / liabilities-		**(652,084)**	**489,056**
(Increase)/Decrease in inventories		(168,001)	(14,335)
(Increase)/Decrease in trade and other receivables		(178,386)	17,443
Increase/(Decrease) in trade payables		3,770	(128,432)
Increase/(Decrease) in other current liabilities		(290,534)	726,166
Increase (Decrease) in other non-current liabilities		25,033	(3,505)
Income tax paid		(64,191)	(123,560)
Finance income and costs		20,225	15,279
INVESTING ACTIVITIES:		**505,321**	**(640,485)**
Payment for investment-		**495,572**	**(652,699)**
Property, plant and equipment	**Note 6**	(31,861)	(25,409)
Intangible assets	**Note 8**	(8,312)	(12,316)
Group companies and associates		538,828	(613,928)
Other current financial assets		(3,082)	(1,046)
Proceeds from financial divestments-		**9,749**	**12,214**
Property, plant and equipment	**Note 6**	8,549	11,214
Intangible assets		-	-
Investment properties		1,200	1,000
Other financial assets		-	-
Non current assets held for sale		-	-
FINANCING ACTIVITIES:		**(194,275)**	**(187,528)**
Payment of dividends and remuneration of other equity instruments-		**(158,388)**	**(158,665)**
Dividends	**Note 15**	(158,388)	(158,665)
Proceeds and payments of equity instruments-		**(4,948)**	**(3,435)**
Acquisition of treasury shares	**Note 15**	(4,948)	(3,435)
Proceeds and payments for financial liability instruments-		**(2,711)**	**8,205**
Repayment and amortization of current borrowings		(2,711)	8,205
Lease payments (IFRS 16)		**(28,228)**	**(33,633)**
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		**9,019**	**2,091**
Cash and cash equivalents at beginning of year-		**162,741**	**160,650**
Net change in cash and cash equivalents during the year		9,019	2,091
Total cash and cash equivalents at end of year		**171,760**	**162,741**

(*) Modified by discontinued operations. See Note 2.4

The accompanying Notes 1 to 32 and Appendix I and II are an integral part of the consolidated cash flow statement for 2021.

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 31). 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 2021

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 2020 will hereinafter be referred to as "2020", the period ended 30 September 2021 as "2021", 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 at 30 September 2021 and 2020 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 legislation 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 2020 were formally prepared by its Directors at the Board of Directors meeting held on 17 November 2020.

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 3 November 2021. 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 2020 were formally approved by the General Shareholders’ Meeting on 4 February 2021.

The principal accounting policies and measurement bases applied in preparing the Group's consolidated financial statements for 2021 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 2020, with the exception of the standards and amendments adopted by the European Union and mandatory for fiscal years starting on 1 January 2020.

In the year ended 30 September 2021 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 3, Business definition	Clarifications to the business definition	1 January, 2020
Amendment to IAS 1 and IAS 8 Definition of "materiality"	Modifications to align the definition of "materiality" with that contained in the conceptual framework.	1 January, 2020
Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform	These amendments provide certain exemptions in relation to the benchmark interest rate reform (IBOR).	1 January, 2020
Revised version of IFRS Conceptual Framework.	It establishes several fundamental concepts guiding the IASB in the development of the standards and helps ensure that the standards are consistent and that similar transactions are treated in the same way.	1 January, 2020
Amendments to IFRS 16 Leases	Modifications related to impacts of Covid-19 pandemic	1 January, 2020

The application of the above Standards, interpretations and amendments has not had a significant effect on the consolidated financial statements as of September 30, 2021.

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
Amendment to IFRS 4 Insurance contracts - deferral of IFRS 9.	Deferral of its application	1 January 2021
Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform – phase 2	Temporary relief in financial information while interbank offer rates are replaced by risk-free interest rates	1 January 2021

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 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
Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"	Definition of Accounting Estimates.	1 January, 2023

New Standards, Amendments to Standards and Interpretations:	Content	Obligatory Application in Annual Reporting Periods Beginning on or After
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
Amendment to IAS 1 Presentation of financial statements.	Classification of financial liabilities as current or non-current.	1 January, 2023
Amendment to IFRS 10 and IAS 28 Sale or contribution of assets between an investor and its associate / joint venture.	Clarification in relation to the result of these operations if it is business or assets.	No date defined

2.4 Information relating to 2020

As required by IAS 1, the information relating to 2020 contained in these notes to the consolidated financial statements is presented with the information relating to 2021 for comparison purposes and, accordingly, it does not constitute the Group's consolidated financial statements for 2020.

2.5 Discontinued activities

With effect from 30 September 2021, it has been decided to reclassify all the assets and liabilities of the French company Supergroup, S.A.S. as Discontinued Activities. 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 implies 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, has resulted in a non-current assets impairment loss of EUR 3,671 thousand, which has negatively affected the consolidated income statements for the year.

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

- The profit/(loss) after tax generated by Supergroup, S.A.S. is not reported in each line of the consolidated income statement, instead it is reported in one line "Net profit/(loss) from discontinued operations", both for 2021 and 2020. The aforementioned impairment loss forms part of this line. Note 9 includes the disclosures required in connection with profit/(loss) from discontinued operations, including a breakdown of the main lines.

- 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 2021 and 2020.

- For the purposes of the balance sheet, all assets and liabilities attributable to Supergroup, S.A.S. have been reclassified as "Assets / Liabilities held for sale and discontinued operations". This reclassification was made with effect at 30 September 2021 and, in accordance with IFRS 5, it does not require the restatement of the comparative balance sheet for 2020. Note 9 presents the consolidated balance sheets before and after reclassification as at 30 September 2021 including the different types of assets and liabilities that have been reclassified as discontinued operations.

In addition to the above, certain assets have also been reclassified to the line of held for sale for which the Group's Management has 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 on 30 September 2021 are 8,942 thousand euros. These assets have been reclassified to their carrying amount due to the existence of purchase offers from third parties with prices higher.

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 line of "Assets / Liabilities held for sale and discontinued operations".

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 2020, 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 2021 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. The risks and possible impacts on the estimates derived from Covid-19 are detailed in Note 18.1.

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 2021 and 2020 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 2021, the only significant variation in the scope of consolidation was movements in minority ownership:

- On 11 March 2021 Logista Italia S.p.A has acquired the minority ownership 32% of Terzia, S.p.A

- On 19 January 2021 Sociedad S.A Distribuidora de Ediciones has incorporated Grupo Boyacá as a shareholder, with 30% ownership.

- Constitution, in April 2021, of the company Logista Regional de Publicaciones, S.A.U. over which the Group controls 100% of its capital.

In 2020, the only significant variation in the scope of consolidation was the constitution, in September 2020, of the Spanish company Logista Payments, S.L.U. which is consolidated by the global integration method as the Group has control over this company.

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 2021, amounting to EUR 276,645 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	112,346
To dividends	110,183
Interim dividend	54,116
	276,645

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 22, 2021, based on the net profit recorded as of June 30, 2021, of EUR 88 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 2021 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".

In 2021, the investment property registered in the consolidated balance's amortization amounted to EUR 276 thousand (2020: EUR 277 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 turn, in 2020 a warehouse in Dos Hermanas (Seville) was sold for a net book value of EUR 678 thousand, which generated a positive impact of EUR 322 thousand in the consolidated income statement under "Net gain on disposal and impairment 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 aforementioned 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 6.5% to 9.2% in 2021 (2020: from 6.5% to 8.4%) (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.

Also, 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.

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 at 30 September 2021 and 30 September 2020 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 2,839 thousand and EUR 2,648 thousand in 2021 and 2020 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 PERM/F 2000P mortality tables, an inflation rate of 1.5% and an annual discount rate of 0.9% as the main assumptions (see Note 18).

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 23 January 2018, the Parent's Board of Directors approved the first tranche's (2017-2020) beneficiaries, being 58 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 2,933 thousand. This first Consolidation Period ended on September 30, 2020 with a total of 62,821 shares delivered in December 2020 for a total cost of 966 thousand euros. Said shares were delivered in some cases net of personal income tax.

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.

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 starts 1 October 2021 and, consequently, new blocks are released in October 2022 and 2023.

The Company has a treasury shares of 674,423 shares to cover the incentive plans in force.

On 29 September 2020 the Parent's Board of Directors extended to 1 October 2021 the Company's Extended Share Repurchase Programme (up to 722,273 shares, 0.5% of the share capital), to include them in the 2020 long-term incentive plan.

Lastly, on 22 September 2021 the Parent's Board of Directors has 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.

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 recognised 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 recognised 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 recognises 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	
	2021	2020
Net profit for the year (thousands of euros)	173,961	157,184
Weighted average number of shares issued (thousands of shares) (*)	131,982	132,228
Earnings per share (euros)	**1.32**	**1.19**

(*) On 30 September 2021, the Parent Company holds 800,923 own shares.

At 30 September 2021, taking into consideration treasury shares, which are related to the long-term incentive plans, the calculation of the diluted earnings per share would give a result of EUR 1.32 per share (EUR 1.19 at 30 September 2020).

6. Property, plant and equipment

6.1 Property, plant and equipment

The changes in "Property, Plant and Equipment" in the consolidated balance sheets in 2021 and 2020 were as follows:

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**

2020

	Thousands of Euros					
	Balance at 30/09/19	IFRS 16 First application (Note 2.2)	Additions or Charge for the Year	Disposals or Reductions	Transfers (Note 8)	Balance at 30/09/20
Cost:						
Land and buildings	224,019	155,828	12,796	(12,964)	1,075	380,754
Plant and machinery	222,421	5,263	10,178	(9,329)	7,346	235,879
Other fixtures, tools and furniture	159,006	9,550	2,334	(3,252)	6,004	173,642
Other items of property, plant and equipment	34,436	-	83	(7,374)	369	27,514
Property, plant and equipment in the course of construction	19,610	-	14,269	-	(15,618)	18,261
	659,492	170,641	39,660	(32,919)	(824)	836,050
Accumulated depreciation:						
Buildings	(119,480)	-	(32,278)	9,836	5	(141,917)
Plant and machinery	(162,855)	-	(16,026)	4,074	10	(174,797)
Other fixtures, tools and furniture	(126,813)	-	(11,343)	3,135	6	(135,015)
Other items of property, plant and equipment	(27,955)	-	(1,090)	7,098	43	(21,904)
	(437,103)	-	(60,737)	24,143	64	(473,633)
Impairment losses	(8,897)	-	-	5,343	-	(3,554)
	213,492	**170,641**	**(21,077)**	**(3,433)**	**(760)**	**358,863**

Additions

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

In 2020, the main additions were related to the impact of the initial application of IFRS 16. The application of this new standard from 1 October 2019 led, during 2020, to the capitalization of rights of use associated with lease contracts amounting to EUR 186,792 thousand (see note 6.2).

Disposals

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".

In 2020, two properties were sold in France for a total sale price of EUR 10,843 thousand, generating a gain of EUR 7,732 thousand, which were recognised in the consolidated income statement of 2020, under the heading "Net gain on disposal and impairment of non-current assets".

Transfers

In 2021 and 2020 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.

6.2 Rights of use

As of September 30, 2020, the detail of the assets of rights of use, included in "Property, Plant and Equipment" and their movement during the year 2021 are as follows:

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)	-	(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**

2020

	Thousands of Euros				
	Balance at 30/09/19	IFRS 16 First application	Additions or Charge for the Year	Disposals or Reductions	Balance at 30/09/20
Cost:					
Land and buildings	-	155,828	11,826	-	167,654
Plant and machinery	-	5,263	3,293	-	8,556
Other fixtures, tools and furniture	-	9,550	1,032	-	10,582
	-	170,641	16,151	-	186,792
Accumulated depreciation:					
Land and buildings	-	-	(27,905)	-	(27,905)
Plant and machinery	-	-	(2,077)	-	(2,077)
Other fixtures, tools and furniture	-	-	(3,274)	-	(3,274)
	-	-	(33,256)	-	(33,256)
	-	**170,641**	**(17,105)**	**-**	**153,536**

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.

As of September 30, 2021, the heading "Property, Plant and Equipment" of the consolidated balance sheet includes EUR 120,591 thousand corresponding to the net book value of assets related to lease contracts (EUR 153,536 thousand at 30 September 2020)

Likewise, as of September 30, 2021, the headings “Other non-current financial liabilities” and “Other current financial liabilities” of the consolidated balance sheet include 94,151 thousand and EUR 28,941 thousand, respectively (EUR 123,643 thousand and EUR 31,699 thousand, respectively at 30 September 2020), 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 at 30 September 2021 amounted to EUR 319,804 thousand (EUR 311,031 thousand at 30 September 2020).

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 2021 and 2020, the items of property, plant and equipment located abroad, mainly in Portugal, France, Italy and Poland, amounted to EUR 130,132 thousand and EUR 151,801 thousand, respectively.

7. Goodwill

Breakdown and significant changes

The breakdown, by identified cash-generating unit, of "Goodwill" at 30 September 2021 and 2020 is as follows:

	Thousands of Euros	
	30-09-2021	30-09-2020
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
	920,800	**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 at 30 September 2018.

Goodwill impairment analysis

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

Discount and residual growth rates

	2021		2020	
	Discount Rate	Growth Rate	Discount Rate	Growth Rate
Italy, tobacco and related products	9.20%	0.00%	8.38%	0.00%
France, tobacco and related products	6.45%	0.00%	6.54%	0.00%
Iberia, transport	7.57%	0.00%	6.59%	0.00%
Iberia, other business: Pharma	7.24%	0.00%	6.78%	0.00%
Iberia, tobacco and related products	8.36%	0.00%	7.14%	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	5.5%	5.9%
France, tobacco and related products	0.9%	1%

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 recognised in relation to these assets in 2021 and 2020.

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 aforementioned assumptions did not disclose any impairment losses.

8. Other intangible assets

The changes in "Other Intangible Assets" in 2021 and 2020 were as follows:

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**

2020

	Thousands of Euros				
	Balance at 30/09/2019	Additions or Charge for the Year	Disposals or Reductions	Transfer (Note 6)	Balance at 30/09/2020
Cost:					
I+D expenses	2,223	-	-	-	2,223
Computer software	201,134	342	(175)	13,698	214,999
Concessions, rights and licenses	784,111	-	(2)	-	784,109
Advances and intangible assets in progress	9,764	11,974	(1)	(11,090)	10,647
	997,232	12,316	(178)	2,608	1,011,978
Accumulated amortization:					
I+D expenses	(2,192)	-	-	-	(2,192)
Computer software	(173,064)	(11,709)	173	18	(184,582)
Concessions, rights and licenses	(364,303)	(52,185)	2	-	(416,486)
	(539,559)	(63,894)	175	18	(603,260)
Impairment losses	(623)	-	-	-	(623)
	457,050	**(51,578)**	**(3)**	**2,626**	**408,095**

Additions

The additions to "Other intangible assets" in 2021 and 2020 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 management systems (SAP) in certain business segments.

Transfers

The transfers to "Computer Software" in 2021 and 2020 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 2021 and 2020 the Group did not recognise any impairment losses on items classified as "Other Intangible Assets".

Other information

On 30 September 2021 and 2020, the intangible assets in use that were completely depreciated amounted to EUR 156,203 thousand and EUR 150,222 thousand, respectively.

9. Non-Current assets as held for sale

As we have explained in Note 2.5, with effect from 30 September 2021, it has been decided to reclassify all the assets and liabilities of the French company of the Supergroup group, S.A.S. as Discontinued Activities. 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. This reclassification was made with effect at 30 September 2021 and, in accordance with IFRS 5, it does not require the restatement of the comparative balance sheet for 2020.

The reclassification implies 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, has resulted in an asset impairment loss of EUR 3,671 thousand, which has negatively affected the consolidated income statements for the year.

In addition to the above, certain assets have also been reclassified to the line of held for sale for which the Group's Management has 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 on 30 September 2021 are 8,941 thousand euros. These assets have been reclassified to their carrying amount due to the existence of purchase offers from third parties with prices higher.

The following table details the statement of financial position before and after reclassification as at 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
ASSETS CLASSIFIED AS 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 CLASSIFIED AS HELD FOR SALE	**-**	**50,299**	**-**	**(9,002)**	**-**	**41,297**

9.1 Net income from discontinued operations

Based on the above, having classified the assets and liabilities of Supergroup, S.A.S. as a discontinued activity, the impact on the income statement of this group company is reported in one line "Net profit/(loss) from discontinued operations", remaking the information for 2020 according to the same criteria.

"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 the income and expenses of Supergroup, S.A.S in 2021 and 2020 that have been reclassified as discontinued operations:

	2021	**2020**
Total operating Income	160,818	155,158
Total operating Expenses	(116,432)	(114,481)
GROSS OPERATING PROFIT	**44,385**	**40,677**
Cost of logistic networks:		
Staff costs	(4,333)	(4,366)
Transport	(13,402)	(12,620)
Cost of local delegations	-	-
Depreciation	(2,728)	(2,671)
Other operating expenses	(5,029)	(5,724)
Total Cost f Logistic Networks	**(25,492)**	**(25,381)**
Commercial expenses:		
Staff costs	(14,322)	(14,229)
Other operating expenses	(3,966)	(4,890)
Total Commercial Expenses:	**(18,288)**	**(19,119)**
Head Office costs:		
Staff costs	(322)	(431)
Depreciation	(26)	(19)
Other operating expenses	(2,428)	(2,228)
Total Head Office Costs:	**(2,776)**	**(2,678)**
Net result of the disposal and impairment of non-current assets	(3,665)	(3)
Other results	(19,153)	(139)
OPERATING PROFIT/(LOSS)	**(24,989)**	**(6,643)**
Finance income	90	3
Finance expenses	(204)	(340)
PROFIT/(LOSS) BEFORE TAX	**(25,103)**	**(6,979)**
Income Tax	6,041	(317)
PROFIT/(LOSS) FOR THE YEAR	**(19,062)**	**(7,296)**

9.2 Cash Flows from discontinued

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

(Thousand euro)	**2020**	**2019**
Operating activities	(1,009)	(1,781)
Investment activities	(30)	3,039
Financing activities	1,045	(1,424)
Net increase / decrease in cash and cash equivalents	**6**	**166**

10. Financial assets

The detail of "Other Non-Current Financial Assets" and "Current Financial Assets" in the accompanying consolidated balance sheets at 30 September 2021 and 2020 is as follows:

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**

2020

Financial Assets: Nature/Category	Thousands of Euros				
	Loans Granted to Third Parties	Loans Granted to Related Companies (Note 26)	Short-Term Deposits and Guarantees	Available-for-Sale Financial Assets	Total
Non-current:					
Equity instruments	-	-	-	725	725
Financial debts (Note 18)	10,246	-	-	-	10,246
Other financial assets	-	-	5,359	-	5,359
	10,246	-	5,359	725	16,330
Current:					
Financial debts	30,134	2,636,154	-	-	2,666,288
Impairment of financial debts	-	(2,273)	-	-	(2,273)
Other financial assets	-	-	63	-	63
	30,134	2,633,881	63	-	2,664,078
	40,380	**2,633,881**	**5,422**	**725**	**2,680,408**

Loans granted to third parties

The venturers of "UTE Compañia de Distribución Integral Logista, S.A.U. y IGT Spain Lottery, S.L.U. Unión Temporal de Empresas" granted a loan to this joint venture, assuming an equal portion, which at 30 September 2021 totaled EUR 119,752 thousand (EUR 117,616 thousand in 2020). Compañía de Distribución Integral Logista, S.A.U. has recognised an amount of EUR 29,938 thousand in this connection at 30 September 2021 (at 30 September 2020: EUR 29,404 thousand), and this amount is recognised 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 2021, with a maximum limit of EUR 122 million, 50% of which from each venturer. The loan is interest free.

The main figures of the joint venture at 30 September 2021 were as follows:

	Thousands of Euros			
	Assets	Liabilities	Equity	Loss for the Year
2021				
"UTE Compañia de Distribución Integral Logista, S.A.U. y IGT Spain Lottery, S.L.U. Unión Temporal de Empresas"	5	119,752	(119,747)	179
2020				
"UTE Compañia de Distribución Integral Logista, S.A.U. y IGT Spain Lottery, S.L.U. Unión Temporal de Empresas"	29	119,955	(119,926)	(92)

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 2021, the maximum drawdown limit is EUR 2,600 million.

As of 30 September 2021, the outstanding balance amounts to EUR 2,097 million (30 September 2020: EUR 2,636 million).

The interest accrued on this credit line at 30 September 2021 amounted to EUR 17,558 thousand (30 September 2020: EUR 16,495 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 at 30 September 2021 and 2020 is as follows:

	Thousands of Euros	
	2021	2020
Tobacco	1,349,733	1,138,177
Published materials	7,020	8,929
Other merchandise	116,985	157,932
Write-downs	(6,592)	(10,726)
	1,467,146	**1,294,312**

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 2021, for a total amount of EUR 627,911 thousand (2020: EUR 489,534 thousand).

The write-down in year 2021 and 2020 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 2019	**11,302**
Period write-downs	7,594
Reversals	(4,795)
Amounts derecognised	(3,375)
Accumulated write-down at 30 September 2020	**10,726**
Period write-downs	3,477
Reversals	(7,213)
Amounts derecognised	(398)
Accumulated write-down at 30 September 2021	**(6,592)**

At 30 September 2021 and 2020, 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 at 30 September 2021 and 2020 is as follows:

	Thousands of Euros	
	2021	2020
Trade receivables for sales and services	2,094,798	1,826,577
Related companies (Note 26)	10,801	31,381
Sundry accounts receivable	22,301	95,360
Employee receivables	297	486
Less- Allowances for doubtful debts	(53,026)	(53,275)
	2,075,171	**1,900,529**

The changes in the "Allowances for Doubtful Debts" in 2021 and 2020 are as follows:

	Thousands of Euros
Allowance for doubtful debts at 30 September 2019	53,246
Period write-downs	3,110
Reversals	(2,895)
Reclasifications	(137)
Amounts derecognised	(49)
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**

The additions to and reversals from the allowance for doubtful debts in 2021 and 2020 are recognised under "Cost of Logistics Networks - Other Operating Expenses" in the accompanying consolidated income statement.

At 30 September 2021 and 2020, 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 recognised at 30 September 2021 and 2020 is as follows:

	Thousands of Euros	
Tranche	2021	2020
0-30 days	50,031	33,250
30-90 days	16,142	8,212
90-180 days	1,252	3,533
180-360 days	1,602	2,299
More than 360 days	4,158	4,893

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 2021 and 2020 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 0.00% in 2021 and 2020.

14. Equity

At the end of 2021 and 2020 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 is Imperial Tobacco LTD with an ownership interest of 50,01% (Altadis in 2020 with an 50,01%).

At 30 September 2021 and 2020, 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 2021 the Group had a net cash position amounting to EUR 2,226,236 thousand (30 September 2020: EUR 2,749,433 thousand), the detail being as follows:

	Thousands of Euros	
	2021	2020
Other current financial liabilities (Note 21)	(72,446)	(77,386)
Gross debt	(72,446)	(77,386)
Other Current financial assets (Note 10)	2,126,922	2,664,078
Cash and cash equivalents	171,760	162,741
Financial assets and cash	2,298,682	2,826,819
Total net financial position	**2,226,236**	**2,749,433**

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 recognised 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 2021 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 2021 and 2020 relating to the Share Plan tranches, amounting to EUR 2,389 thousand and EUR 2,399 thousand, respectively (see Note 4.12). Additionally, in current year this line item includes an amount used of EUR 1,332 thousand to settle the Third Vesting Period (2016-2019) of the 2014 General Share Plan and Special Share Plan (see note 4.12). In 2020 this line item included an amount of EUR 4,387 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 4 February 2021, the shareholders at the Parent's Annual General Meeting approved the distribution of the profit for 2020, 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 51,569 thousand together with a final dividend of 104,272 thousand euros, paid on 26 February 2021.

f) *Treasury shares*

The Group owns 800,923 treasury shares for a total amount of EUR 14,346 thousand, of which 674,423 shares are allocated to cover the long-term incentive plan payable in treasury shares for a total amount of EUR 12,284 thousand (522,273 treasury shares amounting to EUR 10,681 thousand at 30 September 2020).

16. Reserves at consolidated companies

The detail of "Reserves of Group Companies and Associates" in the consolidated balance sheets at 30 September 2021 and 2020 is as follows:

	Thousands of Euros	
	2021	2020
Reserves in fully consolidated companies	(30,904)	216,036
Reserves in companies consolidated by the equity method	(831)	(470)
	(31,375)	**215,566**

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			
	2021		2020	
Entity	Minority Interests	Income Attributable To Minority Shareholders	Minority Interests	Income Attributable To Minority Shareholders
Distribuidora Valenciana de Ediciones, S.A.	393	60	333	91
Terzia, S,p,A.	-	(2)	1,512	482
Distribución de Publicaciones Siglo XXI Guadalajara, S.L.	26	2	24	(17)
Distribuidora de Publicaciones del Sur, S.L.	101	(5)	106	(149)
Other entities	314	128	159	-
	834	**183**	**2,134**	**407**

18. Financial Risk Exposure

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.

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 2021 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 (2020: 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 2021, the Group had a working capital deficiency amounting to EUR 728,989 thousand (September 2020: EUR 802,614 thousand). However, as a result 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).

18.1 Exposure to risk. Covid-19 situation

Identified risks

In the current environment, there is still a certain degree of uncertainty generated by the coronavirus pandemic and the restrictions on mobility and activity that may be implemented by the different governments, but to a lesser extent than in previous periods.

Actions taken to mitigate risks

In any case, this risk is mitigated, since Logista is dedicated to the supply and distribution of products to sales networks that provide essential services, tobacconists, pharmacies, service stations, kiosks, and, therefore, is obliged to maintain its activities, in any case, guaranteeing the supply of said products to retail establishments, for which reason these consolidated annual accounts are presented under the going concern principle.

Impacts to date and potential future impacts

From an economic point of view, COVID-19 presents great uncertainties, the consequences in the medium and long term being difficult to quantify and conditioned, in any case, on the duration of the containment measures imposed by the different governments, as well as to the subsequent economic recovery, nationally and internationally.

The Group has adapted its operations, as well as its strategic and business plan to the current situation derived from the coronavirus crisis, putting in place corrective, contingency and various kinds of measures, in relation to business continuity, which has allowed it to continue its operations, as well as various protection measures for its workers and collaborators. In updating its impairment tests on cash-generating units, the Group has not observed specific relevant indications of impairment derived from Covid-19, nor has it experienced a deterioration in its customers' collection periods.

The Group has estimated that the negative impact of the pandemic on profit before tax, as of September 30, 2020, has been 14 million euros.

19. Provisions

The detail of the balance of short and long-term provisions in the accompanying consolidated balance sheets at 30 September 2021 and 2020 and of the main changes therein in the periods is as follows:

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**

2020

	Thousands of Euros					
	Balance at 30/09/2019	Additions	Reversions	Provisions Used	Transfers	Balance at 30/09/2020
Excise duty and other assessments	10,593	3,322	-	(2,055)	(2,316)	9,544
Obligations to employees	21,527	1,910	(1,054)	(1,232)	(350)	20,801
Provision for contingencies and charges	5,868	1,218	(18)	(659)	-	6,409
Other	2,700	535	(529)	(6)	-	2,700
Non-current provisions	**40,688**	**6,985**	**(1,601)**	**(3,952)**	**(2,666)**	**39,454**
Provision for restructuring costs	7,098	8,789	(1,562)	(5,328)	-	8,997
Customer Refunds	1,851	25	(682)	-	-	1,194
Other	2,745	1,408	(328)	(868)	350	3,307
Current provisions	**11,694**	**10,222**	**(2,572)**	**(6,196)**	**350**	**13,498**

Provision for excise duty on tobacco products and for other assessments

Compañía de Distribución Integral Logista, S.A.U. has recognised provisions for assessments as a result of audits by the Spanish customs authorities of the returns for excise tax on tobacco products for 2009 to 2010. The Company signed the assessments on a contested basis and filed appeals against them, however, it has recognised provisions for the possible deficiency and interest in this connection in order to cater for the possibility of unfavorable decisions being handed down on the appeals amounting to EUR 2,424 thousand. This year the Supreme Court confirmed the amount of the assessments, settling the principal of them for EUR 1,992 thousand, so the provision that remains is maintained to cover the suspensive late payment interest.

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 14,260 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 2021 (See Note 10). 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 are currently in the National Court for an amount of EUR 10,004 thousand and the rest in the Economic Administrative Court, or in the inspection itself pending resolution, estimating that they will be concluded within a period longer than one year, which is why they are recorded in non-current assets.

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

In 2021, the amounts of the provisions for these concepts have been adjusted based on the progress made in the different legal proceedings with the administrations, mainly the reversal of 2,869 thousand euros of tax provisions in Italy

In 2020, provisions had been recognized amounting to EUR 3,058 thousand, as a provision for inspection in progress for corporate tax and EUR 70 thousand had been reclassified, relating to a withholding certificate from the same inspection signed in disagreement.

Additionally, there are recognized provisions to cover existing risks related to other assessments.

Provisions for employee benefit obligations

This account 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 PERM/F 2000P mortality tables, an inflation rate of 1.5% and an annual discount rate of 0.8% (0.9% annual in 2020) as the main assumptions. In 2021, the Group charged EUR 628 thousand to reserves 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 recognised 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. recognise 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 recognised.

Provision for restructuring costs

This account includes mainly the estimate of the payments to be made in relation to the restructuring plans that are being implemented at the Group. In 2021 and 2020, provisions were recognised amounting to EUR 329 thousand and EUR 8,789 thousand, respectively, and indemnity payments were made amounting to EUR 4,716 thousand and EUR 5,328 thousand, respectively, with a charge to the provisions that were recognised 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 2021 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, Distribuidora de las Rías, 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, Cyberpoint, SLU, Distribuidora del Noroeste, SL, ., Compañía de Distribución Integral de Publicaciones Logista, SLU, Distribuidora del Este,S.A.U, S.A. Distribuidora de Ediciones, 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.

In addition, Logista Holdings France, Logista Promotion y Transport, Logista France, S.A.S., Société Allumetière Française, S.A.S. and Supergroup, S.A.S. file consolidated income tax returns in France as part of the group headed by Logista Holdings France, S.A.S.

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, Compañía de Distribución 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 Compañía de Distribución 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

Compañía de Distribución Integral Logista, S.A.U. has open for review by the tax authorities the years 2017, 2018, 2019 and until September 2020 for excise taxes, and fiscal year 2019 and until September 2020 for foreign trade taxes.

For Spanish companies, there is currently no open inspection process.

For Logista Italia, S.p.A. has currently under review by the tax authorities year 2015 for income taxes.

For French companies there is currently no open inspection process

In Portugal, the stamp tax for 2018 is being reviewed.

In general, the other consolidated companies have the last four years open for review by the tax authorities for the main taxes applicable to them, pursuant to the specific legislation of each country, and the last ten years for excise taxes in Italy.

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 at 30 September 2021 and 2020 is as follows:

	Thousands of Euros	
	2021	2020
Deferred tax assets:		
Provision for restructuring costs	985	1,698
Goodwill	1,174	1,787
Impairment losses and other	2,090	3,452
Provision for third-party liability	8,569	9,986
Other deferred tax assets	1,695	1,796
	14,513	**18,719**
Tax receivables (current):		
VAT refundable	3,397	2,933
Income tax refundable	62,363	74,540
Other	4,036	2,927
	69,796	**80,400**

The deferred tax assets relate mainly to temporary differences for provisions recognised 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 deducted in 2017.

The detail of the tax payables at 30 September 2021 and 2020 is as follows:

	Thousands of Euros	
	2021	2020
Deferred tax liabilities:		
Assets contributed by Logista	355	374
Revaluation of land owned by the Parent (Note 15-d)	7,125	7,125
Goodwill	115,560	108,859
Business Combination	112,694	130,666
Other	3,600	6,536
	239,334	**253,560**
Tax payables (current):		
Excise duty on tobacco products	4,308,171	4,600,495
VAT payable	972,012	955,376
Customs duty settlements	3,639	3,450
Income tax, net of prepayments	25,018	8,214
Personal income tax withholdings	6,837	6,859
Social security taxes payable	16,759	18,275
Tax retention to tobacconists (France)	5,941	2,931
Other	1,375	2,999
	5,339,752	**5,598,599**

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.

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 2021 and 2020 is as follows:

	Thousands of Euros	
	2021	2020
Accounting profit before tax	260,531	225,383
Permanent differences	20,731	4,706
Tax loss carryforwards compensation	(745)	(176)
Tax charge at 25%	70,129	57,478
Effect of different tax rates and changes thereto	(609)	5,686
Corporation tax adjustments	-	-
CVAE France	1,025	2,260
Reductions	(3,221)	(4,928)
Total income tax expense recognised in consolidated profit or loss	**67,324**	60,496

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 31.73%.

- 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%.

The breakdown of the income tax expense is as follows:

	Thousands of Euros	
	2021	2020
Current tax:		
Continuing operations	77,364	71,206
Deferred tax:		
Continuing operations	(10,040)	(10,710)
Tax adjustment and others	-	-
Total tax expense	**67,324**	60,496

Changes in deferred tax assets and liabilities

The changes in deferred tax assets and liabilities in 2021 and 2020 are as follows:

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)**

2020

	Thousands of Euros			
	Balance at 30/09/2019	Change in Profit or Loss	Others	Balance at 30/09/2020
Deferred tax assets:				
Provision for restructuring costs	557	1,141	-	1,698
Goodwill	1,815	(28)	-	1,787
Impairment losses and other	4,003	(551)	-	3,452
Provision for third-party liability	10,467	(426)	(55)	9,986
Other deferred tax assets	2,189	(393)	-	1,796
	19,031	**(257)**	**(55)**	**18,719**
Deferred tax liabilities:				
Assets contributed by Logista	(535)	161	-	(374)
Revaluation of land	(7,125)	-	-	(7,125)
Goodwill	(102,125)	(6,734)	-	(108,859)
Business combination	(148,646)	17,980	-	(130,666)
Other	(6,452)	(354)	270	(6,536)
	(264,883)	**11,053**	**270**	**(253,560)**

The deferred tax liability caption includes mainly the deferrals associate with the business combinations and goodwill recorded by the Group. During fiscal year 2021 there have been variations to the corporate income tax for the year.

Tax credit and tax loss carryforwards

At 30 September 2021, the Group does not have any tax credits used by the tax group (30 September 2020: EUR 226 thousand), which had been earned as part of the previous tax group. These tax credits are recognised under "Other Current Financial Assets".

The not capitalised tax loss carryforwards at the end of 2020 were basically as follows:

- Spain: the tax loss carryforwards amount to EUR 5,276 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 at 30 September 2021 and 2020 is as follows:

	Thousands of Euros	
	2021	**2020**
Long term financial debt – IFRS 16 (Note 6.2)	94,151	123,643
Other non-current financial liabilities	4,214	4,541
Other non-current financial liabilities	**98,365**	**128,184**
Short term financial debt – IFRS 16 (Note 6.2)	28,941	31,699
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	29,404
Other current financial liabilities with related parties (Note 27)	13,567	16,283
Other current financial liabilities	**72,446**	**77,386**

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

This line item includes mainly the balance at Compañía de Distribución Integral Logista, S.A.U relating to the credit facility granted by it to "UTE Cía de distribución Integral Logista, S.A.U. y IGR Spain Lottery, S.L.U.", which amounted to EUR 29,938 thousand at 30 September 2021 (30 September 2020: EUR 29,404 thousand). This amount represents the balance payable by the Group to "Compañía de Distribución Integral Logista, S.A.U and GTECH Global Lottery S.L.U., Unión Temporal de Empresas" as a result of the account payable to the other venturer of the UTE assumed by the Group (see Note 10).

22. Trade and other payables

The detail of "Trade and Other Payables" in the accompanying consolidated balance sheet at 30 September 2021 and 2020 is as follows:

	Thousands of Euros	
	2021	2020
Accounts payable for purchases and services	998,579	958,188
Notes payable	26,336	25,784
Payable to related companies (Note 27)	123,768	160,994
Advances received on orders	120	67
	1,148,803	**1,145,033**

Trade and Other Payables" includes mainly the amounts outstanding for trade purchases and related costs. The average payment period for trade purchases in 2021 has been 37 days approximately (37 days in 2020)

23. Guarantee commitments to third parties and other information

Guarantees committed to third parties

At 30 September 2021, the Group has been provided with bank guarantees totaling EUR 181,441 thousand (30 September 2020: EUR 185,034 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 2021 that might arise from the aforementioned guarantees would not in any event be material.

At 30 September 2021, 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; at the date of authorisation for issue of these consolidated financial statements 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.

Also, in 2017 France established a tax of 5.6% levied on tobacco suppliers’ sales. 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, without resolution at this date.

On December 28, 2019, the French Public Administration canceled this rate with effect from January 1, 2019, increasing the special taxes on tobacco.

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 2021 and 2020 is as follows:

	Thousands of Euros	
	2021	2020
Iberia	3,325,301	3,183,770
Italy	3,556,124	3,167,773
France	3,982,656	4,105,016
Adjustment due to inter-segment sales	(47,249)	(48,811)
	10,816,832	**10,407,748**

b) Staff costs

The detail of the Group's "Staff Costs" in 2021 and 2020 is as follows:

	Thousands of Euros	
	2021	2020
Wages and salaries	(192,742)	(186,427)
Termination benefits	(7,481)	(16,388)
Employer social security costs	(58,310)	(58,621)
Other employee benefit costs (Note 4.12)	(2,839)	(2,648)
Other social costs	(15,976)	(15,201)
	(277,438) (*)	**(279,285) (*)**

(*) "Research Expenditure" includes EUR 1,576 thousand and EUR 1,479 thousand of staff costs in 2021 and 2020, respectively.

The average number of employees at the Group, by professional category, in 2021 and 2020, as well as the number of employees as of 30 September 2021 and 30 September 2020 was as follows:

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**	

2020

Category	Number of Persons							
	Headcount at 30/09/20				Average Headcount			
	Permanent Employees		Temporary Employees		Permanent Employees		Temporary Employees	
	Men	Women	Men	Women	Men	Women	Men	Women
Senior Management	37	7	-	-	37	7	-	-
Management	153	41	2	-	155	40	2	-
Senior Professional/Supervisor	230	139	1	1	224	136	1	1
Technicians and administration	1,202	1,058	140	158	1,237	1,052	159	165
Warehouse staff	1,568	546	336	220	1,595	559	368	218
	3,190	1,791	479	379	3,248	1,794	530	384
Total	**4,981**		**858**		**5,042**		**914**	

The average number of disabled employees with a handicap higher than 33% at the Group in 2021 and 2020 was as follows:

Category	Average Number of Employees	
	2021	2020
Senior Management	-	-
Management	2	-
Senior Professional / Supervisor	2	-
Technicians and administration	18	21
Warehouse staff	34	37
	56	**58**

Remuneration of senior executives

The senior executive functions are discharged by members of the Management Committee, which consists of 9 members at 30 September 2021 (9 members in 2020).

The remuneration accrued in 2021 by the members of the Management Committee of the Group amounted to EUR 4,114 thousand (2020: EUR 5,417 thousand). The aforementioned amounts include the amounts vested in the members of the Management Committee in 2021 and 2020 under the incentive plan described in Note 4.12.

The period contributions to the savings schemes for members of the Management Committee for 2021 and 2020 amounted to EUR 299 thousand and EUR 285 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	
	2021	2020
Leases	(3,859)	(3,663)
Security and cleaning	(18,069)	(18,422)
Utilities	(17,941)	(17,436)
Other operating expenses	(141,797)	(130,137)
	(181,666)	**(169,658)**

Commercial expenses

	Thousands of Euros	
	2021	2020
Leases	(869)	(945)
Security and cleaning	-	(3)
Utilities	(650)	(612)
Other operating expenses	(17,191)	(17,377)
	(18,710)	**(18,937)**

Head Office costs

	Thousands of Euros	
	2021	2020
Leases	(611)	(1,148)
Security and cleaning	(1,018)	(833)
Utilities	(352)	(625)
Other operating expenses	(12,063)	(10,140)
	(14,045)	**(12,746)**

"Other Operating Expenses" mainly includes expenses related to Independent professional services and to various services registered in the consolidated statements for 2021 and 2020.

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	
	2021	2020
Within one year	(34,003)	(33,902)
Between one and five years	(73,395)	(80,359)
More than five years	(31,013)	(28,408)
	(138,411)	**(142,670)**

e) *Finance income*

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

	Thousands of Euros	
	2021	2020
Interest income (Note 27)	17,558	16,495
Other finance income with related parties (Note 27)	-	624
Other finance income	4,376	174
	21,934	**17,293**

f) *Finance expenses*

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

	Thousands of Euros	
	2021	2020
Accrual for late payment interests and financial update of provisions	(200)	(202)
Other financial costs	(1,531)	(4,845)
	(1,731)	**(5,047)**

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	
	2021	2020	2021	2020
	EY	EY		
Audit services	758	763	219	221
Reporting package to Imperial Brands, Plc.	95	95	-	-
Other attest services	80	60	-	-
Total audit and related services	**933**	**918**	**219**	**221**
Transfer pricing counselling services	-	-	65	53
Other services	27	29	-	-
Total other services	**27**	**29**	**65**	**53**
Total professional services	**960**	**947**	**284**	**274**

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.

In 2020, from September 30, 2020 to the date of preparation of the consolidated annual accounts for 2020, the fees invoiced for non-audit services, provided by Ernst & Young, S.L. amounted to EUR 31.5 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 and Portugal), France and Italy. In fiscal year 2021 (with comparative effects 2020) the Group has 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.

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	
	2021	2020	2021	2020	2021	2020	2021	2020
Revenue:								
External sales-	3,325,301	3,183,770	3,556,124	3,167,773	3,982,656	4,105,016	10,864,082	10,456,558
Tobacco and related products	2,875,626	2,780,880	3,556,124	3,167,773	3,982,656	4,105,016	10,414,407	10,053,668
Transport	411,305	385,384	-	-	-	-	411,305	385,384
Pharmaceutical Distribution	180,754	144,574	-	-	-	-	180,754	144,574
Other businesses	18,211	18,228	-	-	-	-	18,211	18,228
Other adjustments	(160,596)	(145,296)	-	-	-	-	(160,596)	(145,296)
Inter-segment sales							(47,249)	(48,811)
Total revenue	**3,325,301**	**3,183,770**	**3,556,124**	**3,167,773**	**3,982,656**	**4,105,016**	**10,816,832**	**10,407,748**
Procurements:								
External procurements	(2,691,035)	(2,590,236)	(3,231,428)	(2,862,841)	(3,757,312)	(3,880,023)	(9,679,775)	(9,333,100)
Inter-segment procurements							42,467	42,592
Total procurements	**(2,691,035)**	**(2,590,236)**	**(3,231,428)**	**(2,862,841)**	**(3,757,312)**	**(3,880,023)**	**(9,637,307)**	**(9,290,509)**
Gross profit:								
External gross profit-	634,267	593,534	324,696	304,931	225,344	224,995	1,184,308	1,123,459
Tobacco and related products	303,231	292,947	324,696	304,931	225,344	224,995	853,272	822,872
Transport	290,483	271,675	-	-	-	-	290,483	271,675
Pharmaceutical Distribution	83,159	69,250	-	-	-	-	83,159	69,250
Other businesses	17,361	17,217	-	-	-	-	17,361	17,217
Other and adjustments	(59,967)	(57,556)	-	-	-	-	(59,967)	(57,556)
Inter-segment gross profit							(4,782)	(6,219)
Total gross profit	**181,340**	**593,534**	**324,696**	**304,931**	**225,344**	**224,995**	**1,179,524**	**1,117,241**
Profit (Loss):								
Segment result	134,708	105,719	91,734	86,029	11,652	20,511	238,094	212,259
Share of results of associates							2,232	879
Profit (Loss) from operations	**134,708**	**105,719**	**91,734**	**86,029**	**11,652**	**20,511**	**240,327**	**213,137**

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	
	2021	2020	2021	2020	2021	2020	2021	2020
Other disclosures:								
Additions to non-current assets	31,018	109,580	17,980	70,148	10,407	43,570	59.405	223,928
Depreciation and amortisation charge	(41,510)	(41,150)	(17,538)	(16,027)	(64,496)	(67,796)	(123.543)	(124,973)
Balance sheet:								
Assets-								
Property, plant and equipment, investment properties and non-currents assets held for sale	203.029	234,255	75,684	75,147	83,466	63,869	362,180	373,271
Other non-current assets	73,955	78,171	674,210	674,623	560,893	614,044	1,309,058	1,366,838
Inventories	605,831	474,517	427,514	357,254	433,801	462,542	1,467,146	1,294,312
Trade receivables	587,970	538,374	595,786	386,989	891,416	975,167	2,075,171	1,900,529
Other current assets							2,374,233	2,911,989
Total consolidated assets							**7,587,788**	**7,846,940**
Liabilities-								
Non-current liabilities	168,061	166,311	78,901	82,673	129,515	172,214	376,477	421,198
Current liabilities	1.529.815	1,412,091	2,063,891	3,456,132	3,093,129	2,041,222	6,690,301	6,909,444
Equity							524,476	516,297
Total consolidated liabilities							**7,587,788**	**7,846,940**

25. Foreign currency transactions

The Logista Group's foreign currency transactions in 2021 and 2020, measured in euros at the average exchange rate for the year, were as follows:

	Thousands of Euros	
	2021	2020
Sales	16,253	14,370
Purchases	12,145	10,283
Services received	6,923	5,571

27. Balances and transactions with related parties

The balances at 30 September 2021 and 2020 with related companies were as follows:

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**

2020

	Thousands of Euros			
	Receivables		Payables	
	Credit Facilities (Note 10)	Accounts Receivable (Note 12)	Accounts Payable (Note 22)	Loans
Altadis, S.A.U.	-	2,602	33,561	-
Altadis Canarias, S.A.	-	1,270	6,965	-
Imperial Brands Finance PLC	2,633,874	-		-
Imperial Tobacco International Limited	-	399	13,258	-
Seita, S.A.S.	-	8,294	42,579	-
Imperial Tobacco Italia, Srl	-	308	41,325	-
Tabacalera, S.L. Central Overheads	-	410	3,961	-
MyBlu Spain, S.L.	-	15,215	16,552	-
Logista Libros, S.L.	7	717	119	16,283
Otros	-	2,166	2,674	-
	2,633,881	**31,381**	**160,994**	**16,283**

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 2021 and 2020 were as follows:

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)**

2020

	Thousands of Euros			
	Operating Income	Finance Results (Note 24-e)	Purchases	Other Operating Expenses
Altadis, S.A.U.	11,799	-	316,785	-
Altadis Canarias, S.A.	11,657	-	36,644	-
Tabacalera S.L. Central Overheads	7,452	-	46	-
Imperial Tobacco Italy, s.r.l.	3,293	-	82,753	-
Imperial Tobacco Polska, S.A.	3,450	-	-	-
Imperial Tobacco Manufacturing Polska, S.A.	424	-	-	-
Imperial Brands Finance PLC	-	16,495	-	-
Imperial Tobacco International Limited	1,461	-	36,944	-
Imperial Tobacco Portugal SPPLC	3,713	-	-	-
Macotab, S.A.S.	-	-	-	404
SEITA, S.A.	-	-	243,706	2
Fontem Ventures BV	171	-	5,875	-
MyBlu Spain, S.L.	12,841	-	6,746	-
Otros	3,677	624	185	-
	59,938	**17,119**	**729,684**	**406**

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 2021 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 4,447 thousand (2020: EUR 7,205 thousand).

The contributions to savings schemes for the executive directors for 2021 and 2020 amounted to EUR 279 thousand and EUR 385 thousand, respectively.

The life insurance premium corresponding to the Board of Directors amounted to EUR 5 thousand in 2021 (2020: EUR 215 thousand).

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

Also, in 2021 and 2020 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 2021 the directors' third-party liability insurance amounted to EUR 139 thousand in 2021 and (2020: EUR 66 thousand).

At 30 September 2021 and 2020 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	
	2021	2020
Average period of payment suppliers	37	37
Ratio of transactions settled	38	38
Ratio of transactions not yet settled	27	30

	Thousand Euros	
	2021	2020
Total payments made	11,006,670	10,379,478
Total payments outstanding	1,025,034	984,040

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

No significant events have occurred subsequent since the end of the year ended 30 September 2021 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:

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.

2020

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	-	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
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	-	100
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)	-	100
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)	-	68
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		

(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:

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

2020

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 Management Report for financial year ended on September 30th 2021

COMPANY'S DESCRIPTION

Logista provides high value-added logistics services, specialising in distribution to local retailers in southern Europe.

It serves around 200,000 points of sale in Europe, France, Italy and Portugal, efficiently facilitating manufacturers access to convenience products, electronic top-ups, tobacco, pharmaceuticals, books, publications and lottery markets, among others, in a transparent way and with full operational control.

Logista has developed a unique business model that combines specialist distribution and integrated logistics with exclusive value-added services and powerful Business Intelligence tools. This gives it flexibility in meeting its clients' needs and enables it to comply with the regulatory requirements and standards of each sector.

Logista's quality proposal is based on its capacity to combine wholesale distribution and logistics with other value-added services for our clients, in line with their product strategies. This allows them to focus on their main business operations while maintaining visibility on their route to market.

With full transparency and traceability, Logista acts as single supplier for all the services making up the supply chain, offering advanced and specialist services for each sector and point-of-sale channel in which it operates.

It achieves this through its comprehensive infrastructure network combined with its transport and information systems, enabling it to manage the distribution of products from collection to point-of-sale delivery.

Logista also provides omnichannel marketing of products and services via its web platforms, point-of-sale terminals, cash & carry service points, call centres and sales force.

Through its network, Logista manages the distribution of a wide range of consumer products to different local retailers (convenience stores, confectionery and tobacconists, pharmacies, kiosks, bookshops, etc.) in Spain, France, Italy and Portugal. It regularly serves around 200,000 points of sale, as well as makes domestic deliveries of products purchased through e-commerce. Logista also provides distribution to wholesalers in Poland.

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 products and other convenience products, including tobacco and non-tobacco related products, to the tobacconist channel in Spain, France and Italy, and to points of sale to distribute tobacco, in the case of Portugal. In Spain and Italy, this also includes the distribution of convenience products to other proximity channels.

- Transport

Management of full load, long-distance transport throughout Europe, temperature-controlled capillary transport in Spain and Portugal, and express courier services for parcels and documents in Spain and Portugal.

Through this business area, Logista provides transport services to its other businesses and to third parties.

- Pharmaceutical distribution

Pharmaceutical products distribution and logistics services in Iberia.

- Other businesses

Publication distribution and logistics services in Iberia.

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 S.A.U. (100%)

- Compañía de Distribución Integral Logista S.A.U. (100%)
    - UTE Logista - IGT Spain Lottery (into liquidation) (50%)
- Logista Pharma (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. (100%)
- Logista Libros, S.L. (50%)
- La Mancha 2000, S.A. (100%)
- Logesta Gestión de Transporte, S.A.U. (100%)
    - Logesta Italia (100%)
    - Logesta Francia (50%)
    - Logesta Deutschland (100%)
    - Logesta Lusa (51%)
    - Logesta Polska (51%)

- Compañía de Distribución Integral de Publicaciones Logista, S.L.U. (100%)
  - Logista Regional de Publicaciones, S.A.U. (100%)
  - Distribuidora del Este, S.A.U. (100%)
  - Distribuidora Valenciana de Ediciones, S.A. (50%)
  - Cyberpoint, S.L. (100%)
  - Distribuidora de Publicaciones del Sur, S.L. (50%)
  - Distribuidora de Aragón, S.L. (5%)
  - Promotora Vascongada de Distribuciones, S.A.U. (100%)
  - Distribuidora de Las Rías, S.A.U. (100%)
  - Distribuidora de Ediciones Sade (70%)
  - Distribuidora del Noroeste, S.L. (51%)
  - Publicaciones y Libros, S.A. (100%)
  - Distribución de Publicaciones Siglo XXI Guadalajara, S.L. (80%)
- Logista Payments, S.L.U. (100%)
- Distribuidora del Noroeste (49%)
- Logista France Holding (100%)
  - Logista Promotion et Transport (100%)
    - Logesta Francia (50%)
- Logista France (100%)
  - Societé Allumetiére Francaise (100%)
    - Supergroup (100%)
- Logista Italia (100%)
  - Terzia (100%)
- Companhia de Distribuiçao Integral Logista Portugal (100%)
  - Midsid (100%)
  - Logista Transportes e Transitos (100%)
    - Logesta Lusa (49%)
- Logesta Polska (49%)
- Logista Polska (100%)

Markets of operation

Logista provides high value-added logistics services, specialising in distribution to local retailers in southern Europe.

- We are the preferred distribution partner for manufacturers, providing their route to consumers through simple and rapid access to proximity 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, Logista is constantly developing dedicated services for each sector, and works closely with clients to tailor its offering to their current needs and anticipate their future needs.

- As a transport services operator, Logista pursues 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 small parcel transport service to business clients (B2B).

Strategic priorities

1. To strengthen our consolidated businesses

One of Logista's main strategic objectives is to maintain its strong positioning in the business areas with the most consolidated business. However, given how mature some of these business areas are, it is vital to explore and develop new services to complement our distribution services. By extending our range of services we can help our clients to identify new growth areas and thus enable Logista to keep revenues in its most consolidated businesses stable.

2. To bring sustainable future growth, expanding our business base

Our long-term growth is based on continuing to develop the businesses which offer the greatest growth potential – such as Business to Consumer (B2C) distribution and pharmaceutical products 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 the Company's 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 services and/or capabilities.

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.

3. To offer excellence in our services and increase profitability through continued improvements in operational efficiency

Our commitment to our clients and our close collaboration with them to continually seek an outcome that brings a mutual benefit for us both is the main driving force that ensures we continue to maintain the highest standards in quality when delivering our services and carrying out our operations. As a consequence, we must constantly strive to maintain and increase profitability through continuous improvements in operational efficiency.

We should also highlight our commitment to sustainable growth from an environmental perspective, which is a fundamental aspect of our objective for continuous improvement. The Company has identified road traffic pollution as one of the areas in which it can make improvements to reduce its carbon footprint. In this regard, over 75% of Logista's fleet comprises Euro 5 or Euro 6 vehicles.

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.

Context

Macroeconomic context

Logista's various business operations around the world can be affected by political, social and/or macroeconomic conditions, both at the global level and, in particular in Spain, France, Italy and Portugal and, to a lesser extent, in Poland.

The COVID-19 health crisis had an inevitable impact on the macroeconomic climate during the 2021 financial year, however the extent to which it was affected varied greatly between the first and second half of the year. Despite the easing of restrictions, the pandemic continued to have a dampening effect on economic growth in the period from October to April. However, the following six months saw a significant recovery in business activity prompted by a return to stability due to a levelling out of COVID-19 cases, the successful rollout of the vaccination programme and the easing of mobility restrictions throughout most of Europe. This recovery was also supported by European funding.

Some of our lines of business are closely linked to changes in GDP and the overall performance of the global economy. The recovery in the tourism sector is having a positive impact on our convenience products and tobacco businesses. The pharmaceutical products business in particular has played a fundamental role during the pandemic, mainly with regard to the management and delivery of health material for the protection and testing of COVID-19 at the national level, the distribution to hospitals of critical medicines for COVID-19 and the transport and logistics of vaccines in Spain. Finally, the re-opening of borders between European countries and the progressive recovery of economic activity in Spain has relieved pressure on the transport business.

Although we have to factor in potential cost increases for the transport business due to the rise in oil prices, in the short to medium term, global GDP is projected to rise significantly at the end of 2021 thanks to a fully-vaccinated population. Moreover, with forecasts not pointing towards any interest rate increases that could affect consumers and household savings reaching very high levels during lockdown, we are confident that the impact of this macroeconomic context will be positive in the coming years.

Regulatory context

As in previous years, the regulatory environment in the pharmaceutical and tobacco sectors has continued to introduce more stringent requirements for checks on the distribution of products, and as such, any companies wishing to continue operating in the future must be able to comply with these requirements. To illustrate our commitment to compliance, during the 2021 financial year, the Company placed greater emphasis on developing operations linked to track & trace requirements for tobacco products, producing excellent results and highlighting the Company's excellent approach in this regard.

This not only serves as testament to Logista's unwavering commitment to strictly complying with regulatory requirements, but also to providing excellent levels of service to its clients via solutions that enable them to prepare for such requirements. This commitment has been demonstrated, once again, with the launch of the individual and unambiguous traceability service for COVID-19 vaccines, far exceeding the legally required traceability requirements.

Environmental standards

There is growing demand among clients for services that meet certain environmental standards, a demand which has risen amid the COVID-19 health crisis and due to a 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.

Logista carries out annual checks in line with ISO 14064-3 on the main structures and processes for each business in Spain, France, Italy, Portugal and Poland, using the GHG Protocol and ISO 14064-1 as a benchmark.

Logista has significantly improved the method used to calculate its carbon footprint, now producing a far more detailed impact assessment for the main source 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, Logista is incorporating environmental concerns into the development of its strategy and has committed to achieving a 30% and 50% reduction – compared with 2013 levels – in direct and indirect emissions generated by its 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 the fight against climate change – the only European distribution Company to have achieved this recognition in the last five 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.

In addition, Logista is part of the FTSE4Good 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 our commitment to continue integrating environmental sustainability into the day-to-day management of the business.

E-commerce consumption

The continuing growth of online sales, through multiple operators, generates considerable logistics requirements. Logista's outstanding quality and extensive range of services, together with balanced prices, make it an attractive logistics partner, especially for direct sales to large manufacturers.

Consumption in proximity channels

The COVID-19 pandemic sparked a rise in the number of purchases made at smaller points of sale that are closer to home. Logista distributes all types of products to 200,000 points of sale 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.

Digitalisation

Digitalisation is driving change in how we do business, with several disruptive technologies introducing new digital products and services. Fully digitalised data and processes are increasing automation and making the smart supply chain and warehouse a reality. Decisions are based on the data available and allow the simulation of future results.

Logista has developed several notable projects in this area:

- Technical support for both remote and hybrid working models – the latter combining on-site and remote working. General widespread use of collaborative tools, videoconferencing and remote access to business applications.

- Robotic process automation (RPA) which means human resources can be channelled towards creative tasks and those that bring added value.

- Digitalisation of the supply chain for the distribution of pharmaceutical and tobacco products, going far beyond strict compliance with traceability regulations in both sectors. Logista is applying the very latest scanning and image recognition technologies to digitally capture all product movements across warehouses, cross-docking platforms and delivery vehicles, thus enabling the entire supply chain to be monitored.

- Centralised temperature control system in pharmaceutical storage containers, ensuring compliance with the storage temperature conditions required for each medicine.

- Incorporation of artificial intelligence into the digital marketing and sales platform in the convenience products distribution businesses, enabling a clear segmentation of clients and products and thus the development of segment-specific marketing initiatives. Artificial intelligence technologies based on recognising search history and previous sales patterns are also helping marketing experts to identify market potential and simulate promotions and customer loyalty initiatives.

- Introduction of a variety of innovative technologies such as Big Data analysis and artificial intelligence, enabling Logista's retail clients to digitalise their businesses and enhance their profitability.

Cybersecurity

Logista remains heavily invested in its cybersecurity because, through our digital transformation, we are accumulating significant volumes of electronic data from clients, employees and suppliers who need protection from increased cybernetic threats. Following an exhaustive review of external security, Logista is implementing the latest security technologies, reinforcing internal processes and implementing awareness campaigns for all employees to counteract phishing and ransomware attacks.

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 an opportunity for Logista. The Company offers manufacturers the fastest and most effective route to consumers in Spain, France, Italy and Portugal, thanks to its extensive distribution network in each of these countries.

1. EVOLUTION OF LOGISTA (GROUP) DURING FISCAL YEAR 2021 AND GROUP SITUATION

The fiscal year-end results can be described as very positive, the main income statement figures having grown despite the fact that there were no COVID-19 impacts until March of the previous year:

- 5.6% Economic sales growth[1]
- The business performed well, leading to a 13.2% rise in Adjusted Operating Profit[1] and a 12.8% increase in Operating Profit
- 10.7% Net Profit growth

[1] See appendix "Alternative Performance Measures"

Financial overview

Data in Million Euros	1 Oct. 2020 – 30 Sept. 2021	1 Oct. 2019 – 30 Sept. 2020	% Change
Revenues	10,816.8	10,407.7	+3.9%
Economic Sales[1]	1,179.5	1,117.2	+5.6%
Adjusted Operating Profit[1]	297.5	262.9	+13.2%
Margin over Economic Sales[1]	25.2%	23.5%	+170 bp
Profit from Operations	240.3	213.1	+12.8%
Net Profit	174.0	157.2	+10.7%

Estimated impact of COVID-19 on business performance and results

New waves of the pandemic have been recorded throughout the financial year, reaching their peak in the second quarter. This is in contrast to the previous year when the pandemic started practically at the end of the second quarter.

As a result, the situation during the first six months of this financial year cannot be compared to the same period last year, since the pandemic did not affect business in the countries in which Logista operates during the first quarter and almost the entire second quarter. From the second half of the year however, when comparing business in the context of COVID-19 for both financial years, the overall economic situation this year has been more positive than in 2020.

The Spanish, Portuguese, French and Italian governments again imposed a number of measures to limit working hours, keep businesses closed and restrict mobility, in addition to reintroducing some local lockdowns, but the measures were less severe than those adopted during the previous financial year. In any event, Logista has carried on operating the majority of its businesses virtually as normal, as it did in 2020, as these were again considered essential business when restrictive measured were introduced.

Any negative impact that COVID-19 may have had on results this year has been offset by cost-cutting measures and by taking a number of strategic decisions which have ensured that positive trends in some sectors resulting from the pandemic have been converted into business growth.

The positive impacts resulting from the pandemic include the rise in the e-commerce distribution business (last mile), in pharmaceutical distribution and in providing services to manufacturers, and an improved performance in the volume of tobacco products distributed in France in certain months of the year due to restrictions on mobility, in particular cross-border mobility. Some of these were already evident during the previous financial year.

Business trend and income statement highlights

The Group's Revenues rose by 3.9% against the previous year thanks to growth in Iberia and Italy. Turnover increased in most of the core businesses, growth having been achieved in Tobacco distribution in Italy and Spain, Convenience product distribution in all countries, and in Pharma and all Transport activities.

Economic Sales[1] climbed 5.6% up to €1,180 million due to improvements in all geographies and activities, except for tobacco distribution in France and Portugal. Double-digit Economic Sales[1] growth was achieved in the Pharma, Parcel services (Nacex) and Convenience product distribution businesses in Spain and Italy.

Total operating costs[1] rose by 3.2%, well below the increase in Economic Sales[1].

[1] See appendix "Alternative Performance Measures"

Adjusted Operating Profit[1] amounted to €297.5 million after rising by 13.2% on the previous year. The Adjusted Operating Profit Margin on Economic Sales[1] was 25.2% as compared with 23.5% in 2020.

The positive impact on results of changes to the value of inventories caused by movements in taxes and tobacco prices during the year (around €+5 million) partly explains this increase in Adjusted Operating Profit[1] compared with 2020, when the impact was negative in the amount of €2 million.

Losses caused by COVID-19 in the same period of the previous year are estimated at around €14 million, while the impact is considered to be immaterial this year.

At the year end, a number of changes were made to the Group's financial reporting that affected comparability, so the 2020 figures were restated. These changes are described below.

Supergroup, the Group subsidiary engaged in distributing convenience products to points of sale other than tobacconists in France (formerly the Other businesses sub-segment) is now classed as an "available-for-sale asset", after the decision of the Board of Directors of the Parent Company to carry out the necessary actions for the sale of this Company, following a poor performance in recent years and since this is not a strategic business in the Group's forward-looking plans. As a result of this reclassification, the 2020 consolidated income statement, the cash flow consolidated statement and breakdowns by segment were restated.

Given its growing relevance, Pharma will start reporting separately as of this closing, with the activity of Logista Publicaciones remaining in Other businesses.

Also following the year end, the Corporate and other segment will disappear as such and its results will be included in the other segments, allocating the corporate costs among the remaining three segments and integrating the Polish activities into Iberia (in the Tobacco and related products sub-segment), in line with the hierarchical reporting structure.

In view of these reclassifications, the 2020 breakdowns by segment were restated to align the segment information with the data reported in 2021.

Restructuring costs[1] fell compared with the previous year to €9.3 million (€11.1 million in 2020).

In the current year, capital gains on asset sales were lower than the 2020 total (€2.1 million and €12.7 million, respectively), two assets having been sold in Spain.

Operating profit grew 12.8% to reach €240.3 million.

Net financial income was well above the previous year at €20.2 million (as compared with €12.2 million), due primarily to interest on the excess corporate income tax interim payments made in Spain in 2017 and 2018, based on a Constitutional Court judgement.

The effective tax rate was 27%, which was cut to 25.8% in the income statement following a ruling on tax litigation in Italy that favoured Logista. In the previous year, the effective tax rate was 26.8%.

Net profit from continuing activities rose by 17% to €193.2 million, while a net loss of €-19.1 million was posted on discontinued operations, as compared with €-7.3 million in the previous year.

[1] See appendix "Alternative Performance Measures"

As a result, **Net profit** rose 10.7% to reach €174 million.

Data in Million Euros	1 Oct. 2020 – 30 Sept. 2021	1 Oct. 2019 – 30 Sept. 2020	% Change
Iberia	**3,325.3**	**3,183.8**	**4.4%**
Tobacco and Related Products	2,875.6	2,780.9	3.4%
Transport	411.3	385.4	6.7%
Pharmaceutial Distribution	180.8	144.6	25.0%
Other Businesses	18.2	18.2	(0.1)%
Adjustments	(160.6)	(145.3)	(10.5)%
France	**3,982.7**	**4,105.0**	**(3.0)%**
Tobacco and Related Products	3,982.7	4,105.0	(3.0)%
Italy	**3,556.1**	**3,167.8**	**12.3%**
Tobacco and Related Products	3,556.1	3,167.8	12.3%
Adjustments	**(47.2)**	**(48.8)**	**3.2%**
Total Revenues	**10,816.8**	**10,407.7**	**3.9%**

Revenues Evolution (By Segment and Activity)

Economic Sales[1] Evolution (By Segment and Activity)

Data in Million Euros	1 Oct. 2020 – 30 Sept. 2021	1 Oct. 2019 – 30 Sept. 2020	% Change
Iberia	**634.3**	**593.5**	**6.9%**
Tobacco and Related Products	303.2	292.9	3.5%
Transport	290.5	271.7	6.9%
Pharmaceutical Distribution	83.2	69.3	20.1%
Other Businesses	17.4	17.2	0.8%
Adjustments	(60.0)	(57.6)	(4.2)%
France	**225.3**	**225.0**	**0.2%**
Tobacco and Related Products	225.3	225.0	0.2%
Italy	**324.7**	**304.9**	**6.5%**
Tobacco and Related Products	324.7	304.9	6.5%
Adjustments	**4.8**	**6.2**	**23.1%**
Total Economic Sales[1]	**1,179.5**	**1,117.2**	**5.6%**

Adjusted EBIT[1] Evolution (By Segment)

Data in Million Euros	1 Oct. 2020 – 30 Sept. 2021	1 Oct. 2019 – 30 Sept. 2020	% Change
Iberia	133.5	111.9	19.3%
France	65.6	64.7	1.4%
Italy	98.5	86.3	14.0%
Total Adjusted EBIT[1]	**297.5**	**262.9**	**13.2%**

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 the trends in operating costs[1] and the Group's margins. Set out below is the reconciliation of Adjusted EBIT[1] and EBIT for FY 2021 and FY 2020:

Data in Million Euros	1 Oct. 2020 – 30 Sept. 2021	1 Oct. 2019 – 30 Sept. 2020
Adjusted Operating Profit[1]	**297.5**	**262.9**
(-) Restructuring Costs[1]	(9.3)	(11.1)
(-) Amortization of Assets Logista France	(52.2)	(52.2)
(+/-) Result of Disposal and Impairment	2.1	12.7
(+/-) Result by Equity Method and Others	2.2	0.8
Operating Profit	**240.3**	**213.1**

[1] See appendix "Alternative Performance Measures"

1.1 Business review

1. Iberia: Spain and Portugal

Iberia Revenues totalled €3,325 million, having risen 4.4% against the previous year. Economic sales[1] amounted to €634.3 million, 6.9% above the €593.5 million recognised in 2020.

Revenues in the **Tobacco and related products** business line rose by 3.4% despite the slight fall in tobacco volumes distributed.

Volumes distributed of cigarettes plus RYO and other (including heated tobacco units) in Iberia declined by 0.8% in the current year compared with 2020, dipping in both Spain and Portugal.

Volumes of these categories distributed in Spain fell 0.7% against the previous year, due primarily to the impact of lower tourist and cross-border sales caused by the mobility restrictions imposed since the start of the pandemic, which are still affecting the flow of tourists from other countries.

In the final quarter of the year, some tobacco manufacturers raised the retail selling prices of certain products by €0.15 per packet, so the value of inventories rose by around €2 million, there having been no equivalent material effects in the previous year.

As from the end of this year, Logista's business in Poland (distribution to wholesalers of tobacco products made by two manufacturers) are to be included in Iberia, in the Tobacco and related products sub-segment. 2020 Revenues, Economic Sales and results associated with this business were reclassified in the interests of comparability, although the effects are immaterial. Business in Poland performed well during the year.

Economic Sales[1] of Tobacco and related products in Iberia rose by 3.5% on the previous year thanks to the value-added services billed to tobacco manufacturers, which helped to offset the slight fall in tobacco volumes distributed. Economic Sales[1] of convenience products distributed grew at a double-digit rate compared with 2020.

The sound performance of convenience sales is explained by the influx of new customers, the rise in point-of-sale customers and the increasing demand for convenience products in these stores. The highest sales growth was achieved in non-tobacconist points of sale, although sales to tobacconists also climbed despite the considerable surge in the previous year.

The situation caused by the pandemic favoured an increase in electronic commerce leading to a significant uplift in the parcel services business (Nacex), while mobility restrictions and selective lockdowns brought down demand in the industrial parcel sector. However, pre-pandemic sales levels were recovered towards the end of the year as the industrial parcel business bounced back.

Long-distance transport sales improved over the course of the year, due partly to the addition and expansion of transport services for the pharmaceutical industry and the high-tech, mass consumption and fruit sectors, and to the rebound in tobacco volumes.

Economic Sales[1] in the **Transport** business rose by 6.9% to €290.5 million. Double-digit growth in Economic Sales[1] was achieved in the parcel services business (Nacex) and mid-single-digit growth in the long-distance and industrial parcel service activities.

As from this year, Logista Pharma is no longer included in Other businesses and is a new reporting sub-segment (Pharmaceutical distribution).

Revenues from **Pharmaceutical distribution** rose 25% up to €180.7 million, while Economic Sales[1] grew by 20.1% to €83.2 million thanks to a steady influx of customers and the launch of new dedicated services for the industry, targeting both existing and new customers.

The circumstances during the pandemic gave rise to changing needs in the pharmaceutical and healthcare sectors that are being answered by Logista Pharma, such as the management of clinical trials, direct delivery of medicines to hospital patients and supply of critical medicines for COVID-19. This boosted business thanks to new customer profiles, such as public authorities and hospitals, as well as new products such as COVID-19 vaccines and healthcare and protection materials.

Revenues from the distribution of publications (**Other businesses**) held its ground despite the difficult situation in the industry, Economic Sales[1] having risen by 0.8% to reach €17.4 million.

Total operating costs[1] in Iberia climbed 4% during the year.

The net impact of COVID-19 on current-year results is estimated to be immaterial, as compared with an estimated adverse effect of around €11 million in the previous year.

Adjusted EBIT[1] totalled €133.5 million, having increased 19.3% on 2020.

Restructuring costs[1] were well below the 2020 figure (€0.9 million v. €10.7 million), while capital gains on the sale of assets also declined (€0.2 million as compared with €0.5 million). So, **EBIT** rose by 28.5% to €136.9 million, as compared with €106.6 million in the previous year.

2. France

Economic Sales[1] in France climbed 0.2% to reach €225.3 million.

Revenues fell by 3% to €3,983 million due to the decrease in tobacco volumes distributed in relation to the previous year, which dipped 4% in cigarettes plus RYO and other (including heated tobacco units).

The latest tax increase scheduled by the French Government came into effect during the year so as to reach a price of €10 for a packet of 20 cigarettes in 2020, entailing an average of around 40 cents per packet. Tobacco manufacturers passed on most of this tax increase in the retail selling price, although in some cases this did not offset the full effect of the tax hike.

Movements in taxes and prices during the year had an adverse net impact on inventories of approximately €2 million, as compared with the negative impact of €3 million in the previous year.

Economic Sales[1] of Tobacco and related products rose by 0.2% to €225.3 million thanks to growth in the distribution of electronic transactions and convenience products, offsetting the poor Economic Sales[1] in tobacco distribution.

The effect of COVID-19 on results in France in the current year is estimated to be immaterial, as compared with a negative impact of around €3 million in the previous year.

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 end of the current fiscal year, so its results are included under discontinued operations and its Revenues, Economic Sales and results are no longer part of the France segment. The Other businesses sub-segment is no longer included in this segment, all the activities in France forming part of the Tobacco and other related products sub-segment. The corresponding figures were restated to reflect this classification and assure comparability between 2021 and 2020.

Total operating costs[1] in France decreased by 0.2%, allowing **Adjusted EBIT**[1] to climb 1.4% to €65.6 million, as compared with €64.7 million in the previous year.

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[1] See appendix "Alternative Performance Measures"

[1] See appendix "Alternative Performance Measures"

Restructuring costs[1] were higher than in 2020 (when there were virtually none) at €1.6 million and the same depreciation charge of €52.2 million was recognised on the assets arising from the acquisition of the business in France. **EBIT** grew by €+11.7 million, which was 43.2% below the previous-year figure of €20.5 million.

3. Italy

Revenues in Italy grew by 12.3% to €3,556.1 million thanks to increases in revenues from the distribution of convenience products and tobacco in relation to the same period of 2020.

Volumes distributed of cigarettes plus RYO and other (including heated tobacco units) climbed 2.7% on the previous year due to the sound performance of the new product categories, which amply offset the decline in cigarette volumes (-2.2%).

Some changes were made to excise duties on the new product categories during the year. Heated tobacco manufacturers raised their retail selling prices so as to more than offset the tax increase. Movements in taxes and prices had a net positive impact of between €4 million and €5 million on results for the year, as compared with around €1 million in the previous year.

The increase in Revenues from services provided to manufacturers and from the distribution of convenience products allowed Economic Sales[1] to grow 6.5% in Italy to reach €324.7 million.

As regards services to manufacturers, the new tobacco product categories in Italy and the value-added services associated with this type of products are performing well.

Commercial efforts to boost growth in the distribution of convenience products focused this year on the beverages category, new agreements having been reached with manufacturers in this sector, complementing the increase in the snacks and sweets category. As a result, Economic Sales[1] in the distribution of convenience products once again reached double-digit growth.

The effect of COVID-19 on results in the current and previous years is estimated to be immaterial.

Total operating costs[1] in Italy rose by 3.6% against the previous year, so **Adjusted EBIT**[1] climbed 14% up to €98.5 million.

Restructuring costs[1] related to the gradual improvement in operational efficiency were above the previous-year figure (€6.8 million as compared with €0.3 million in 2020) due to the reorganisation of the distribution network in Italy during the year, including the closure of the Bolonia warehouse and the transfer of those activities to the Tortona warehouse.

EBIT amounted to €91.7 million, 6.6% up on the €86 million posted in the previous year.

1.2 Financial Result evolution

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 these balances at the European Central Bank's base rate plus a spread of 75 basis points. The European Central Bank's base rate was 0% in both financial years.

Cash resources averaged €2,310 million during the year, as compared with €2,285 million in the preceding year.

Net financial income was well above the previous year (€20.2 million as compared with €12.2 million), due primarily to interest on the excess corporate income tax interim payments made in Spain in 2017 and 2018, based on a Constitutional Court judgement (€3.6 million).

[1] See appendix "Alternative Performance Measures"

1.3 Net Income evolution

Restructuring costs[1] recognised in the current year decreased in relation to the previous year (€9.3 million v. €11.1 million) and capital gains were also lower (€2.1 million) than in the previous year (€12.7 million). This, together with the sterling business performance and improved financial results, led to a 15.6% increase in Pre-Tax Profit up to €260.5 million.

The effective tax rate was 27%, which was cut to 25.8% in the income statement following a ruling on tax litigation in Italy that favoured Logista. In the previous year, the effective tax rate was 27.3%.

Profit from continuing operations increased to reach €193.2 million, which is 17% higher than the 2020 figure of €164.9 million.

The Company has 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 reported under discontinued operations. To ensure the comparability of 2021 and 2020, these figures were restated to reflect the new classification, results from discontinued operations amounting to €-19.1 million in 2021 and €-7.3 million in 2020.

Net profit, including continuing and discontinued operations, totalled €174 million, up 10.7% on the previous year.

Basic earnings per share amounted to €1.32 as compared with €1.19 in 2020, the number of shares remaining the same. At 30 September 2021, the Company holds 800,923 treasury shares (0.6% 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 Flow

The seasonal nature of the Group's business leads to a negative cash balance in the first and second quarter of the year, which is turned around in the second half and normally peaks near the year end.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) grew by 8.8% on the same period of the previous year thanks to the sound business performance and the increase in net financial income, amply funding the rise in restructuring payments[2], the growth in normalised taxes and the larger cash outflow on net investments for the year. As a result, cash generated was 7.5% higher than the year.

The change in working capital at the year end is explained by the very high cash position at the previous year end due to changes to the terms and timing of excise duty payments in some countries. This variation in the balance caused a negative free cash flow at 30 September 2021.

1.5 Research and Development activities

Logista invested 6.3 million euros in R & D & i during the fiscal year 2021. These investments correspond to evolutionary projects in the supply chain solution, scalable and secure application infrastructure, and security and transport.

1.6 Treasury Shares

At September 30 2021, Logista held in its balance sheet 800,923 own-shares, representing the 0.6% 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

[2] See appendix "Alternative Performance Measures"

1.7 Average Payment Period To Suppliers

The average payment period for commercial purchases during fiscal year 2021 has been 37 days

1.8 Dividend policy

At the Annual General Shareholders' Meeting, the Company's Board of Directors intends to propose distributing an additional dividend for the 2021 financial year of €110 million (€0.83 per share), to be paid during the first quarter of the 2022 calendar year.

On 22 July 2021, the Board of Directors also approved the payment of a dividend of €54 million (€0.41 per share) on account against the results for 2021, which was paid on 27 August 2021.

The dividend for 2021 will therefore total €164 million (€1.24 per share), entailing an increase of 5.1% on the previous year and representing 95% of Net Profit for the year.

1.9 Outlook

Our excellent business performance during the year has allowed us to achieve results more in line with pre-pandemic expectations, after overcoming the impact of COVID-19.

In view of the current market circumstances, which point to a general recovery in the main countries in which we operate, we expect Adjusted EBIT[1] to grow organically during 2022 at a mid-single-digit rate on the figure for 2021.

In line with Logista's strategic plans, focusing essentially on additional growth and diversification of the existing businesses, the Group continues to look for acquisition opportunities of complementary small/medium companies to leverage synergies. In any case, Logista will prioritise the same dividend policy applied to date.

2. SHARE PRICE EVOLUTION

Logista share price amounted €14.6 at the end of fiscal year 2020 (September 30, 2020), so, Logista's market capitalization reached 1,938.2 million € at closing of fiscal year 2020.

During the fiscal year 2020, 41,772,377 shares were negotiated, reaching a rotation of the 31.5% of the total share capital. The daily average volume negotiated was 163,173 shares.

	1 Oct. 2020 – 30 Sept. 2021	**1 Oct. 2019– 30 Sept. 2020**
Market capitalization at the end of the period (€mill)	2,417.2	1,938.2
Revaluation (%)	+24.7%	-18.3%
Closing price (€)	18.2	14.6
Maximum price (€)	19.3	21.3
Minimum price (€)	14.0	12.9
Total negotiated volume (shares)	62,762.606	41,772.377
Average daily volume (shares)	244,173	163,173
Rotation (% of share capital)	47.3%	31.5%

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 2020 Integrated Annual Report, consolidated of Compañía de Distribución Integral Logista Holdings, S.A. and its Subsidiaries corresponding to fiscal year 2021, 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. ANNUAL REPORT ON DIRECTORS REMUNERATION

The annual report on directors remuneration is presented in the Appendix 2 and its part of this Consolidated Management Report.

5. 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 current situation continues to be dominated by the coronavirus pandemic. There is still a certain degree of uncertainty about how the pandemic will unravel given infection rates and the prospect of new restrictions due to potential new variants of the virus and the impact this could have on the Company. Logista's various businesses can also be affected by changes in political, social and/or macroeconomic conditions, both at the global level and, in particular, in the markets in which it operates; these markets may become subject to new regulations or be affected by structural changes that could have an impact on clients' purchasing power, as well as on consumer habits and trends.

- 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. The introduction of new anti-smoking policies, with the attendant decline in the consumption of tobacco products which Logista is not able to offset by growth in other business areas, amounts to further risks.

- Operational and technological risks: the main risks are related to cyber security, as Logista is exposed to hazards and vulnerability because of its habitual use of information technology and systems to perform its various activities, to the theft of tobacco from premises and during its transport, and to risks related to large-scale events when the contingency plans made by the Group are not sufficient.

- 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 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. In case of need, Logista has credit lines available.

- 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.

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:

- 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.

During the year, some key positions in the Company became vacant, but the succession plans that had been made and the measures to ensure a correct succession in those positions were applied satisfactorily.

With regard to Brexit, there is no longer any risk associated with the United Kingdom's exit from the European Union, which has not affected Logista, given it does not trade with or move goods to or from the UK, and the fact that Logista does not have any funding from its shareholder in either euros or sterling, and is therefore not affected by fluctuations in interest or exchange rates. Risk associated with the impact of the COVID-19 pandemic.

Risk from the pandemic due to COVID-19

New waves of the pandemic have been recorded throughout the financial year, reaching their peak in the second quarter. This is in contrast to the previous year when the pandemic started practically at the end of the second quarter.

As a result, the situation during the first six months of this financial year cannot be compared to the same period last year, since the pandemic did not affect business in the countries in which Logista operates during the first quarter and almost the entire second quarter. From the second half of the year however, when comparing business in the context of COVID-19 for both financial years, the overall economic situation this year has been more positive than in 2020.

The Spanish, Portuguese, French and Italian governments again imposed a number of measures to limit working hours, keep businesses closed and restrict mobility, in addition to reintroducing some local lockdowns, but the measures were less severe than those adopted during the previous financial year. In any event, Logista has carried on operating the majority of its businesses virtually as normal, as it did in 2020, as these were again considered essential business when restrictive measured were introduced.

Any negative impact that COVID-19 may have had on results this year has been offset by cost-cutting measures and by taking a number of strategic decisions which have ensured that positive trends in some sectors resulting from the pandemic have been converted into business growth.

The positive impacts resulting from the pandemic include the rise in the e-commerce distribution business (last mile), in pharmaceutical distribution and in providing services to manufacturers, and an improved performance in the volume of tobacco products distributed in France in certain months of the year due to restrictions on mobility, in particular cross-border mobility. Some of these were already evident during the previous financial year.

In financial year 2021, it is estimated that COVID-19 has not had a significant net impact on the results, contrasting with the negative net impact of around 14 million euros estimated for the previous year.

6. USE OF DERIVATIVE FINANCIAL INSTRUMENTS

No Group company uses derivative financial instruments.

7. SIGNIFICANT EVENTS FOR THE GROUP AFTER THE REPORTING PERIOD

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**: equals Gross Profit and is used without distinction by the Management to refer to the figure resulting of subtracting Procurements to the Revenue figure.

  Management believes that gross profit is a meaningful measure of the fee revenue we generate from performing our distribution services and provides a useful comparative measure to investors to assess our financial performance on an on-going basis.

	Million €	
	1 Oct. 2020 – 30 Sep. 2021	**1 Oct. 2019 – 30 Sep. 2020**
Revenue	10,816.8	10,407.7
Procurements	(9,637.3)	(9,290.5)
Gross Profit	**1,179.5**	**1,117.2**

- **Adjusted Operating Profit (Adjusted EBIT)**: This item is calculated, fundamentally, discounting from the Operating Profit those costs that are not directly related to the revenue obtained by the Group in each period, facilitating the performance of Group's the operating costs and margins.
  The Adjusted Operating Profit (Adjusted EBIT) is the main indicator used by the Group's Management to analyse and measure the progress of the business.

	Million €	
	1 Oct. 2020 – 30 Sep. 2021	**1 Oct. 2019 – 30 Sep. 2020**
Adjusted Operating Profit	**297.5**	**262.9**
(-) Restructuring Costs	(9.3)	(11.1)
(-) Amortization of Assets Logista France	(52.2)	(52.2)
(+/-) Net Loss of Disposal and Impairment of Non-Current Assets	2.1	12.7
(+/-) Share of Results of Companies and Others	2.2	0.8
Profit from Operations	**240.3**	**213.1**

- **Adjusted Operating Profit margin over Economic Sales:** calculated as Adjusted Operating Profit divided by Economic Sales (or indistinctly, Gross Profit).

  This ratio is the main indicator used by the Group's Managements to analysis and measure the performance of the profitability obtained by the Group's typical activity in a period.

	Million €		
	1 Oct. 2020 – 30 Sep. 2021	**1 Oct. 2019 – 30 Sep. 2020**	**%**
Economic Sales	1,179.5	1,117.2	5.6%
Adjusted Operating Profit	297.5	262.9	13.2%
Margin over Economic Sales	**25.2%**	**23.5%**	**+170 b.p.**

- **Operating costs**: this term is composed by the costs of logistics networks, commercial expenses, research expenses and head offices expenses that are directly related to the revenue 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 and amortization of assets derived from the Logista France acquisition, due to are not directly related to the revenues obtained by the Group in each period.

Reconciliation with Interim Consolidated Financial Statements:

Million €	**1 Oct. 2020 – 30 Sep. 2021**	**1 Oct. 2019 – 30 Sep. 2020**
Cost of logistics network	808.2	781.7
Commercial expenses	48.1	48.0
Research expenses	2.5	2.6
Head office expenses	84.6	85.3
(-) Restructuring costs	(9.3)	(11.1)
(-) Amortization of Assets Logista France	(52.2)	(52.2)
Operating Costs or Expenses in management accounts	**882.0**	**854.3**

- **Non-recurring expenses**: refers those expenses that, although they might occur in more than one period, do not have a continuity in time (as opposed to operating expenses) and affect only the accounts in a specific moment.

  This magnitude helps the Group's Management to analyse and measure the performance of the Group's activity in each period.

- **Recurring operating expenses**: this term refers to those expenses occurred continuously and allow sustain the Group's activity. They are estimated from the total operating costs less the non-recurring costs defined in the previous point.

  This magnitude helps the Group's Management to analyse and measure the performance of efficiency in the activities carried out by the Group.

- **Restructuring costs**: are the costs incurred by the Group to increase the operating, administrative or commercial efficiency in our company, including the costs related to the reorganization, dismissals and closes or transfers of warehouses or other facilities.

- **Non-recurring results:** refers to the results of the year that do not have a continuity during the year and affect the accounts in a specific moment. It is included in the Operating Profit.

ANNEX I TEMPLATE

ANNUAL REPORT ON DIRECTORS REMUNERATION OF LISTED COMPANIES

ISSUER IDENTIFICATION DETAILS

YEAR END-DATE **30/09/2021**

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. 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:

- Description of the procedures and company bodies involved in determining and approving the remuneration policy and its terms and conditions.

- Indicate and, where applicable, explain whether comparable companies have been taken into account in order to establish the company's remuneration policy.

- Information on whether any external advisors took part in this process and, if so, their identity.

The General Shareholders' Meeting of Compañía de Distribución Integral Logista Holdings, S.A. (hereinafter, "the Company"), held on 4 March 2021, approved a Remuneration Policy 2021-2023 (the "Remuneration Policy 2021-2023" or "the Policy"). It should be noted that, in accordance with the provisions of Transitional Provision 1 of Law 5/2021, of 12 April, which amends the Consolidated Text of the Capital Companies Act, the Board plans to submit a new remuneration policy adapted to the requirements of the new wording of article 529 novodecies of the Capital Companies Act, a policy that the Company has begun to work on for approval by the General Shareholders' Meeting to be probably held in February 2022.

Therefore, this Report refers to the Remuneration Policy 2021-2023, which is the policy in force at the time of approval of this Report. This Policy introduced certain changes to the remuneration policy previously in force, maintaining its structure in general terms, but seeking to simplify it.

It should also be noted that the 2021 General Shareholders' Meeting approved an amendment to the Bylaws, which eliminates the possibility of non-executive directors receiving remuneration in Company shares, and established the possibility of implementing mechanisms to facilitate the removal of executive directors, in line with those established for the Company's senior executives.

Thus, the Remuneration Policy 2021-2023:

- distinguishes between remuneration received for the exercise of non-executive functions and remuneration received for the exercise of executive functions.

- With regard to non-executive functions, directors in their capacity as such receive a fixed remuneration and attendance fees, and the possibility of receiving remuneration in shares has been eliminated in the Bylaws, in accordance with best corporate governance practices.

- Remuneration for the performance of executive duties comprises (i) fixed remuneration, (ii) short-term (annual) variable remuneration in cash, and (iii) long-term (multi-year) variable remuneration in shares, with the structure of the previous incentive plans having been simplified and a single plan implemented, maintaining the three-year vesting periods. The executive Directors also benefit from a supplementary social welfare system, linked to retirement and other contingencies, and other remuneration in kind, in line with that received by the Group's management team. In any case, it should be noted that executive Directors also receive the remuneration that corresponds to their membership of the Board of Directors and the performance of non-executive duties.

In establishing this Policy, the Board has taken into consideration international governance criteria on remuneration: (i) clarity; (ii) simplicity; and (iii) risks management.

- Clarity: The Company is committed with transparency and communication with all stakeholders, including shareholders, employees and analysts.

- Simplicity: A simple remuneration framework has been chosen, comprising fixed and variable remuneration elements and simplifying the structure of the long-term variable remuneration. This provides a clear vision for both the Company's executive directors and shareholders about the main goals of the entity.

- Risks Management: The remuneration structure is aligned with the Company’s risk management, and includes clawback and malus clauses.

The Remuneration Policy 2021-2023 was examined and reported on by the Appointments and Remuneration Committee at its meeting of 18 December 2020, before the Board agreed on its proposal to the General Shareholders' Meeting held in February 2021, where it was finally approved. The Company was assisted in the preparation of such Policy, from a legal perspective, by Gómez Acebo y Pombo Abogados. With regard to the aspects of remuneration analysis and mix, and its comparison with other companies, the Company was advised by Willis Tower Watson, which has advised the Company, taking into account the main market references.

In addition, the remuneration for executive and non-executive functions for the 2021-2022 financial year was approved at the meeting of the Board of Directors of the Company on 4 November 2021, following 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 following year.

- 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 vesting 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.

Only executive directors receive variable remuneration.

The remuneration system for executive Directors established in the Remuneration Policy 2021-2023 has the following characteristics:

- Remuneration is assigned for the performance of executive functions.
- It presents a balanced and efficient relationship between fixed and variable components.
- The variable remuneration has a short-term and long-term component, and is designed to boost the performance of the Directors in strategic and sustainability terms. The long-term, multi-year variable remuneration is structured around a mechanism for the delivery of shares in the Company itself on a deferred basis over time.
- The remuneration system is compatible with appropriate and effective risk management and with the Company's business strategy, values and long-term interests, and is aimed at promoting the long-term profitability and sustainability of the Company.
- It takes into account market trends and good governance principles and recommendations, with the aim of being effective in attracting and retaining the best professionals.

The Policy is, therefore, oriented towards the generation of value in the Group, seeking alignment with the interests of shareholders, with prudent risk management and in compliance with current regulations on the remuneration of Directors of listed companies.

With regard to the balanced relationship between fixed and variable components, these components have been fixed considering the different executive functions that both directors perform in the Company. That is why the remuneration mix for Executive Directors (fixed remuneration as Director, salary, short- and long-term variable remuneration), in a scenario of standard compliance with objectives, for the Chief Executive Officer approximately 20% of total remuneration is fixed and 80% is variable.

For the Secretary Director, the distribution would be 48% fixed remuneration and 62% variable remuneration.

Likewise, the determination of the variable remuneration objectives for executive Directors has been designed in an attempt to maintain an appropriate balance not only in terms of time (distinguishing between short and long-term variable remuneration) but also from the perspective of the design of the objectives of each of the two types of variable remuneration (annual and multi-year), as explained below. These objectives are identical to those applied to senior management.

Annual variable remuneration is based on short-term operational, economic or financial objectives. However, long-term variable remuneration, which consists of a mechanism for the delivery of shares in the Company, also addresses objectives linked to the creation of shareholder value (comparative share performance) and environmental sustainability, thus specifically considering a long-term approach and linked to the creation of value in the Company.

In any case, it should be noted that the degree of compliance with the operating objectives is determined by the Board of Directors after the Company's annual accounts have been audited, which makes it possible to take into account, where appropriate, any qualifications that may be made to reduce the amount of variable remuneration. Likewise, the sustainability objectives have been linked to compliance with certain environmental sustainability objectives (reduction of quantified CO_2 emissions, inclusion or maintenance of presence in environmental sustainability indexes).

The reduction of exposure to risk has been structured around (i) the establishment of a 3-year remuneration horizon for executive Directors, (ii) the obligation to hold shares and (iii) contractual claw back and malus clauses, in line with that established for the Company's senior management.

With regard to the time horizon, long-term variable remuneration is specifically designed to ensure that the evaluation process considers long-term results, taking into account the underlying economic cycle of the Group. This remuneration, which consists of the delivery of shares, is articulated through share delivery plans that overlap over time. The duration of each of the vesting cycles is 3 years, so that the shares corresponding to Executive Directors are only delivered 3 years after the launch of the corresponding cycle, and once the Board of Directors has determined the objectives achievement degree for each vesting cycle.

Likewise, as an element to minimise exposure to the risk of long-term variable remuneration, the obligation of executive Directors to maintain a package of shares of those delivered in application of the long-term incentives equivalent to 2 years of annual fixed remuneration is foreseen.

Lastly, the contracts of executive Directors have "malus" clauses to cancel the payment of long-term variable remuneration, as well as "clawback" clauses in the terms explained below.

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

The remuneration of the directors in their capacity as such consists of a fixed annual allowance and per diems for attending the corresponding meetings. The Board of Directors held on 4 November 2021, at the proposal of the Appointments and Remuneration Committee, agreed to keep unchanged the Directors remuneration in their capacity as such, in a moderation exercise. This way, the resulting remuneration is as follows:

a) Remuneration, in cash, fixed monthly, in line with market standards, based on the positions held on the Board and its Committees, in accordance with the following detail:

   i) The fixed monthly remuneration of the Chair of the Board, in such capacity amounts to €30,600.

   ii) The fixed monthly remuneration of the Directors as members of the Board of Directors amounts to €5,100.

   iii) The fixed monthly remuneration of the Chair of the Appointments and Remuneration Committee, in such capacity, is €1,700.

   iv) The fixed monthly remuneration of the Chair of the Audit and Control Committee, in his/her capacity of such, is €1,700.

b) Per diem for attendance at meetings:

   i) From the Board of Directors: €2,805 per meeting.

   ii) From the Appointments and Remuneration Committee: €1,020 per meeting.

   iii) From the Audit and Control Committee: €1,632 per meeting.

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

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

The remuneration for the Chairs (of the Board and of the Committees) is additional to the remuneration as Directors.

The fixed remuneration during the current financial year will therefore amount to 836,400 euros. The remuneration accrued as per diems will depend on the number of meetings of the different bodies of the Board that are finally held.

At the time of determining the amounts of these remunerations, the Board has taken into consideration, besides the specific circumstances of the Company, and the need to attract and retain talent, the information contained in the 2020 CNMV Report on remuneration of listed companies’ directors.

- Amount and nature of fixed components that are due to be accrued during the year for the performance of senior management functions of executive Directors.

To facilitate the monitoring of this report, it should be noted that the fixed remuneration of executive directors is established by calendar year (from 1 January to 31 December), while the variable remuneration of executive directors is accrued at the close of the Company's fiscal year (30 September), taking into account the fixed remuneration applicable at that time.

The CEO’s fixed remuneration has been set on the basis of the remuneration agreed at the time of his incorporation to the Company in 2019. To determine such amount, the report of Willis Towers Watson was used, which advised the Company in relation to its ability to attract talent, professional experience of the candidate and alignment with the market. Since then, in a containment exercise, there have been very moderate increases, aligned with those applied to the remaining management staff of the Group.

With regard to the Secretary Director, her fixed remuneration was determined at the time of her incorporation to the Company in January 2020, taking into account the Remuneration Policy of Senior Management and the salary band of the Group's senior managers. In this sense, it should be noted that in the incorporation of senior managers, the Company works on the design of an attractive remuneration package, which adequately remunerates their experience and capabilities, but allowing growth within these salary bands. Once this initial fixed remuneration was determined, in the closed year a very moderate increase was applied, in line with that of the general update applied to senior management remuneration, without rising in the salary scale.

The Executive Directors shall receive a fixed remuneration, paid in cash, for the performance of their executive duties in the Company. This remuneration was set at the following amounts for the year 2022 (1 January to 31 December):

- Mr. Iñigo Meirás Amusco (Chief Executive Officer): 828,240 euros
- Ms. María Echenique Moscoso del Prado (Secretary Director): 238,119 euros

These amounts were fixed at the Board of Directors' meeting of 4 November 2021 and correspond to a 2% increase versus previous salaries.

In order to determine such increase, the Board considered the data contained in specific reports of independent external advisors (Willis Towers Watson’s Salary Budget Planning Report for 3Q 2021). The average increase estimation for Spanish Companies according to such report amounts to c. 2,4%. The Board has taken a prudent approach, and even considering the existing uncertainties with regards to inflation rates, it has decided on the above mentioned increase.

- 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 the executive directors have a remuneration package in kind similar to that of the Company's management team. In particular, executive directors are beneficiaries of life insurance, with an annual premium of 5,152 euros. This package also includes medical assistance insurance and a company car.

The Company has taken out and pays the global premium corresponding to a Directors' and Executives' civil liability insurance policy that covers all Directors, both executive and non-executive. In this policy, the Directors are considered as insured parties for the liabilities that may be demanded of them as a result of the performance of the activities inherent to their functions. In particular, both the contracts of the Chief Executive Officer and the Secretary Director require the Company to take out a civil liability insurance policy. As the civil liability insurance has been taken out globally, it is not possible to calculate the part of the insurance attributable to the Directors as remuneration in kind, but in any case, its individual amount is not significant.

– 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 vesting 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.

Variable remuneration metrics are a set of financial and non-financial criteria aligned with key short- and long-term objectives. The financial metrics are based on relevant indicators of the Company's performance and shareholder return, the latter aspect being considered for the purposes of long-term remuneration. Non-financial metrics are a complement aimed at ensuring the Company's sustainability and its commitment with key stakeholders, including employees, suppliers and customers.

As indicated above, only executive directors shall receive variable remuneration, in accordance with the following parameters:

i) Short-Term Variable Remuneration (Annual)

The compliance objectives and their weighting for the Chief Executive Officer are as follows:

- Business Objectives: 60% Adjusted EBIT and 15% WC

- Personal Contribution: 25%

The compliance objectives and their weighting for the Secretary Director are as follows:

- Business Objectives: 40% Adjusted EBIT and 10% WC

- Personal Contribution: 50%

Section 3.2.1 of the Remuneration Policy 2021-2023 establishes that the short-term variable remuneration of executive directors may be based on up to 150% of their fixed remuneration, which will be multiplied by the degree of achievement of objectives in the year, with a maximum degree of achievement of up to 120%, although lower percentages may be established depending on the functions performed by the executive directors.

The following criteria, among others, have been used to establish this limit: (i) motivate and reinforce the Company's results, for which it is considered convenient to encourage the over-achievement (ii) promote flexibility, allowing the variable components of remuneration to have space enough for modulation according to the functions carried out by each of the executive directors; and (iii) strengthen competitiveness and attraction. It is important to note that the Company continues to safeguard austerity and risk management, so the limits of short-term variable remuneration have not been extended to 200% of fixed remuneration, a practice that is frequent in the praxis of listed companies.

ii) Long-Term Variable Remuneration (Multi-year)

Due to their overlap in time, the following Long-Term Incentive Plans remain in force during the 2021-2022 financial year:

- 2017 Long-Term Incentive Plans (General and Special Plans): third vesting cycle, launched in 2019 and vesting in September 2022.

- 2020 Long-Term Incentive Plan (General and Special Plan): with single vesting period, vesting in September 2023, the launch of which was agreed in October 2020 (fiscal year expired 2019-2020; see section B.7 below, which reflects its characteristics).

- 2021-2023 Long-Term Incentive Plan: with three vesting cycles, the first of which was launched in October 2021 and vests in September 2024.

Accordingly, during the current financial year 2021-2022:

- Vesting of the third vesting cycle of the 2017 Long-Term Incentive Plans (General and Special Plans), which expires on 30 September 2022, to which both executive Directors were invited, will occur on 30 September 2022.

- In accordance with the provisions of the Remuneration Policy 2021-2023, which envisages the launch of a single Long-Term Incentive Plan, the Board of Directors on 4 November 2021 agreed to launch the first vesting cycle of the aforementioned Incentive Plan with effect from October 2021, vesting in September 2024. Both executive Directors are beneficiaries of the Plan.

The operation of these Long-Term Incentive Plans is based on the initial recognition of a number of shares with potential for consolidation, which are settled over a period of 3 years, depending on the degree of compliance with defined objectives.

The different objectives and related weights of the Long-Term Incentive Plans that are accrued or launched in the current financial year 2021-2022 are described below:

The objectives for the vesting of the Third Vesting Period of the 2017 General Incentive Plan are set out in the Regulations of 26 November 2017 and subsequent amendments,

- EBIT: 50%
- Comparative profitability with other companies: 50%

The objectives for the consolidation of the Third Consolidation Period of the 2017 Special Incentive Plan are set out in the Regulation of 26 November 2017 and subsequent amendments:

- EBIT: 33%
- Comparative profitability with other companies: 67%

The consolidation objectives of the first cycle of the Long-Term Incentive Plan 2021-2023 are as follows:

- EBIT: 65%
- Comparative profitability with other companies: 25%.
- Sustainability objectives: increase in kilometres travelled by the fleet with low-emission vehicles and CDP List maintenance. 10%

When addressing the degree of compliance of the comparative profitability target with other companies, the Board has determined that this comparative has to take into account the evolution of a selected group of companies in the context of the Company's activities, among its main customers and among 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).

It is also taken into account the evolution of the share price against certain relevant stock indexes attending to the characteristics of the Company (IBEX medium cap index, IBEX top dividend total return index).

The maximum number of shares to be received at the end of the Third Consolidation Period of the General Incentive Plan 2017 (that will consolidate on 30th September 2022) is equivalent to 100% of the amount of the annual variable remuneration accrued by each Director during the previous year (or 100% of the amount of the expected annual variable remuneration, in the event that he/she has not been an executive Director in the previous year), divided by the weighted average listed price of the Company's shares in the thirty trading sessions prior to the date of recognition. This value is 75% of the fixed remuneration in relation to the 2017 Special Long-Term Incentive Plan. In accordance to it, the maximum number of shares to be consolidated at the end of the fiscal year, and subject to the achievement of objectives of each Plan, is as follows:

a) Chief Executive Officer:

- 2017 General Plan: 57.971
- 2017 Special Plan: 28.986

b) Secretary Director:

- 2017 General Plan: 4.444
- 2017 Special Plan: 2.222

With regards to the 2021-2023 Long-Term Incentive Plan, the number of shares to be recognized is 225% of the corresponding fixed remuneration, on the basis of which a percentage is applied to incentivise over-compliance up to 125% of the initial incentive.

Long Term Incentive Plan 2021-2023:

a) Chief Executive Officer: 225% of the fixed remuneration, on which targets are applied to encourage over-achievement of up to 125% of the initial incentive.

b) Secretary Director: 65% of the fixed remuneration, on which targets are applied to encourage over-achievement of up to 125% of the initial incentive.

Accordingly, the number of shares potentially recognized in the 2021-2023 Incentive Plan for both Directors was determined at the Board of Directors' meeting held on November 4, 2021 and is as follows:

a) Chief Executive Officer: 98.332 shares

b) Secretary Director: 8.167 shares

As mentioned above, the remuneration parameters have been specifically designed to take into account both the personal performance of the Directors and the short and long-term performance of the Company. As also explained above, the degree of compliance with objectives is not determined until the duly audited annual accounts are available.

Likewise, as an element to minimise exposure to risk, the obligation of Executive Directors to maintain a package of shares of those delivered in application of the long-term incentives equivalent to 2 years' fixed annual remuneration is also envisaged.

In addition, the Remuneration Policy 2021-2023 provides for the possibility, within the framework of the incorporation of executive directors to the Board, of additional payments linked to the achievement of the objectives set out in the long-term remuneration plans. It should be noted that, at the time of the Secretary Director incorporation to the Company (when she did not yet have the status of Director), an extraordinary bonus was included in her contract, which has been maintained, according to these previous contractual commitments and under the aforementioned provisions of the Directors’ Remuneration Policy. Such exceptional bonus could reach a maximum of 64,400 euros gross per annum. It will be paid in December 2021 and December 2022, subject to the achievement of the same objectives of the long-term remuneration plans, that will consolidate in September 2021 and September 2022. This extraordinary bonus cannot be consolidated.

- 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 vesting 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 vesting 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 (generally applicable to Group employees). This Plan is a defined 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).

The executive directors also participate in the Directors' Welfare Plan, in which the Group makes contributions calculated on the basis of a percentage of approximately 10% of the salary and short-term variable annual remuneration of each executive Director.

The contingencies covered are those of retirement, permanent disability and death, and, in addition, those of general illness, in the case of the Social Welfare Plan for Executives.

The vested economic rights derived from both Plans are compatible with the indemnity for termination or early retirement or derived from the contractual relationship, since these plans are not compensatory in nature, but are additional benefits that are part of the annual remuneration to which the Executive Directors have a contractual right. In this line, the amounts contributed by the Company to these plans are included in section C of this report.

Plans are not linked to the achievement of certain objectives, although the Directors' Pension Plan takes into account, for the purposes of Logista's contribution, the short-term variable remuneration accrued in the previous year.

- 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 indemnity payments are envisaged for Directors in the event of termination of their functions as such. Compensation payments are only envisaged in the event of termination in the exercise of the executive functions they may perform, if any. In relation to this aspect, the scheme applicable to executive directors is as follows:

a) Change of control clause: in the event of a change of control, the executive Directors shall be entitled to an indemnity equivalent to 1 year's fixed and short-term variable remuneration.

b) Severance payment: the Chief Executive Officer and the Secretary Director are entitled to receive a severance payment, in the event of termination of the relationship by unilateral decision of the Company without just cause, equivalent to one year's fixed and variable remuneration in the short term.

c) Compensation for justified unilateral decision of the Director: in addition to the event of a change of control, the Chief Executive Officer is entitled to compensation equivalent to one year's fixed and variable remuneration in the short term if the company is in serious and culpable breach of its obligations, or if the Chief Executive Officer ceases to be the sole Chief Executive Officer of the Company. 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 to the Board or General Secretary-Legal Director.

d) Non-competition clauses: the Chief Executive Officer's contract includes a 12-month post-contractual non-competition agreement. This agreement is remunerated, and the compensation for the non-competition restriction is an annuity of fixed remuneration and annual variable remuneration in the short term. With regard to the Secretary Director, after joining the disengagement plan launched by the Company ("Plan 60"), to which we will refer below, she assumes a 12 months non-competition obligation, in the event that her exit from the Company occurs within the framework of the said Plan.

e) "Malus" and "claw back" clauses: the contracts of the executive Directors 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 cases during the 2 years following their settlement and payment. These events are defined in the Remuneration Policy 2021-2023 and are as follows:

   - The fact that the settlement and payment of said remuneration has been produced totally or partially on the basis of information whose falsity or serious inaccuracy is clearly proven a posteriori.

   - Material restatement with a material adverse impact on the financial statements when so considered by the external auditors (except for changes in accounting standards).

   - Sanctioning of the executive Director for serious breach of the Law or 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.

Compensation is also provided for in the event of non-compliance with the notice periods under the terms explained in the following section.

The Board of Directors, at its meeting of September 22nd, 2021, agreed, under the current Remuneration Policy, the implementation of a disengagement plan for Company's top managers ("Plan 60"). The main objective of this Plan is to facilitate the planning of the succession of the Company's key positions, promoting at the same time a very long-term relationship with such managers, and also minimising the financial impacts of any departures of senior managers in the fiscal years in which they occur.

For the design of this scheme, which is a common practice in the market, the Company has made a significant effort to ensure its alignment with these practices and for this it has considered necessary to have independent external advice. To this end, it has selected two advisors of recognized prestige who have participated in the design of the mechanism: Mercer Consulting S.L.U. and J&A Garrigues S.L.P.

Plan 60 is addressed to members of the top management, who will be individually invited, considering the already explained objectives. The Board agreed to invite the Board Secretary by virtue of her capacity of General Counsel and top manager, but not the Chief Executive Officer.

To cover this extraordinary remuneration, the Company will annually make contributions to a deferred life insurance policy, of which the Company itself is the policy holder and beneficiary, 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 accumulated contributed amounts until that moment and their financial profitability, arises at the time of her disengagement from the Company by mutual agreement from a certain age or in extraordinary circumstances of disability, permanent disability and similar circumstances. The collection of these amounts will be incompatible with the collection of any compensation that the Director may be entitled to receive as a result of the termination of her relationship with the Company. The collection of these amounts includes the acceptance of a contractual non-compete agreement for 12 months.

In accordance with Recommendation 64 of the CNMV Good Governance Code of Listed companies, and that of proxy advisors, the Secretary Director's contract has also been adjusted to include the provision that the total amount of the extraordinary remuneration insured, will not exceed the equivalent of two years of the total annual remuneration of the Secretary Director at the time of accrual of said remuneration.

With regards to the CEO, it should be noted that the amount of compensation he may receive in the event of termination of his contract is already contractually below such limit (1 year of fix and short them variable remuneration in any case of termination plus 1 year of fix and variable annual remuneration for non-compete agreement.).

The 2021 Company's contribution to cover its potential obligations *vis a vis* the Secretary Director under Plan 60 amounts 68,000 Euros, however this amount will only be vested if the Secretary Director's contract is terminated within the framework of the said Plan 60.

- 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.

In addition to the previous section, the content of the contractual clauses was reviewed by the Board of Directors in the 2019-2020 financial year to bring them into line with best market practices on the occasion of the entry of the new executive directors.

The duration of the contracts of the executive directors is indefinite and does not include permanence clauses.

The notice clauses are as follows:

a) Chief Executive Officer

- 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 non-compliance with this period, an indemnity equivalent to one year's fixed and variable short-term remuneration corresponding to the period of notice not given.

- By unilateral decision without just cause by the Company: at least 12 months' notice, with the obligation to pay the Chief Executive Officer, in the event of non-compliance with this period, an indemnity equivalent to one year's fixed and short-term variable remuneration corresponding to the period of notice not given.

b) Secretary Director:

- By voluntary unilateral decision of the Secretary Director: at least 3 months' notice, with the obligation to pay the Company, in the event of non-compliance with this period, an indemnity equivalent to one year's fixed and variable short-term remuneration corresponding to the period of notice not given.

- By unilateral decision without just cause by the Company: at least 3 months' notice, with the obligation to pay the Chief Executive Officer, in the event of non-compliance with this period, an indemnity equivalent to one year's fixed and short-term variable remuneration corresponding to the period of notice not given.

The contracts of both executive directors include "Garden leave" clauses, by virtue of which, in the event of notification by the director to the Company of the 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 to cease rendering services, in which case he will remain on paid leave until the termination.

– 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.

At the date of issue of this Report, no additional remuneration had accrued to the directors in consideration for services rendered other than those inherent to their position.

– Other items of remuneration such as any deriving from the company's granting the Director advances, loans or guarantees or any other remuneration.

At the date of issue of this Report, no advances, loans or guarantees have been granted to any director.

– 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 supplementary remuneration not included in the above sections.

A.2 Explain any significant change in the remuneration policy applicable in the current year resulting from:

- A new policy or an amendment to the policy already approved by the General Meeting.

- 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.

- 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.

As indicated above, in accordance with Transitional Provision 1 of Law 5/2021, of 12 April, which amends the Consolidated Text of the Capital Companies Act, the Board will submit a new Remuneration Policy adapted to the requirements of the aforementioned Law to the next General Shareholders' Meeting, which is expected to be held in February 2022.

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 2021-2023, in force during the financial year, is the following: Remuneration Policy 2021-2023 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.

The shareholders gave their support to the Remuneration Report for the 2019-2020 financial year with a percentage of 81.13%. In response to that vote and to proxy advisors' recommendations, in this report, and following a previous analysis of 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 different sections to clearly differentiate the aspects relating to the application of the Remuneration Policy in the current financial year (2021-2022) from its application in the closed financial year (2020-2021), as well as providing additional data and supplementary explanations that allow a better understanding of the application of the Remuneration Policy for the Company's Directors.

In this line, data have been provided on the targets applied for the determination of the amounts to be received by executive directors, under the variable remuneration scheme, in the short and long term, as well as additional explanations on the objectives pursued in the configuration of the limits of the annual variable remuneration,

Likewise, taking into consideration Recommendation 64 of the CNMV Code of Good Governance of listed companies and the reflections of proxy advisors regarding the compensations, the Company has decided to improve the explanations regarding the compensations set for the CEO and the Secretary Director, which in no case may exceed the equivalent of two years of total annual remuneration.

B OVERALL SUMMARY OF HOW REMUNERATION POLICY WAS APPLIED DURING THE YEAR LAST ENDED

B.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 year 2020-2021 the Remuneration Policy 2021-2023 was submitted for approval by the General Shareholders' Meeting, which, while continuing with the previous policy, consolidates the line of simplification initiated with the previous policy, by simplifying the long-term remuneration scheme. In addition, the possibility was introduced of establishing mechanisms for the removal of executive directors to encourage the retention of talent, the configuration of which, within the general framework designed by the Policy, the Board has been working on, taking into account the best corporate governance practices.

In the performance of these tasks, the Company has relied on external advisors, as follows:

(i) In the drafting of the Remuneration Policy 2021 2023, from a legal perspective, Gómez Acebo y Pombo Abogados, as well as Willis Towers Watson, provided advice on package analysis and remuneration mix.

(ii) In preparing the 2021-2023 Long-Term Incentive Plan, external advice was provided by Willis Towers Watson and Garrigues Human Resources (Garrigues).

(iii) Mercer Consulting S.L.U. and J&A Garrigues S.L.P. have advised on the preparation of the Disengagement Plan.

The individual remuneration of the directors in their capacity as such was approved at the Board meeting of 27 October 2020, at which it was agreed to maintain unchanged the amounts that had been received until then. This decision was preceded by the corresponding meeting of the Appointments and Remuneration Committee.

At that same meeting, it was agreed to update the fixed remuneration of the executive Directors for the performance of executive duties, as well as the settlement of their variable remuneration for the previous year. Said settlement therefore took place when the annual accounts for the 2019-2020 financial year were drawn up, which did not contain any qualifications by the external auditor.

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 remuneration scheme applied by the Company configures the remuneration of directors in their capacity as such and that of Directors in the exercise of executive functions differently.

The Appointments and Remuneration Committee has followed a formal and transparent procedure to propose the design of the Remuneration Policy, as well as to propose the remuneration packages of directors. No executive director has participated in decisions concerning his/her own remuneration.

With regard to remuneration for the exercise of non-executive functions, the establishment of fixed remuneration and attendance fees for all directors is considered to be an effective instrument for reducing exposure to excessive risks and the incorporation of the long-term vision.

With regard to the exercise of executive or delegated functions, as explained in section A., the measures adopted to eliminate the assumption of excessive risks are linked to the specific business objectives established, which are only evaluated once the annual accounts have been audited and prepared, as well as the existence of malus and claw back clauses, and the establishment of a long-term remuneration plan, consisting of the delivery of shares, which includes both operational economic objectives and objectives for the creation of value for the shareholder and sustainability with a long-term time horizon adjusted to the economic cycles of the Company. This is complemented by the obligation of the executive directors to maintain a number of shares of the shares delivered under the various remuneration plans equivalent to two years of their annual fixed remuneration.

Thus, the remuneration of executive directors is balanced into 3 main components: (i) a fixed component that accrues in any case, so that it does not involve any exposure to risk (ii) a variable component with a time horizon of one year, fundamentally linked to specific and measurable business objectives which, being recurring, prevents it from encouraging the assumption of excessive risks. This is reinforced by the fact that it is evaluated after the annual accounts have been audited and prepared, and (iii) a long-term (multi-year) variable component, which, in addition to operational objectives, takes into account, as mentioned above, shareholder value creation and sustainability objectives.

The measurement of shareholder value creation and sustainability objectives has been objectified through the reference to shareholder profitability compared to other listed companies and reference to international sustainability indices, as well as quantified targets for the reduction of CO_2 emissions. In addition, this scheme has been complemented by the obligation of executive Directors to retain a significant package of shares during the performance of their duties, equivalent to twice their annual fixed remuneration.

As indicated above, there is a reasonable balance between the variable components not only in terms of the time horizon, but also in material terms, as the annual variable remuneration tends to meet operating objectives that address the performance of the Company's various businesses, while the multi-year variable remuneration also addresses the long-term interests of shareholders and sustainability issues.

The variable remuneration of the current executive directors was determined once the Board of Directors had the audited accounts of the Company. Both the annual variable remuneration and the multi-year variable remuneration have a "malus" and "claw back" clause system during the 2 years following their settlement and payment.

B.3 Explain how the remuneration accruing and vested during the year complies with the provisions of the current remuneration policy.

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.

With regard to 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 2020-2021 does not exceed the maximum figure established in the Remuneration Policy 2021-2023.

As regards the amount of the annual variable remuneration of the executive directors, it has been determined once the Board has had the audited annual accounts and is fundamentally linked to the performance of the Company's main indicators as detailed in this section B and, therefore, is consistent with the current Remuneration Policy 2021-2023. With regard to multi-year variable remuneration, the initial determination of the shares recognized to them, which will be consolidated over the horizon foreseen in the different Plans in which they participate, has been carried out in accordance with the parameters and in the terms established in section B.8 below.

B.4 Report on the result of the consultative vote at the General Shareholders' Meeting on remuneration in the previous year, indicating the number of votes against, if any:

	Number	% of total
Votes cast	108.020.882	81,372

	Number	% of votes cast
Votes against	24.646.290	22,8162
Votes in favour	82.459.258	76,3364
Abstentions	915.334(*)	0,8472

(*) 184 blank votes have been included as abstentions.

B.5 Explain how the fixed components accrued and vested during the year by the Directors in their capacity as such were determined and how they changed with respect to the previous year

As mentioned above, the Board decided to maintain the fixed components of the remuneration of the directors in their capacity as such unchanged.

Accordingly, the remuneration received by the directors in their capacity as such was as follows:

a) Remuneration, in cash, fixed monthly, in line with market standards, based on the positions held on the Board and its Committees, in accordance with the following detail:

   i) The fixed monthly remuneration of the Chair of the Board, in such capacity amounts to €30,600.

   ii) The fixed monthly remuneration of the Directors as members of the Board of Directors amounts to €5,100.

   iii) The fixed monthly remuneration of the Chair of the Appointments and Remuneration Committee, in such capacity, is €1,700.

   iv) The fixed monthly remuneration of the Chair of the Audit and Control Committee, in his/her capacity of such, is €1,700.

b) Per diem for attendance at meetings:

   i) From the Board of Directors: €2,805 per meeting.

   ii) From the Appointments and Remuneration Committee: €1,020 per meeting.

   iii) From the Audit and Control Committee: €1,632 per meeting.

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

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

The remuneration for the Chairs (of the Board and of the Committees) is additional to the remuneration as Directors.

Fixed remuneration over the financial year 2020-2021 therefore amounted to 836,400 euros. The remuneration accrued as per diems amounted to 216,036 euros, so that the total remuneration of the Board for the exercise of non-executive functions remained below the maximum limit for such remuneration established in the Remuneration Policy of 1,600,000 euros.

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.

As indicated above, it should be borne in mind that the fixed remuneration of executive directors is established by calendar year (from 1 January to 31 December), while the variable remuneration of executive directors is accrued and settled at the close of the financial year (30 September of each year), taking into account the fixed remuneration applicable at that time.

For the calendar year 2021, the fixed remuneration of the executive directors was set at 812,000 euros gross per year for the Chief Executive Officer and 233,450 euros gross per year for the Secretary Director, as stated in the Remuneration Policy 2021-2023. Therefore, the accrued amount as fixed salary, for the financial year 21, is of 809,000€, for the CEO, and of 232,587.50€, for the Secretary Director.

In order to determine this remuneration, the remuneration established for executive directors in the 2020-2022 Remuneration Policy was used as a starting point, and was increased very moderately, by 1.5%. This adjustment is the one applicable to the Company's management collective within the range of remuneration adjustment identified by Willis Tower Watson as applicable to similar companies.

For their variable remuneration and other remuneration items, see the following sections.

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:

- 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 vesting 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 vesting of each component of variable remuneration have effectively been met.
- 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 (vesting) of these options or financial instruments and for exercising them, including the exercise price and period.
- 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).
- Information is to be provided on any periods for accrual, vesting or deferment of payment of vested amounts applied and/or the periods for retention/unavailability of shares or other financial instruments, if any.

Explain the short-term variable components of the remuneration systems

With regard to the short-term (annual) variable remuneration for the period 2020-2021, of which only the executive directors are beneficiaries, it should be noted that the Board of Directors carried out a review of these objectives in order to bring them into line with best market practices, a process in which external advice was sought. As a result, no changes were made to the objectives for the annual variable remuneration of the Chief Executive Officer, as it was confirmed that they were in line with these practices. However, in the case of the Secretary Director, in view of the nature of the functions she performs, linked to a more corporate sphere, and in line with the remuneration policy of comparable companies, it was considered appropriate to reduce the weight of business objectives and increase the weight of personal contribution to 50%.

By establishing the objectives and goals of the short-term variable remuneration, the Board of Directors seeks that the incentives encourage the material implementation of the Company's strategy, encouraging the over-achievement of objectives. It also intends that the incentives are compatible with the Company's culture on Risk Management.

Thus, the annual objectives were set at the Board of Directors' meeting of 18 December 2020, following a favourable report from the Appointments and Remuneration Committee. These objectives were as follows:

a) Chief Executive Officer:

- Business Objectives: total 75%.
    - 60% Adjusted EBIT
    - 15% WC
- Personal Contribution: 25%

b) Secretary Director

- Business Objectives: total 50%.
    - Adjusted Ebit 40%.
    - WC: 10%
- Personal Contribution: 50%

Within the margin set in the Remuneration Policy 2021-2023 in section 3.2.1, the short-term variable remuneration of the Chief Executive Officer takes as a basis up to 150% of the fixed remuneration which is multiplied by the degree of achievement of objectives reached in the year, with a maximum degree of achievement of 120%. In the case of the Secretary Director, the basis is 45% of the fixed remuneration.

The criteria for measuring the Company's variable remuneration were set out in Appendix III of the Logista Group's Variable Remuneration Policy 1/2011, approved by the Board on 28 April 2011, with successive updates These metrics are designed to align the remuneration of executive directors with the Company's results, introducing mechanisms that encourage over-achievement. Thus, the annual variable remuneration only accrues once 95% of the target objective has been met in the case of business objectives. Once 100% of the target business objective is exceeded, the variable remuneration rewards overachievement with a remuneration that can reach up to 120%.

As indicated above, the variable remuneration of the executive directors is settled annually on 30 September, once the audited annual accounts are available, which guarantees the correct application of the business aggregates.

In view of the foregoing, the degree of achievement of objectives in the year expired was estimated as follows:

a) Chief Executive Officer

- Business Objectives:

  - Group's EBIT Objective, with a target of 283 million euros, and an achievement of 301 million euros. This objective has a weight of 65% on variable remuneration, and it will consolidate with an achievement of 112%, as per Group's short-term variable remuneration metrics.

  - Group's Working Capital Objective, with a target of 3,123M€ and an achievement of 3,163M€. This objective has a weight of 15% on the total variable remuneration and it will consolidate as per metrics, with an achievement of 102%.

- Personal goals (including environmental sustainability):

  - CEO Personal objectives have a weight of 25% and its achievement degree, approved by the Company's Board of Directors, has been of 100%.

  According to this objectives achievement, the amount of the CEO's short-term variable remuneration is of € 1,309,350.

b) Secretary Director

- Business Objectives:

  - Group's EBIT Objective, with a target of 283 million euros and an achievement of 301 million euros. This objective has a weight of 40% on variable remuneration, and it will consolidate with an achievement of 112% as per Group's short-term variable remuneration metrics.

  - Group's Working Capital Objective, with a target of 3,123M€ and an achievement of 3,163M€. This objective has a weight of 10% on the total variable remuneration and it will consolidates as per metrics, with an achievement of 102%.

- Personal goals (including environmental sustainability):

  - Secretary Director's personal objectives have a weight of 50% and its achievement degree, approved by the Company's Board of Directors, has been of 97%.

  According to this objectives achievement, the amount of the Secretary Director's short-term variable remuneration is of 108,729.30 €.

Explain the long-term variable components of the remuneration systems

Long-Term Variable Remuneration

During the year ended 2020/2021, the second period of the General and Special Plans of the 2017 Long-Term Incentive Plan in which only the Chief Executive Officer participates was consolidated, and the invitation to participate in the General and Special Plans of the 2020 Long-Term Incentive Plan in which both executive directors participate was also launched.

For the design of the new 2021-2023 Incentives Plan, that was approved by the General Shareholders' Meeting held on February 4th, 2021, the Board has taken into consideration governance international criteria in matters related to remuneration, in particular those of (i) simplicity and (ii) risks management.

- Simplicity: a simple remuneration framework has been chosen, which includes a single long-term Incentive Plan, and simplifies the previous structure of two Plans. The Incentive Plan provides a clear vision for both the Company's executive directors and shareholders on the main goals of the entity.

- Risks management: the incentives structure is aligned with the Company risks management, which includes clawback and malus clauses.

a) Consolidation of the second period of the General and Special Plans 2017.

The Board, at its meeting of November 4, 2021, determined the number of shares vested by the Chief Executive Officer under the second vesting period of the 2017 General and Special Plans, a period in which the Secretary Director does not participate, and whose vesting ended on September 30, 2021. Such shares are as follows:

a) Shares accrued by the Chief Executive Officer under the 2017 General Plan (second vesting period): 22,285 of a maximum of 53,548 shares, which vested 70%.

b) Shares accrued by the Chief Executive Officer under the 2017 Special Plan (second vesting period): 9.551, out of a maximum of 26,774, which vested at 60%.

The criteria used for this consolidation and established by the Board of Directors are as follows:

General Plan 2017:

1. Company's Comparative Shareholder Return (CSR) Criteria (50%): Achievement of 40%.

2. Financial profitability criterion, measured by the Logista group's operating profit (50%): Achievement of 100%.

Special Plan 2017:

1. Company's Comparative Shareholder Return (CSR) Criteria (67%): achievement of 40%.

2. Financial profitability criterion, measured by the Logista group's operating profit (33%): achievement of 100%.

In any case, it should be noted, as mentioned above, that the determination of the degree of compliance with the operating objectives is made by the Board of Directors after the Company's annual accounts have been audited, which makes it possible to take into account, where appropriate, any qualifications that may be made to reduce the amount of variable remuneration.

The transfer of the shares to be consolidated will be free of charge, and will be subject to the maintenance and return clauses indicated in section A.1.2 above

In addition, both directors, as mentioned above, were invited to the 2020 General and Special Shares Plans. These Plans, approved by the General Shareholders Meeting held in 2020, have the particularity of covering a single consolidation period, unlike the other long-term incentive plans implemented by the Company, where there are 3 consolidation periods. These 2020 Incentive Plans were configured as a transition to the new model defined in the 2021-2023 Plan, characterized by greater simplicity.

Under 2020 Plans, the Board of Directors' of December 18, 2020 recognized to both directors the following numbers of shares outstanding to vest:

- Mr Iñigo Meirás Amusco: 80,110 shares initially recognised under the General Plan and 41,294 shares initially recognised under the Special Plan.

- Ms María Echenique Moscoso del Prado: 4,977 shares initially recognised under the General Plan and 3,166 shares under the Special Plan.

Both 2020 Plans have the following objectives:

1.- Comparative Shareholder Return Criteria (CRR) of the Company, which compares the profitability of the Company with the profitability of other companies and general indices that constitute the Reference Group ("CRR"), on which the consolidation, in whole, in part or in no part, of twenty-five percent (25%) of the Number of Recognised Shares will depend.

2.- Financial Profitability Criterion, measured by the Group's Operating Profit, on which the consolidation in whole, in part or in full of sixty-five percent (65%) of the number of conditional shares will depend.

3.- Sustainability Criteria, measured by the reduction of CO_2 emissions by the Logista Group fleet, as well as the inclusion in the CDP-List, on which the consolidation of all, part or none of the remaining ten percent (10%) of the number of conditional actions will depend.

Lastly, during the year ended 2020/2021 the vesting of the Third Consolidation Period of the General and Special Plans of the 2017 Long-Term Incentive Plan is maintained, the characteristics of which are reflected in section A.1 of this report.

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.

The executive directors participate in the Group's Employment Pension Plan (generally applicable to Group employees). This Plan is a defined 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).

The executive directors also participate in the directors' Welfare Plan, in which the Group makes contributions calculated on the basis of a percentage of approximately 10% of the salary and short-term variable annual remuneration of each executive director.

The contingencies covered are those of retirement, permanent disability and death, and, in addition, those of general illness, in the case of the Executives Plan.

The vested economic rights derived from both Plans are compatible with the indemnity for termination or early retirement or derived from the contractual relationship, under the terms established between the Company and the Director, and are not linked to the achievement of certain objectives, although the Directors' Pension Plan takes into account, for the purposes of Logista's contribution, the short-term variable remuneration accrued in the previous year.

According to this prevision scheme, the Directors' accrued contribution of this financial year are of 215,718€, for the CEO, and 62,596€ for the Secretary Director. The amount for the Secretary Director includes an extraordinary contribution of 25,714.28€, established in her contractual agreement framework.

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.

Not applicable

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.

The Board of Directors' meeting of 22 September 2021 approved the Annex to the contract of the Secretary Director, which regulates her adherence to the Executive Disengagement Plan (Plan 60) with the particularities and main characteristics described in section A of this report.

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 Itemise 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 Executives' civil liability insurance policy that covers all directors, both executive and non-executive. In this policy, the directors are considered as insured parties for the liabilities that may be demanded of them as a result of the performance of the activities inherent to their functions. In particular, both the contracts of the Chief Executive Officer and the Secretary director require the Company to take out a civil liability insurance policy. As the civil liability insurance has been taken out globally, it is not possible to calculate the part of the insurance attributable to the directors as remuneration in kind, but in any case, its individual amount is not significant.

Only the executive directors have a remuneration package in kind similar to that of the Company's management team. In particular, the executive Directors are beneficiaries of life insurance, with an annual premium of 4,677.72 euros. This package also includes medical assistance insurance and company vehicle, amounting to the following amounts:

a) Chief Executive Officer: 40,868.45 euros

b) Secretary Director: 34,995.58 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 any item of remuneration other than the foregoing, whatever its nature or the group company paying it, especially when this is considered a related party transaction or its settlement distort the true and fair picture of the total remuneration accrued by the Director.

As stated in section A, the Board of Directors of September 22, 2021 agreed the inclusion of the Secretary Director in the scheme of the so-called Plan 60, for which coverage the Company has implemented a deferred life insurance. We refer to the explanations given in that section, although it is highlighted that this scheme does not accrue in the year, but when, where appropriate, the termination of the contract takes place by mutual agreement when a certain age is reached, and that the maximum amounts to be received are limited to two years of total fix remuneration. The accrued and non-consolidated amounts, according to the corresponding contribution to the said scheme in the year were of 67,701 euros.

C ITEMISED INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR

Name	Type	Period of accrual in year 2021
GREGORIO MARAÑÓN Y BERTRÁN DE LIS	Chairman-Independent	From 01/10/2020 to 30/09/2021
ÍÑIGO MEIRÁS AMUSCO	CEO	From 01/10/2020 to 30/09/2021
MARIA ECHENIQUE MOSCOSO DEL PRADO	Secretary Director - Executive	From 01/10/2020 to 30/09/2021
CRISTINA GARMENDIA MENDIZÁBAL	Director - Independent	From 01/10/2020 to 30/09/2021
LUIS ISASI FERNANDEZ DE BOBADILLA	Director - Independent	From 01/10/2020 to 30/09/2021
ALAIN MINC	Director - Independent	From 01/10/2020 to 30/09/2021
PILAR PLATERO SANZ	Director - Independent	From 01/10/2020 to 30/09/2021
LILLIAN ALICE BLOHM	Director - Proprietary	From 06/05/2021 to 30/09/2021
JOHN MATTHEW DOWNING	Director - Proprietary	From 01/10/2020 to 30/09/2021
MARIE D'WITT	Director - Proprietary	From 01/10/2020 to 30/09/2021
LISA ANNE GELPEY	Director – Proprietary	From 01/10/2020 to 01/04/2021
RICHARD GUY HATHAWAY	Director - Proprietary	From 01/10/2020 to 30/09/2021
JOHN MICHAEL JONES	Director – Proprietary	From 01/10/2020 to 22/07/2021
MURRAY HENRY MCGOWAN	Director - Proprietary	From 23/07/2020 to 30/09/2021

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 2021	Total year 2020
GREGORIO MARAÑÓN	428	39	20						487	494
ÍÑIGO MEIRÁS	61	22							83	70
MARIA ECHENIQUE	61	22							83	50
CRISTINA GARMENDIA	61	34							95	99
LUIS ISASI	61	27							88	0
ALAIN MINC	61	38	20						119	128
PILAR PLATERO	61	34							95	86
LILLIAN ALICE BLOHM										
JOHN MATTHEW DOWNING										
MARIE D'WITT										
LISA ANN GELPEY										
RICHARD GUY HATHAWAY										
JOHN MICHAEL JONES										
MURRAY HENRY MCGOWAN										

Remarks
It should be noted that, as already explained in section A, the fixed remuneration of executive Directors is established by calendar year (from 1 January to 31 December), while the variable remuneration of executive Directors is accrued and settled at the close of the Company's fiscal year (30 September), taking into account the fixed remuneration applicable at that time.

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	**"2017 Long Term Incentive Plan (General and Special Plans)" 2PC**	80.322	80.322			**31.836**	**31.836**	18,21	580			
	"2017 Long Term Incentive Plan" (General and Special Plans)Third Period of consolidation	86.957	86.957								86.957	86.957
	"2020 Long Term Incentive Plan" (General and Special Plans)			**121.404**	**121.404**						121.404	121.404
MARÍA ECHENIQUE	**"2017 Long Term Incentive Plan" (General and Special Plans) 2PC**											
	"2017 Long Term Incentive Plan" (General and Special Plans)Third Period of consolidation	6.666	6.666								6.666	6.666
	"2020 Long Term Incentive Plan"			**8.143**	**8.143**						8.143	8.143

	(General and Special Plans)											

iii) Long-term savings schemes

NOT APPLICABLE

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 non-vested economic rights					
	Year n	Year n-1	Year n	Year n-1	Year n		Year n-1	
					Schemes with vested economic rights	Schemes with non-vested economic rights	Schemes with vested economic rights	Schemes with non-vested economic rights
Director 1								

iv) Details of other items

NOT APPLICABLE

Name	Item	Amount of remuneration
Director 1		

b) Remuneration of company directors for seats on the boards of other group companies(*)

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	Indemnification	Other Items	Total year 2021	Total Year 2020
ÍÑIGO MEIRÁS				809	1309				2118	1812
MARIA ECHENIQUE				233	109				342	201

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.

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments

NOT APPLICABLE

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
Director 1	Plan 1											
	Plan 2											

Remarks

iii) Long-term savings schemes

Director	Remuneration for the vested rights of savings schemes
Íñigo Meirás Amusco	216
María Echenique Moscoso del Prado	63

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 non-vested economic rights		Year 2021		Year 2020	
	Year 2021	Year 2020	Year 2021	Year 2020	Schemes with vested economic rights	Schemes with non-vested economic rights	Schemes with vested economic rights	Schemes with non-vested economic rights
Iñigo Meirás	216	181			398		181	
María Echenique	63	92			156		92	

iv) Details of other items

Name	Item	Amount of remuneration
Iñigo Meirás	Social Welfare Systems	41
María Echenique	Social Welfare Systems	35

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 2021, company**	**Total cash remuneration**	**Gross profit from vested shares or financial instruments**	**Remuneration from savings schemes**	**Other items of remuneration**	**Total in year 2021, group**
GREGORIO MARAÑÓN	487				487					0
IÑIGO MEIRÁS	83	580			663	2118		216	41	2375
MARIA ECHENIQUE	83				83	342		63	35	440
CRISTINA GARMENDIA	95				95					0
LUIS ISASI	88				88					0
ALAIN MINC	119				119					0
PILAR PLATERO	95				95					0
LILLIAN ALICE BLOHM										
JOHN MATTHEW DOWNING										
MARIE D'WITT										
LISA ANN GELPEY										
RICHARD GUY HATHAWAY										
JOHN MICHAEL JONES										
MURRAY HENRY MCGOWAN										

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 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 4th, 2021.

Indicate whether any director voted against or abstained from approving this report.

Yes ☐ No ☒

ANNEX I TEMPLATE

ANNUAL CORPORATE GOVERNANCE REPORT
OF LISTED PUBLIC LIMITED COMPANIES

ISSUER IDENTIFICATION DETAILS

YEAR END-DATE	**30/09/2021**

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)

A OWNERSHIP STRUCTURE

A.1 Complete the table below with details of the company's share capital:

Date of last change	Share capital (euros)	Number of shares	Number of voting rights
04/06/2014	26.550.000,00	132.750.000	132.750.000

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, excluding directors:

Name or company name of shareholder	% of voting rights attached to the shares		% of voting rights through financial instruments		% of total voting rights
	Direct	Indirect	Direct	Indirect	
Imperial Brands Plc, of which:	0	50.008	0	0	50.008
Imperial Tobacco Limited	50.008	0	0	0	50.008
Capital Research and Management Company of which:	0	4.941	0	0	4.941
Capital Income Builder, INC	4.875	0	0	0	4.875

Indicate the most significant changes in the shareholder structure during the year:

Most significant changes
- During the fiscal year, the indirect stake that Imperial Brands Plc holds in the Company has been transferred from Altadis, S.A.U. to Imperial Tobacco Limited, a company wholly owned by Imperial Brands Plc. This latter, therefore, remains the indirect controlling shareholder of the Company. - Capital Research and Management Company and Capital Income Builder informed on 5 and 6 February 2021, respectively, that they had crossed down the 5% threshold of participation in the Company's stake.

A.3 Complete the following tables on members of the company's Board of Directors holding voting rights on the company's shares:

<table>
<tr><th rowspan="2">Name or company name of director</th><th colspan="2">% of voting rights attached to the shares</th><th colspan="2">% of voting rights through financial instruments</th><th>% of total voting rights</th><th colspan="3">% voting rights <u>that can be transmitted</u> through financial instruments</th></tr>
<tr><th>Direct</th><th>Indirect</th><th>Direct</th><th>Indirect</th><th></th><th>Direct</th><th colspan="2">Indirect</th></tr>
<tr><td>Gregorio Marañón y Bertrán de Lis</td><td>0</td><td>0.02(1)</td><td colspan="2">0</td><td>0</td><td>0.02</td><td>0</td><td>0</td></tr>
<tr><td>Iñigo Meirás Amusco</td><td>0.02(2)</td><td>0</td><td colspan="2">0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
</table>

Remarks

(1) Mr. Gregorio Marañón, Chairman of the Company's Board of Directors, has 0,016% of indirect voting rights in the Company (through the Company Cigarral de Inversiones, S.L.), represented by 21,832 shares.

(2) Mr. Íñigo Meirás, Chief Executive Officer of the Company, has 0,017% of direct voting rights in the Company, represented by 23,174 shares.

Total percentage of voting rights held by the Board of Directors	**0,02**

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	% of voting rights through financial instruments	% of total voting rights	% voting rights that can be transmitted through financial instruments
Mr. Gregorio Marañón y Bertrán de Lis	Cigarral de Inversiones, S.L.	0,02	0	0,02	0

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 Alice 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.
Ms. Marie Ann D´Wit	Imperial Brands PLC	Imperial Brands PLC	Ms. D’Wit is one of the five proprietary Directors representing Imperial Brands PLC. She is also the Deputy Chief Financial Officer of such company
Mr. John Matthew 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 of its Board of Directors.
Mr. Richard Guy 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 Henry 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.

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 percentage of share capital
800,623	0	0.6

A.10 Provide a detailed description of the conditions and terms of the authority given 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	44.41

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 the 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**	
26/03/2019	50.21	33.87	0.00	0.00	84.08
Of which floating capital:	0.20	33.87	0.00	0.00	34.07
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

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 2021" 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	21/03/2018	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	26/03/2019	General Shareholders' meeting
Ms. Pilar Platero	---	Independent	Director	26/11/2019	24/03/2020	General Shareholders' meeting
Ms. Lillian Alice Blohm	---	Proprietary	Director	06/05/2021	06/05/2021	Co-option
Mr. John Matthew Downing	---	Proprietary	Director	13/05/2014	21/03/2018	General Shareholders' meeting
Ms. Marie Ann D'Wit	---	Proprietary	Director	24/03/2020	24/03/2020	General Shareholders' meeting
Mr. Richard Guy Hathaway	---	Proprietary	Director	24/03/2015	26/03/2019	General Shareholders' meeting
Mr. Murray Henry McGowan	---	Proprietary	Director	22/07/2021	22/07/2021	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
Lisa Ann Gelpey	Proprietary	24/03/2020	01/03/2021	---	Yes
John Michael Jones	Proprietary	26/03/2019	22/07/2021	---	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
Both directors sent the corresponding letter explaining the reasons for their resignations. Regarding Ms. Gelpey, her resignation was motivated by the fact that she ceased to provide her services to Imperial Brands Plc. In the case of Mr. Jones, his resignation is motivated by giving the opportunity to join the Board of the Company to other members of 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:

Íñigo Meirás is a Law Graduate from Madrid's Complutense University and obtained an MBA from the Instituto de Empresa (IE).

He started his professional career in Ferrovial in 1992, and after holding different positions, in 2009, he was appointed General Manager and CEO, 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, Greece, Germany, USA, Canada, Colombia, Chile and Australia: Swissport International (Switzerland), BAA (now HAH, in UK), and Amey Plc (UK), among others.

NAME OR COMPANY NAME OF DIRECTOR:
MS. MARIA ECHENIQUE

POST IN ORGANISATIONAL CHART OF THE COMPANY:
SECRETARY DIRECTOR

PROFILE:

Ms. María Echenique holds a Law Degree from the Universidad Complutense de Madrid, and a Diploma in English Law by the University of Kent at Canterbury. She is a civil servant (Cuerpo Superior de Administradores Civiles del Estado), on leave.

From 2010 she has held different positions in NATURGY ENERGY GROUP, S.A.'s Legal Services where, additionally, she was appointed Deputy Secretary of the Board of Directors. Before, Mrs. Echenique performed different duties in the Spanish Public Administration, such as technical advisor in the Economy Ministry and advisor in the Science & Technology Ministry.

Mrs. María Echenique was appointed Secretary of the Board of Compañía de Distribución Integral Logista Holdings on Dec. 19th, 2019 and executive Director by the General Shareholders' Meeting of 24/03/2020.

She also performs functions of Head of the Company's legal services, as General Counsel of the Company.

Total number of executive directors	2
Percentage of Board	16.67%

PROPRIETARY DIRECTORS

NAME OF DIRECTOR:
MS. LILLIAN ALICE BLOHM

NAME OR COMPANY NAME OF THE SIGNIFICANT SHAREHOLDER REPRESENTED OR THAT HAS PROPOSED THEIR APPOINTMENT:
IMPERIAL BRANDS PLC

PROFILE:

Ms. Blohm graduated with honours in Law & Sociology (Exeter University, UK). She joined Imperial in Group Legal in December 2006, where she was responsible for the legal and corporate affairs of the UK market for four years before she moved into the Group Corporate Affairs team.

At the end of 2012 she moved into the manufacturing and supply area (MS). She is currently Strategy Director in MS.

NAME OF DIRECTOR:
Mr. JOHN MATTHEW DOWNING

NAME OR COMPANY NAME OF THE SIGNIFICANT SHAREHOLDER REPRESENTED OR THAT HAS PROPOSED THEIR APPOINTMENT:
IMPERIAL BRANDS PLC

PROFILE:

Mr. John Matthew 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:
Ms. MARIE ANN D'WIT

NAME OR COMPANY NAME OF THE SIGNIFICANT SHAREHOLDER REPRESENTED OR THAT HAS PROPOSED THEIR APPOINTMENT:
IMPERIAL BRANDS PLC

PROFILE:
Ms. Marie Ann D'Wit joined Imperial Brands in 2017 and serves as Deputy Chief Financial Officer of Imperial Brands PLC.

Prior to joining Imperial, Ms. D'Wit held senior finance positions at Ferguson Plc, Dixons Carphone Plc, and Cadbury Schweppes Plc in both London and New York and started her career in banking & capital markets with JPMorgan Cazenove and PwC. Ms. D'Wit received a Bachelor Science (Honours) in Molecular Physics & Chemistry and is a member of the Institute of Chartered Accountants of England and Wales.

Ms. D'Wit sits on the Supervisory Board of Reemstma Cigarettenfabriken GmbH.

NAME OF DIRECTOR:
Mr. RICHARD GUY HATHAWAY

NAME OR COMPANY NAME OF THE SIGNIFICANT SHAREHOLDER REPRESENTED OR THAT HAS PROPOSED THEIR APPOINTMENT:
IMPERIAL BRANDS PLC

PROFILE:

Mr. Richard Guy Hathaway serves as Corporate Development Director at Imperial Brands, and was previously Director of Finance Strategic Initiatives and responsible for leading the Risk Management function.

Prior to joining Imperial Brands, he has 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 the Transaction Services division (2007-2012). He also worked for ADS Anker. 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 HENRY MCGOWAN

NAME OR COMPANY NAME OF THE SIGNIFICANT SHAREHOLDER REPRESENTED OR THAT HAS PROPOSED THEIR APPOINTMENT:
IMPERIAL BRANDS PLC

PROFILE:

Mr. McGowan holds a first class honours degree in Actuarial Mathematics and Statistics from Heriot-Watt university, Edinburgh.

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.

Total number of proprietary directors	**5**
Percentage of the Board	**41,67%**

EXTERNAL INDEPENDENT DIRECTORS

NAME OF DIRECTOR:
Mr. GREGORIO MARAÑÓN Y BERTRÁN DE LIS

PROFILE:

Mr. Gregorio Marañón is the Chairman of the Compañía de Distribución Integral Logista Holdings S.A. He also serves as Chairman of Universal Music and of Air City Madrid Sur; 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 and legal spheres, having being General Manager of Banco Urquijo, Chairman of Banif, Chairman and founder of Gescapital, and Director in BBVA, Argentaria, Banco de Jerez and Zurich Seguros. He also was Chairman of Roche Farma, and member of the Advisor Board of Vodafone, among other positions.

He was awarded the Grand Cross of Alfonso X el Sabio; the Gold Medal for Merit in Fine Arts; the Gold Medal of Castilla-La Mancha Region, and the Gold Medal of Madrid city. He was appointed Commandeur de la Légion d'Honneur Française and Commendatore della Ordine de la Stella della Republica Italiana.

Mr. Marañón received his Bachelor of Laws from Complutense University of Madrid (1964), 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 MENDIZÁBAL

PROFILE:

Ms. Cristina Garmendia Mendizábal 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.

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 Grupo Logista.

She is an advisor to the European Commission as a member of the High Level Group (HLG), which has 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.

NAME OF DIRECTOR:
Mr. LUIS ISASI FERNÁNDEZ DE BOBADILLA

PROFILE:

Mr. Isasi holds a degree in Business Administration from the University of Sevilla and has a MBA from Columbia University in 1982.

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 as the General Manager of the Investment Bank Division for Europe and, since 1997, Country Head and Chairman of Morgan Stanley in Spain, he leaved this position in March 2020. 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 Spain and External Board Member of Banco Santander, S.A., as well as Member of its Executive Committee and Appointments and Remuneration Committee.

NAME OF DIRECTOR:
Mr. ALAIN MINC

PROFILE:

Mr. Alain Minc is a graduate of the Ecole des Mines de Paris and of ENA. After serving as Inspecteur des Finances, he 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).

NAME OF DIRECTOR:

Ms. PILAR PLATERO SANZ

PROFILE:

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.

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 member of the Amper’s Board of Directors and was partner of Equipo Económico and also an advisor for the Inter-American Development Bank (IDB).

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 2021	Year 2020	Year 2019	Year 2018	Year 2021	Year 2020	Year 2019	Year 2018
Executive	1	1	0	0	50	50	0,00	0,00
Proprietary	2	2	0	0	40	40	0,00	0,00
Independent	2	2	1	1	40	40	10.00	10.00
Other External	0	0	0	0	0	0	0,00	0,00
Total:	5	5	1	1	41.67	41.67	10.00	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.

<u>Description of policies, objectives, measures and how they have been applied, and results achieved</u>
During the 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 pay special attention to diversity of gender. In particular, an Article 7 is 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. The Company's internal regulatory provisions have thus anticipated the objective recommended by the CNMV (*Comisión Nacional del Mercado de Valores:* National Securities Market Commission) for 2022. 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".* Following the considerable adjustment that was made last year to the composition of the Board, which resulted in a female presence on the Board of 42%, in the current year, the Board has maintained its commitment with the gender diversity. As explained, it has introduced, through Article 7.1 b) of its Rules, the means of ensuring that at least 40% of the members of the Board of Directors are women. This aspect was given special consideration in this year's renewals, which resulted in the maintenance of that female presence of 42%, which anticipated the Recommendations of the good governance of the CNMV. It should also be pointed out that the Board of Directors, in its meeting in September, 2020, approved a skills matrix for the Board that is in line with the best practices in corporate governance, and this has proved to be useful in promoting variety on the Board. In this context, it should be noted the strengthening of the strategic profiles which resulted from the new arrivals on the Board this year.

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 measures
Please see section C.1.5 above, concerning female directors. The Appointments and Remuneration Committee oversees 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.

In particular, with regard to female top managers, it should be noted that two of the Management Committee members (out of the eight senior management members, including the Chief Executive Officer), are ladies who were recently appointed to those positions. Since the renewal of the Board on December 2019, from the three positions renewal in the Management Committee, two of them have been occupied by women.

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 in advance.

Furthermore, in the Directors renewal processes occurring during the fiscal year, it has been remarked one of the key skill matrix of the Board, reinforcing its strategic profile.

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 to directors or Board committees:

Name or company name of director or committee	Brief description
Mr. Íñigo Meirás Amusco	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 note, that for efficiency reasons and pursuant to the recent modifications 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. Iñigo Meirás Amusco	Compañía de Distribución Integral Logista, S.A.U.	Chairman of the Board of Directors and CEO	YES
Mr. Iñigo Meirás Amusco	Logista Italia, S.p.A.	Chairman of the Board of Directors	NO
Mr. Iñigo Meirás Amusco	Logista Payments, S.L.U.	Chairman of the Board of Directors	NO
Mr. Iñigo Meirás Amusco	Terzia, S.p.A.	Chairman of the Board of Directors	YES
Ms. María Echenique Moscoso del Prado	Compañía de Distribución Integral Logista, S.A.U.	General Secretary	YES

C.1.11 List any directors or representatives of legal-person directors of your company who are members of the Board of Directors or representatives of legal-person directors of other companies listed on regulated markets other than group companies of which the company has been informed:

Name or company name of director	Company name of the listed entity	Position
Ms. Cristina Garmendia	Mediaset España Comunicación, S.A.	Independent Director and Member of the Appointments and Remuneration Committee. Member of the Audit and Compliance Committee.
Ms. Cristina Garmendia	CaixaBank, S.A.	Independent Director and member of the Innovation, Technology and Digital Transformation Committee. Member of the Audit Committee and member of the Remuneration Committee.
Mr. Luis Isasi	Banco de Santander S.A.	Director
Ms. Pilar Platero	AMPER, S.A.	Independent Director. Chairman of the Audit and Control Committee and member of the Sustainability Committee

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)	**4,447**
Amount of pension rights accumulated by directors currently in office (thousands of euros)	**554**
Amount of pension rights accumulated by former directors (thousands of euros)	**0**

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. Antonio Mansilla Laguía	Resources Corporate Director
Mr. Francisco Pastrana Pérez	General Manager - Iberia and Poland
Mr. Manuel Suárez Noriega	Chief Financial Officer
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)	**4.114**

Remarks

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 ☐

Description of amendment (s)
During the fiscal year, the Company undertook a thorough review of its main corporate policies with a view to update and simplify them, and progressing in the practices involved in good governance. In this connection, the General Shareholders' Meeting that was held in February, 2021, approved the new wording of the Bylaws and of the Rules for the General Shareholders' Meeting. Similarly, and in co-ordination with those modifications, the Board of Directors in its meeting of 18th December, 2020, approved a new Regulation and notified the General Meeting of its content (enter into force on 4 February 2021). The fundamental objectives of the approval of the new text were the following: 1. To simplify the Company's rules of corporate governance, facilitating their understanding and avoiding the mere repetition of regulatory texts which are already directly applicable to the Company, thus minimising the need to change the text whenever there are changes in the regulations. 2. To include the most detailed rules governing corporate bodies in their respective corporate texts (Rules for the General Shareholders' Meeting, and also the Board's Rules). 3. To include technical improvements and good corporate governance practices (restricting the number of members of Committees to five; adapting the functions of the Audit and Control Committee to the latest recommendations of the CNMV; granting individual directors the right to propose items for inclusion in agendas; restricting the number of additional Board Meetings, etc.). Another of these improvements, and in line with the Board of Director's commitment on diversity of gender, it is expressly provided that the Board of Directors, when proposing to the General Shareholders' Meeting the appointment of any director, will ensure that at least 40% of the members of the Board are women. This is also in accordance with the new recommendations of the good governance code of the CNMV (Art. 7). Finally, the Board of Directors that was held on 22 July 2021 approved a new draft of the Article 33.2 of the Board of Directors´ Regulations to regulate the participation of the proprietary directors in the related parties transaction resolutions, establishing a mechanism which reconcile the new legal provision regarding the potential participation of such directors in the deliberation and voting on the resolutions thereon, according to the best practices for Good Governance.

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, that was updated in September 2021, after the new incorporations to the Board occurred during the year.

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.

It is also foreseen that the Board of Directors may only propose the removal of independent directors before the expiry of their statutory term of office, when they find due cause, based on a previous report from the Appointments and Remuneration Committee.

To these effects, due cause will be presumed when directors take up new positions or responsibilities that prevent them from allocating sufficient time to the performance of a Board member' duties, or cause them to be in breach of their fiduciary duties or come under one of the disqualifying grounds for classification as independent. Such removal of independent directors may also be proposed when a takeover bid, merger or similar corporate transactions alter the Company's capital structure.

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 2020-2021, the Board has been working to implement the action plan that was approved the previous year as a result of the self-evaluation carried out in that same year. The salient components were: 1. The scheduling of each meeting of the Audit and Control Committee so that it will normally be held on the day before the Board Meeting, thus allowing more time for debating. 2. The arranging of specific meetings with the Company's top management to familiarise members with those directors and with the Company's various lines of business. 3. The approval of a welcoming programme for new Board Members. 4. The approval of succession plans for the Chairman and for the Chief Executive Officer.

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
The self-assessment in relation to fiscal year 2020-2021, 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)

In accordance with the corresponding recommendation of the CNMV Code of Good Governance, no external advice has been hired in the 2020-2021 self-assessment, no external advice has been hired as the three years referred to in those Recommendations have not elapsed, although the experience accumulated from previous external evaluations has been valued in the current self-assessment process.

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.

Not applicable

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	8
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 executive committee	N/A
Number of meetings held by the audit committee	7
Number of meetings held by the nomination and remuneration committee	5

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	8
Attendance in person as a % of total votes during the year	93.75%
Number of meetings with attendance in person or proxies given with specific instructions, by all directors	5
Votes cast in person and by proxies with specific instructions, as a % of total votes during the year	93.75%

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**
Manuel Suárez Noriega	Chief Financial Officer

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, updated by the Board this year, 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)	60	47	107
Amount invoiced for non-audit work/Amount for audit work (in %)	73%	5%	11%

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	2	2

	Individual	Consolidated
Number of years audited by the current audit firm/number of years in which the company has been audited (in %)	25%	25%

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: 9

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.

In addition, the Board of Directors, at its meeting of September 22nd, 2021, agreed, under the current Remuneration Policy, the implementation of a disengagement plan for Company's top managers ("Plan 60"), which the Secretary Director has been invited to, by virtue of her capacity of General Secretary of the Company. The main objective of this Plan is to facilitate the planning of the succession of the Company's key positions, promoting at the same time a very long-term relationship with such managers, and also minimising the financial impacts of any departures of senior managers in the fiscal years in which they occur.

To cover this extraordinary remuneration, 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 (9 contracts). The compensation to be paid, as the case may be, shall be (i) a minimum of one year and a half or 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 involving a change of control of the Company (2 contracts), the compensation shall be, as the case may be, of (i) an amount equivalent to a minimum of two years of fixed and variable remuneration, unless the legal compensation for unfair dismissal is higher, or (ii) a certain amount.

- Post-contractual non-compete clause (9 contracts): Compensation, as the case may be, shall be of between eighteen and twenty-four months of gross annual salary plus variable remuneration.

- 4 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:

	Board of Directors	General shareholders' meeting
Body authorising the clauses	X	-----

Are these clauses notified to the General Shareholders' Meeting?	**NO**

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.

AUDIT AND CONTROL COMMITTEE

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 Guy 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
- Proposals for the update and review of the Company's main corporate governance policies (By-laws, General Shareholders Meeting Regulations, Board Regulations, Audit and Control Committee Regulations).
- Proposals for the approval of a new Code of Conduct and update of corporate policies (sustainability, corporate governance, information, etc…)
- Information and Supervision of the Periodic Financial Information that the Company submits to the CNMV and to the markets, and 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 2020-2021, and approval of 2021-2022 Plan and its budget.
- Supervision of the Risk Map of the Group.
- 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 report.

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 Guy Hathaway Mr. Alain Minc Ms. Pilar Platero
Date of appointment of the chairperson	26/03/2019

APPOINTMENTS AND REMUNERATION COMMITTEE

Name	Position	Category
Mr. Gregorio Marañón	Chairman	Independent
Mr. Alain Minc	Member	Independent
Mr. Luis Isasi	Member	Independent
Mr. John Matthew 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 2020-2021:

- 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.
- 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.
- Proposal to the Board regarding the settlement of the Long Term Remuneration Plans.
- Preparation of a new long term remuneration plan.
- Proposal of candidates for the succession of the Chairman and the CEO, according to the provisions of the Succession Plan
- Proposal of a disengagement plan for top managers (Plan 60), by mutual agreement, at a certain age.
- Monitoring of diversity measures implemented by the Company
- Analysis of the main legislative initiatives that are relevant for the functions of the Committee (new Capital Companies Act)
- 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							
	2021		2020		2019		2018	
	Number	%	Number	%	Number	%	Number	%
Audit committee	2	40	2	40,00	1	25,00	1	25,00
Appointments and Remuneration committee	0	0	0	0,00	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, which have been modified to adapt them to the Recommendations of the CNMV Code of Good Governance.

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.

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, in the cases and to the extent allowed by law.

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 Describe any transactions that are significant, either because of the amount involved or the subject matter, entered into between the company or entities within its group and the company's significant shareholders:

Name or Company Name of Significant Shareholder	Name or Company Name of the Company or Entity of the Group	Nature of the Relationship	Transaction Type	Amount (thousand euros)
Altadis S.A.U.	Compañía de Distribución Integral Logista, S.A.U.	Commercial	Purchase of finished or not finished goods	312,583
Altadis S.A.U.	Compañía de Distribución Integral Logista, S.A.U.	Commercial	Services provision	12,996
Imperial Brands Finance PLC	Compañía de Distribución Integral Logista, S.A.U.	Contractual	Interests paid	17,588
SEITA	Logista France, S.A.S.	Contractual	Purchase of finished or not finished goods	213,308

D.3 Describe any transactions that are significant, either because of their amount or the subject matter, entered into between the company or entities within its group and directors or managers of the company:

Not applicable

D.4 Report any material transactions carried out by the company with other entities belonging to the same group, provided that these are not eliminated in the consolidation process and do not form part of the company's ordinary business activities in terms of their purpose and conditions.

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 any material transactions carried out by the company or entities belonging to its group with other related parties that have not been reported in the previous sections.

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 or significant shareholders.

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 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 on September 22nd, 2021..

The Company's General Risk Management Policy, applicable to each of the businesses and countries as well as to the corporate areas, aims to implement an 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 Management 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 risk, financial and non-financial that may affect the group, classified in environmental, business, and financial, compliance, operational and technological and reputational. Among the Risks of a financial nature, the tax Risks derived from Logista's operations are include.
- **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, the Group'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 and speed), risk treatment (assume, mitigate, transfer, eliminate and pursue), control and continuous review of the Risk Management process, information and communication.

Additionally, it considers the different risk tolerances 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.

Once the risks have been evaluated, based on these criteria, together with the assessments of the probability of occurrence of the Risks, the determination of their speed based on the estimation of their occurrence and the assessment of the risk tolerance, the risks are transferred and incorporated into the tools used in the Risk Management System (Risk Register and Risk Maps), in order to inform and correctly monitor them by the corresponding bodies.

On the other hand, Logista counts with 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 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:

<u>The Board of Directors</u>

Pursuant to art. 529 ter of the Act on Capital Companies ("Ley de Sociedades de Capital"), the Board of Directors has to approve the Risk Management Policy, including tax Risks, as well as the supervision of the internal reporting and control systems, in particular those for financial information.

Likewise, it corresponds to determine the level of risk to be assumed by Logista, ensure that the Audit and Control Committee has the necessary powers to carry out its task, and supervise the operation of the Audit and Control Committee.

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 Risk Map update

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, at all times in relation to Risk Management

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.

d) Supervise the implementation of the different action plans and corrective actions defined for mitigation.

E.3 Indicate the main 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 current situation is marked by the evolution of the coronavirus pandemic, despite the improvement in the health situation, there is uncertainty about the future evolution of the pandemic in view of the potential restrictions caused by the new virus variants or the trend of infections with its consequences in the economy, employment and therefore, consume rates.

- The evolution of the different activities in the geographical areas in which the Group operates may be affected by an alteration in the political, social and/or in the macroeconomic conditions worldwide and in particular by the conditions existing in Spain, France, Italy, Portugal and Poland, and the Group may be subject to new regulations, as well as structural changes that could affect the purchasing power of customers and changes in consumption habits and patterns.

- Derived from the economic crisis and in the face of an increase in unemployment rates, there is a risk that illicit trade and tobacco smuggling will increase significantly, which could negatively affect the volumes of tobacco distributed.

Business Risks:

- Liberalization in the main markets where the Group operates as tobacco products authorized distributor where currently exists a State monopoly for retail sale of these products could affect results, if the measures already planned by the Group were not implemented.

- Risk of the different business growth of the Group, to compensate the potential acceleration of the rate reduction in the tobacco market, jointly with a decoupling of such market in relation with the sustainability policies.

- Digitization brings benefits and opportunities for Logista, risks associated with an incorrect strategy in the execution and technological definition, may affect the viability of Logista's business models, as well as its competitive position with the associated costs derived from lost opportunities. The irruption of new technologies in our businesses impacts the organization models and the control framework with the inherent risks associated with such change.

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.

- 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.

Regulatory Compliance Risks:

- 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:

- 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.

- 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.

- 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. However, 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. In general lines, it is the following:

Logista presents a higher risk profile in the face of technological Risks that could materialize, since, 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 advance.

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.

E.5 Indicate which risks, including tax risks, have materialised during the year.

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, not affecting the Logista's financial results as the merchandise was properly insured, 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. Furthermore, it has occurred extreme climate contingencies that Logista has successfully managed, performing its services according to the level of performance agreed with its clients.

In all cases the established control systems have allowed their mitigation, either the impact of Risk, neither its probability of occurrence. In general, the Internal Control and Risk Management Systems of Logista Group have allowed the allocation of several Risks in a low Risk profile, moreover some of them have been finalized without negative impact for the Group.

During the current year, the risk of pandemic has been maintained, due to the persistence of COVID-19 on a global scale. Although the advances in the vaccination process have meant an improvement compared to the previous year situation, uncertainties remain. Anyway, given the nature of the businesses and activities and services provided by the Group, the current crisis is having a lower impact compared to other sectors.

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 the 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, Pursue or Assume), and also an action plan will be defined.

See below the main existing controls for the Risks identified in the E.3 section:

Environment Risks

- According to the plan established by Logista at the beginning of the Coronavirus pandemic crisis, the Company has continued with its operations, adapting to the new circumstances the corrective and contingency measures, as well as several safeguard for employees and collaborators. This has allowed the Company to continue with its operations.
- Logista permanently monitors the evolution of the different activities, as well as its regulatory, social and political environment, adapting its strategy and objectives to the different conditions that arise in the countries in which it operates.
- In relation to tobacco trade, more stringent product traceability protocols have been implemented, as required by European Directive 2014/40/EU, which established stricter rules, among others, labelling, ingredients, traceability and border sales, which can affect the volume of snuff sold. Logista collaborates with the State Security Forces and Corps in the fight against illicit trade.

Business Risks

- The effect of liberalizing the main markets in which the Group operates as tobacco-related products distributor where currently there is a state monopoly for retail sale. Such possible negative effect would be mitigated by the business diversification strategy followed by the Group, and the capacity to sell tobacco through the large capillary point of sales network.
- The digital transformation is part of Logista's strategic and considers when thinking on clients, competition, data, innovation and values.

Operational and Technological Risks

- Logista has developed and updated a Cybersecurity Plan, which includes specific action measures.
- With regard to thefts, highest security standards have been implemented, and Insurance Policies have been contracted, which reduce risks to tolerable levels.

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 defends itself judicially, as well as monitors its litigation, counting, where appropriate, with the support of external expert advisors.

Financial/Tax Risks

- 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 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.
- 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 Audit and Control Committee supervises twice a year the evolution of the different key Risks, as well as its response strategies and associated mitigation plans, including fiscal ones, and approves and issues the Group Risk Map Update. In those two quarters in which the said complete update is not presented, the Audit and Control Committee is informed about the most significant changes in the main Risks, which allows identifying new threats, as well as managing Risks in advance.

The Committee reports quarterly to the Board of Directors on its work of supervision of the Control and Risk Management Systems. In accordance with the Board's new agenda, an update on the Group's main risks is presented to the Board of Directors twice during the year and the levels of tolerance and risk appetite are discussed.

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 has been deployed during this year in the most relevant companies in Spain. 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.**

- **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.**

- **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.**

- **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.**

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 Board of Directors, in its meeting of October 27th 2020 meeting, and with the previous favourable opinion of the Audit and Control Committee, reviewed and updated the Logista's compliance model. In this sense, it approved a new Compliance System structure in three fundamental pillars; the Code of Conduct, the Criminal Risk Prevention Manual and the Whistleblowing Channel.

In that meeting the Board of Directors approved the creation of the Compliance Committee of the Group. It is a collective body with autonomous initiative and control functions and organically depends from the Audit and Control Committee. It also supports the Committee in the supervision of the performance of the Compliance System.

In Spain, such task is directly by the Compliance Committee. In other countries where the Group operates the Group's Compliance Committee supervises and monitories the implementation of the Compliance System by the relevant local Compliance Units.

In its July 22 2021 meeting, with the favourable opinion of the Audit and Control Committee, Logista's Board of Directors approved the new Code of Conduct for the Group that substitutes the previous one 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 web site (www.logista.com) and is also published in the intranet for all employees. Logista also has already produced a brief document that contains the main characteristics and ethical principles of the Code.

All Logista's employees are obligated 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 singing a document in which furthermore they are informed on how to easily access to it. Logista has an English, Spanish, French, Italian, Portuguese and Polish version 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 comers 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.

Regarding the analysis of possible misconduct the Board has assign such role to the Compliance Committee of the Group under the supervision of the Audit and Control Committee. The Chairman of the Compliance Committee personally takes part in 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 Audit Committee may think relevant.

- **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 Regulation assign to the Audit and Control Committee the responsibility to establish and supervise a procedure that allow employees and any other person, such as Directors, shareholders, contractors or subcontractors and suppliers, to communicate the potential relevant irregularities, including financial and accounting irregularities, related to Logista that they may find in the company of the Group. Such mechanism guarantees confidentiality and established 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, in the context of the revision and update of Logista's Compliance Model, the Board of Directors after the favourable opinion of the Audit and Control Committee approved and updated of the Whistleblowing Policy of the Group, giving the Compliance Committee the role to manage the whistleblowing channel.

According to such Policy members of the Group and any legitimate party may communicate behaviours, facts or omission that may amount to noncompliance with the principles ethic values, laws and internal policies applicable to Logista's Grupo 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 outside Spain, investigation procedures including final resolution corresponds 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.

In all cases when a claim is admitted the Compliance Committee informs to the Audit and Control Committee. If the claim involves a member of the Board of Directors a Corporate Director a General Director or a Business Director the Chairman or the Secretary of the Compliance Committee must immediately inform Audit and Control Committee.

With regards to the confidentiality of the claims, the Policy contains within its general principles a guarantee of confidentiality and, where applicable local legislation allows it, a guarantee of its anonymous character.

Confidentiality on the identity of the claimant is guarantee *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 Regulations 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 malpractices 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, such people take part in annual training courses. In particular this year there have been external training courses on internal control of financial information, COSO ERM certification, function segregation, cybersecurity, excel tools (formulation, macro and dynamics charts) and Power IB, among others.

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 2021 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 2020-2021, which includes the review of the key controls of the Fiscal Corporate Procedure, key controls on the non-inventory purchases processes, the revision of the acquisition process of the convenience business in SAF, the review of the stock operative process in Spain, France and Italy and the review control of Pharma, sales operational process.
- 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.
- 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 aims 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 an non-financial nature, making recommendations for its strengthening;

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 it 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;

According to its Internal Audit Plan, approved by the Audit and Control Committee, activities related to ICFR supervision have been carried out. More specifically, a Strategic Plan 2021-2023 has been prepared 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, process changes, etc. ...

Subject to review in the current fiscal year have been most of the fiscal corporate process, the key controls of the non-inventory purchases corporate process, the convenience products purchase process in SAF, being in progress the review of the operative controls in Pharma and the stock operative process in Spain, Italy and pending the review in France.

Furthermore, the Company has performed the following reviews not related with the ICFR but that include in their scope the review of some ICFR controls: stock management in Maddaloni warehouse, in the Alcochete and in the Croissy warehouses.

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 with significant impact on financial statements, 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 epigraph 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 4th, 2021.

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 30^{th}, 2021

COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A.

Ernst & Young, S.L.
Calle de Raimundo Fernández Villaverde, 65
28003 Madrid

Tel: 902 365 456
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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, 2021

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 September 15, 2021, 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, 2021, 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, 2021, described in the accompanying ICFR.

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 1/2020 of October 6 (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 4, 2021

2021
INTEGRATED ANNUAL REPORT

logista

Contents

Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish language version prevails.

Against this complex 2021, Logista has continued to serve its clients and society in what have been challenging circumstances by keeping its operations up and running at all times and helping to ensure the general public's needs are adequately provided for.

Letter from the Chairman

Dear shareholders,

It is my pleasure to present to you Logista's Integrated Annual Report for 2021 which sets out the Group's main activities and results for the financial year. In addition to financial information about the Company's performance, the report provides details about Logista's environmental commitment and its social initiatives.

The data in this report reflects what has been, without doubt, an extraordinary year due to the impact that COVID-19 has had on all the markets we operate in. Against this complex backdrop, Logista has continued to serve its clients and society in what have been challenging circumstances by keeping its operations up and running at all times and helping to ensure the general public's needs are adequately provided for. And it is the hard work and commitment of everyone in the Company that has made this possible. Thanks to each and every one of them, and to the Group's vision and commitment, Logista has been instrumental in helping other sectors remain operative.

I think it is also particularly important to highlight the vital role that Logista has played in vaccination programmes by working with several public authorities to store and distribute COVID-19 vaccines. Something that everyone at Logista is extremely proud of.

All of these achievements are thanks to the collective effort of everyone at Logista and testament to the company's resilience – qualities that have allowed us to record a sound economic performance and very strong financial results despite such difficult circumstances. In this regard, sales, operating results and net income registered growth in this financial year.

As you will see, not only have we carried on conducting our business operations, but we have also continued to develop and expand – continuing to build a forward-looking Company. In short, we have continued to build a company with a vision of the future, a future that requires greater dynamism and agility. With this in mind, we have rebranded to bring the Company's visual identity into line with its new reality and the future that lies ahead – one that I am in no doubt will be filled with every success.

I would also like to give a special mention to other corporate governance milestones achieved by Logista this financial year, thanks to the hard work and dedication of the Board of Directors. Firstly, a rigorous review of the Company's internal rules and regulations was undertaken to both streamline processes and improve best practices in corporate governance, resulting in new Articles of Association and new Annual General Shareholders' Meeting Regulations being presented and approved at the last Annual Shareholders' Meeting.

We have also strengthened the Company's commitment to gender diversity by amending the Board of Directors Regulations to ensure that at least 40% of Board members are of the least represented gender. We have also taken this into account when appointing new members to the Board during the year to ensure this percentage is upheld.

Finally, I would also like to take this opportunity to mention the importance Logista places on its commitment to social responsibility and the environment. I am delighted to report that for the fifth year running, the Company has been included on CDP's prestigious global sustainability A List in recognition of its leadership in the fight against climate change. This year it has also been recognised as a Supplier Engagement Leader by CPD.

For an in-depth account of all these matters, please consult this Integrated Annual Report, the Annual Corporate Governance Report and the Annual Board Remuneration Report.

I would like to close by extending my thanks once again to the whole team whose hard work makes Logista a leading player in the logistics sector, and to our suppliers and clients with whom we have built up a relationship of trust out of a shared focus on growth.

Lastly, I would also like to thank you, the shareholders, for your continued commitment to Logista and our team. You can rest assured that we will continue to work tirelessly to improve all aspects of our business and consolidate the company's position as Southern Europe's leading distributor.

Gregorio Marañón

I would like to highlight Logista's commitment to continue offering the best service to our customers, focusing special attention to sustainability, and maintaining our high level of quality and safety in all accomplished operations.

Letter from the CEO

Dear shareholders,

In this 2021 Logista Group Integrated Annual Report, you will be able to read in detail the main actions carried out in the year that we have just concluded, as well as the results corresponding to said period.

I am pleased to announce that we have achieved highly positive results in a context that did not appear to be favourable at all, due to the economic and social consequences that the COVID-19 pandemic brought. However, as reflected in the financial data contained in this report, we have managed not only to maintain our activity, but to continue growing and improving our position as a strategic partner for product distribution in Southern Europe.

About a year ago, in our annual report, I mentioned that we were closing 2020 without having yet returned to full normality. There is no doubt that we have not achieved complete normality yet, and that throughout this fiscal year we have continued, once again, to suffer the impact and restrictions of this pandemic. But despite these setbacks, when it came to the decree of restrictive measures, our different Logista businesses were considered an essential activity, therefore allowing us, once more, to facilitate our clients' day-to-day lives.

If something can be considered a turning point in 2021, it has been the arrival of the first vaccines against COVID-19. From the Group, we have contributed significantly to its distribution, with agreements with different public administrations to whom we have offered all our support and collaboration in such crucial times.

In this context, I would like to highlight Logista's commitment to continue offering the best service to our customers, focusing special attention to sustainability, and maintaining our high level of quality and safety in all accomplished operations.

Hence, allow me to emphasize Logista Pharma's effort, for its major and strenuous work conducted throughout this pandemic. Always aiming to improve the monitoring and control of the vaccine distribution chain, Logista Pharma launched its first-time individual and unique traceability service for COVID-19 vaccines. Thanks to this service, the different public administrations that have trusted Logista for vaccine distribution have benefited from very detailed and precise information on each of the packages delivered, thus far exceeding traceability requirements legally required. Putting this system into operation has been possible thanks to the notable investments and the experience accumulated over these last few years.

At the same time, Nacex has continued to make progress to adapt to the market environment. We have launched new services that respond to the growing demand of the e-commerce market. This is the case of eNacex Economy, a system designed to make delivery more comfortable for the recipient and guarantee effectiveness in the first delivery attempt. These new solutions are in line with Nacex's commitment to the environment and the reduction of its Carbon Footprint.

The significant increase in sales of electronic transactions in France – after the significant progress already registered in the previous year – confirms that clients in this sector have special trust in Logista when it comes to distributing their products.

Likewise, I would like to highlight our strategy of expanding our portfolio of convenience products distributed in Italy. This strategic process was followed by an important commercial effort to attract new customers in the beverage sector, which was coupled with a sales growth in the categories of snacks and sweets. After several years of continued economic growth, this has meant a new boost for our business in this market.

The constant innovation in which we are immersed is also reflected in our brand identity. It is part of the company's growth strategy and the expansion of our range of products, services, and solutions, as well as the diversification in new sectors.

This evolution and growth have allowed us to achieve, in a complex context, very positive financial results that reflect the good performance of the Group's activity. Logista has registered growth in the main figures of the income statement, achieving Revenues of 10,817 million euros, Economic Sales of 1,180 million and an Operating Profit of 240 million. This represents an increase in the figures of 3.9%, 5.6% and 12.8% compared to the previous year.

Economic Sales have registered improvements in all geographies and activities, except for tobacco distribution in France and Portugal. The double-digit increase achieved in Pharma, Parcels and in convenience products distribution in Spain and Italy stands out.

The increase in operating costs, which has been 3.2%, is below the increase recorded by Economic Sales. Therefore, the Adjusted Operating Profit margin on Economic Sales has improved compared to the previous year, being 25.2% in 2021 compared to 23.5% in 2020.

Thus, the Adjusted Operating Profit has reached 298 million euros, in a year in which we estimate that COVID-19 has not had a significant net impact on the results. This contrasts with the approximately 14 million euros of negative results that we estimated in the previous year.

The increase in Adjusted Operating Profit, lower restructuring costs, and higher financial results offset lower capital gains from asset sales and facilitated a 15.6% growth in Profit Before Tax.

At the end of this financial year, we decided to classify as an asset available for sale our subsidiary for the distribution of convenience products to points of sale that were not tobacco stores in France. This penalized the result of the year, as it resulted in discontinued operations, not only in the results of the year, but also in the estimation of their restructuring costs.

Net Profit for the year has increased 10.7% compared to the previous year, reaching 174 million euros.

For further information on these results, please have a look at the Consolidated Annual Accounts, that include the Management Report, of which this Integrated Report is part.

To conclude, I would like to especially thank the effort and drive of the entire Logista team of professionals for offering the best service to our clients. Naturally, I would also like to thank the Board of Directors for their ceaseless and constant support.

And to all of you, dear shareholders, I would like to express my absolute conviction that in the future Logista will continue growing in a sustainable way. Thank you for your trust.

Íñigo Meirás

Logista provides high value-added logistics services, specialising in distribution to local retailers in southern Europe.

1. Logista at a glance

Presence

5 countries

Spain, France, Italy, Portugal and Poland

Distribution to

~200,000
points of sale,

facilitating manufacturers access to convenience products, electronic top-ups, tobacco, pharmaceutical products, books, publications and lottery markets among others – ensuring efficiency and transparency, as well as complete control over all operations.

Over

600
central and regional

platforms and service points

Excellence and quality of service

ISO 9001

GDP (Good Distribution Practices) and **GMP** (Good Manufacturing Practices) certified

AEO (Authorised Economic Operator)

Sustainability

CDP **A List** for fifth consecutive year

CDP **Supplier Engagement Leader**

FTSE4Good

ISO 14064

Rating MSCI AA

People

>5,850
direct employees

2021 Results

Economic sales

€ 1,180 million

Adjusted EBIT

€ 298 million

Net Profit

€ 174 million

Logista and the Stock Market

Capitalisation at 30 September 2021

€ 2,417 million

Dividendos

1.24€

per share allocated to the 2021 financial year

Average target price of the research companies

>24€

per share

*Figures are rounded in this report, except percentages

This icon is used throughout the report to indicate the aspects considered to be most relevant overall

Consolidated income statement highlights

€ millions	Financial Year 2021	Financial Year 2021
Income	**10,817**	**10,408**
Economic sales	**1,180**	**1,117**
(-) Operating cost of logistics networks	(750)	(724)
(-) Commercial operating expenses	(48)	(48)
(-) Operating expenditure on research and central offices	(84)	(82)
Total operating costs	**(882)**	**(854)**
Adjusted EBIT	**298**	**263**
Margin %	*25.2%*	*23.5%*
(-) Restructuring costs	(9)	(11)
(-) Amort. Logista France assets	(52)	(52)
(+/-) Profit/(loss) on disposal and impairment	2	13
(+/-) Profit/(loss) from equity-accounting companies and other	2	1
Operating profit	**240**	**213**
(+) Financial income	22	17
(-) Financial expenses	(2)	(5)
Profit/(loss) before tax	**261**	**225**
(-) Corporate income tax	(67)	(61)
Effective tax rate	25.8%	26.8%
(+/-) Results of discontinued operations	(19)	(7)
(+/-) Other income/(expenses)	0	0
(-) Non-controlling interests	(0)	(0)
Net profit	**174**	**157**

Consolidated balance sheet highlights

€ millions	30 september 2021	30 september 2020
Property, plant and equipment and other fixed assets	321	373
Net long-term financial investments	20	19
Net goodwill	921	921
Other intangible assets	354	408
Deferred tax assets	15	19
Net inventory	1,467	1,294
Net receivables and other	2,151	1,986
Cash and cash equivalents	2,299	2,827
Assets held for sale	42	0
Total assets	**7,588**	**7,847**
Shareholders' funds	524	514
Non-controlling interests	1	2
Non-current liabilities	137	168
Deferred tax liabilities	239	254
Short-term borrowings	72	77
Short-term provisions	7	14
Trade and other receivables	6,566	6,819
Liabilities associated with assets held for sale	41	0
Total liabilities	**7,588**	**7,847**

Unique business model

Logista has developed a unique business model that combines specialist distribution and integrated logistics with exclusive value-added services and powerful Business Intelligence tools, giving it the flexibility it needs to both meet its clients' needs and comply with the regulatory requirements and standards of each sector.

Logista acts as single supplier for all the services that make up the supply chain, providing full traceability, using sustainable, transparent practices and offering advanced and specialist services for each sector and point-of-sale channel in which it operates.

This is achieved thanks to its comprehensive infrastructure network that, combined with its transport and information systems, enable it to manage the distribution of products from collection to point-of-sale delivery.

Logista also provides omnichannel marketing of products and services via its web platforms, point-of-sale terminals, cash & carry service points, call centres and sales force.

General principles of conduct

From the outset, Logista has developed, championed and fostered a corporate culture and philosophy based on the principles of legal compliance, honesty, integrity in management practices and transparency in the Group's dealings and relationships with its shareholders, staff, suppliers, clients, communities and other stakeholders and interest groups.

The Code of Conduct sets out the guidelines and ethical values that govern Logista's business operations. It establishes the principles that all members of the group must follow in their daily work and serves as a basis for the Group's policies and procedures, all of which must be interpreted and applied in accordance with the Code.

The new Code of Conduct, which was approved by the board of directors in July 2021, specifically seeks to reinforce the principles of exemplary standards, business integrity, transparency and regulatory compliance, which must govern all the Company's decisions and actions.

Logista's operations rely on its relationships with employees, clients, suppliers, business partners, shareholders and other groups, and the Code of Conduct is designed as a guide for promoting respect, equality, diversity, and creating long-term sustainable value.

business areas

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 proximity channels.

Transport

Management of full load, long-distance transport throughout Europe, and industrial and small parcel transport services in Spain and Portugal.

Through this business area, Logista provides transport services to its other businesses and to third parties.

Pharmaceutical distribution

Pharmaceutical products distribution and logistics services in Spain and Portugal.

Other businesses

Publication distribution and logistics services in Spain and Portugal.

Market position

Logista provides high value-added logistics services, specialising in distribution to local retailers in southern Europe.

+ **We are the preferred distribution partner for manufacturers,** providing their route to consumers through simple and rapid access to proximity 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,** Logista is constantly developing dedicated services for each sector, and works closely with clients to tailor its offering to their current needs and anticipate their future needs.

+ **As a transport services operator,** Logista pursues 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 small parcel transport service 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).

+ **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 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, in many cases 100%, and in our solid margins and levels of return on capital employed.

Group structure

Compañía de Distribución Integral Logista Holdings, S.A.

Compañía de Distribución Integral Logista S.A.U. (100%)
- UTE Logista - IGT Spain Lottery (into liquidation) (50%)

Logista Pharma (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. (100%)

Logista Libros, S.L. (50%)

La Mancha 2000, S.A. (100%)

Logesta Gestión de Transport, S.A.U. (100%)
- Logesta Italia (100%)
- Logesta Francia (50%)
- Logesta Deutschland (100%)
- Logesta Lusa (51%)
- Logesta Polska (51%)

Compañía de Distribución Integral de Publicaciones Logista, S.L.U. (100%)
- Logista Regional de Publicaciones, S.A.U. (100%)
- Distribuidora del Este, S.A.U. (100%)
- Distribuidora Valenciana de Ediciones, S.A. (50%)
- Cyberpoint, S.L. (100%)
- Distribuidora de Publicaciones del Sur, S.L. (50%)
- Distribuidora de Aragón, S.L. (5%)
- Promotora Vascongada de Distribuciones, S.A.U. (100%)
- Distribuidora de Las Rías, S.A.U. (100%)
- Distribuidora de Ediciones Sade (70%)
- Distribuidora del Noroeste, S.L. (51%)
- Publicaciones y Libros, S.A. (100%)
- Distribución de Publicaciones Siglo XXI Guadalajara, S.L. (80%)

Logista Payments, S.L.U (100%)

Distribuidora del Noroeste (49%)

Logista France Holding (100%)
- Logista Promotion et Transport (100%)
  - Logesta Francia (50%)

Logista France (100%)
- Societé Allumetiére Francaise (100%)
  - Supergroup (100%)

Logista Italia (100%)
- Terzia (100%)

Companhia de Distribuiçao Integral Logista Portugal (100%)
- Midsid (100%)
- Logista Transports e Transitos (100%)
  - Logesta Lusa (49%)

Logesta Polska (49%)

Logista Polska (100%)

Governing bodies

- General Shareholders' Meeting
- Board of Directors
- Management Committee
- Audit and Control Committee
- Appointments and Remuneration Committee

Operational structure and international presence

ÍÑIGO MEIRÁS
CEO

MARÍA ECHENIQUE
General and Board Secretary

JUAN JOSÉ GUAJARDO
Human Resources Director

MANUEL SUÁREZ
Chief Financial Officer

ANTONIO MANSILLA
Resources Director

CARLOS GARCÍA-MENDOZA
Strategy Director

PASCAL AGERON
Managing Director France

FRANCISCO PASTRANA
Managing Director Iberia and Poland

MARÍA PILAR COLÁS
Managing Director Italy

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

3

managing directors responsible for each geographical area, to whom the heads of the business areas from each area report and

5

corporate directors.

2. Business model

Inputs >

Financial capital

Strong balance sheet, with no financial debt and significant capacity to generate operating funds. This enables the Company to meet its business maintenance and growth investment needs.

Human capital

As a provider of quality-focused services, having specialist human capital is key to adding value. Their capacities, skills, knowledge and development plans centre on ensuring their know-how is preserved, developed and passed on, to protect our differentiation 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 are committed to making continual professional development and constantly improving 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.

1 Omnichannel order-taking. Product purchasing

2 Automated order picking

3 Real-time warehousing and stock management

4 Transport and distribution

5 Billing and payment

6 Business Intelligence

Outputs >

Physical distribution of a broad range of products to **proximity 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**

Outcomes

Reducing environmental impact

Route optimisation

Use of **sustainable** vehicles and energy

Reuse of packaging

Target to achieve a **30% reduction in emissions** by 2030 compared with 2013

Creating wealth in the community

Increased **revenue and savings** for **manufacturers** and **retailers**

c. € **64** million paid in taxes in 2021

Job creation

>5,850 employees

c. € **985** million distributed as dividends

Support for disadvantaged groups, mainly in our local area

Support for **exporting growth sectors**

Developing talent

Professional development plans

44,740 hours of training

Internal **promotion**

Operational excellence

Client satisfaction

High proportion of **contract renewals**

Long-term relationships

To ensure a continued and open dialogue, Logista has established specific communication channels individually tailored to each stakeholder, in addition to other communication channels which are open to all of them such as the Company's corporate website.

www.logista.com

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 interested parties in order to take both their financial and non-financial (environmental, social or corporate governance related matters) needs and expectations into account.

In 2021, Logista has approved its Information and Communications Policy with regard to shareholders, institutional investors and proxy advisors and to sharing economic and financial, non-financial and corporate information concerning Logista. The Policy applies to information the Company shares, or any communications, meeting or contact it has, with its stakeholders, namely, shareholders, securities markets via the Spanish Securities Market Commission (CNMV), other public bodies, financial institutions, brokers, managers and custodians of Logista's shares, investors, proxy advisors, credit ratings companies, analysts and investment banks, and generally speaking, with anyone who draws up or publishes investment recommendations or any other kind of information that recommends or suggests an investment strategy, with public opinion and with any other individual or body that determines applicable regulations.

Information is shared or published while upholding the principles of transparency, truthfulness, immediacy, relevance, consistency, adequacy and clarity.

To ensure a continued and open dialogue, Logista has established specific communication channels individually tailored to each stakeholder, in addition to other communication channels which are open to all of them such as 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**

3. Strategy

Corporate purpose

We make people's lives easier, we are expert in specialized logistics services and we offer sustainable solutions.

Mission

We promote the growth of our clients, being their trusted partner and we offer logistics solutions with high added value.
We improve efficiency by providing **innovation,** to contribute to long-term sustainable development and value creation.

Vision

To be the trusted partner for high value logistics solutions.

Context

Macroeconomic context

Logista's various business operations around the world can be affected by political, social and/or macroeconomic conditions, both at the global level and, in particular in Spain, France, Italy and Portugal and, to a lesser extent, in Poland.

The COVID-19 health crisis had an inevitable impact on the macroeconomic climate during the 2021 financial year, however the extent to which it was affected varied greatly between the first and second half of the year. Despite the easing of restrictions, the pandemic continued to have a dampening effect on economic growth in the period from October to April. However, the following six months saw a significant recovery in business activity prompted by a return to stability due to a levelling out of COVID-19 cases, the successful rollout of the vaccination programme and the easing of mobility restrictions throughout most of Europe. This recovery was also supported by European funding.

Some of our lines of business are closely linked to changes in GDP and the overall performance of the global economy. The recovery in the tourism sector is having a positive impact on our convenience products and tobacco businesses. The pharmaceutical products business in particular has played a fundamental role during the pandemic, mainly with regard to logistics and transport of vaccines in Spain. Finally, the re-opening of borders between European countries and the progressive recovery of economic activity in Spain has relieved pressure on the transport business.

Although we have to factor in potential cost increases for the transport business due to the rise in oil prices, in the short to medium term, global GDP is projected to rise significantly at the end of 2021 thanks to a fully-vaccinated population. Moreover, with forecasts not pointing towards any interest rate increases that could affect consumers and household savings reaching very high levels during lockdown, we are confident that the impact of this macroeconomic context will be positive in the coming years.

Regulatory context

As in previous years, the regulatory environment in the pharmaceutical and tobacco sectors has continued to introduce more stringent requirements for checks on the distribution of products, and as such, any companies wishing to continue operating in the future must be able to comply with these requirements. To illustrate our commitment to compliance, during the 2021 financial year, the Company placed greater emphasis on developing operations linked to track & trace requirements for tobacco products, producing excellent results and highlighting the Company's excellent approach in this regard.

This not only serves as testament to Logista's unwavering commitment to strictly complying with regulatory requirements, but also to providing excellent levels of service to its clients via solutions that enable them to prepare for such requirements.

The pharmaceutical products business in particular has played a fundamental role during the pandemic, mainly with regard to logistics and transport of vaccines in Spain.

Environmental standards

There is growing demand among clients for services that meet certain environmental standards, a demand which has risen amid the COVID-19 health crisis and due to a 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.

Logista carries out annual checks in line with ISO 14064-3 on the main structures and processes for each business in Spain, France, Italy, Portugal and Poland, using the GHG Protocol and ISO 14064-1 as a benchmark.

Logista has significantly improved the method used to calculate its carbon footprint, now producing a far more detailed impact assessment for the main source 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, Logista is incorporating environmental concerns into the development of its strategy and has committed to achieving a 30% and 54% reduction – compared with 2013 levels – in direct and indirect emissions generated by its 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.

-30% **emissions in 2030**

-54% **emissions in 2050**

Logista is incorporating environmental concerns into the development of its strategy and has committed to achieving a 30% and 54% reduction in direct and indirect emissions generated by its operations by 2030 and 2050 respectively

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 the fight against climate change – the only European distribution Company to have achieved this recognition in the last five 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.

In addition, Logista is part of the FTSE4Good 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 our commitment to continue integrating environmental sustainability into the day-to-day management of the business.

E-commerce consumption

The continuing growth of online sales, through multiple operators, generates considerable logistics requirements. Logista's outstanding quality and extensive range of services, together with balanced prices, make it an attractive logistics partner, especially for direct sales to large manufacturers.

Consumption in proximity channels

The COVID-19 pandemic sparked a rise in the number of purchases made at smaller points of sale that are closer to home. Logista distributes all types of products to 200,000 points of sale 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.

Cybersecurity

Logista remains heavily invested in its cybersecurity because, through our digital transformation, we are accumulating significant volumes of electronic data from clients, employees and suppliers who need protection from increased cybernetic threats. Following an exhaustive review of external security, Logista is implementing the latest security technologies, reinforcing internal processes and implementing awareness campaigns for all employees to counteract phishing and ransomware attacks.

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 an opportunity for Logista. The Company offers manufacturers the fastest and most effective route to consumers in Spain, France, Italy and Portugal, thanks to its extensive distribution network in each of these countries.

200,000

Logista distributes all types of products to 200,000 points of sale in France, Spain, Italy and Portugal, offering manufacturers simple, rapid access so that their products can be available in those establishments.

The continuing growth of online sales, through multiple operators, generates considerable logistics requirements.

Digitalisation

Digitalisation is driving change in how we do business, with several disruptive technologies introducing new digital products and services. Fully digitalised data and processes are increasing automation and making the smart supply chain and warehouse a reality. Decisions are based on the data available and allow the simulation of future results.

Logista has developed several notable projects in this area:

- **Technical support for both remote and hybrid working models** – the latter combining on-site and remote working. General widespread use of collaborative tools, videoconferencing and remote access to business applications.
- **Robotic process automation (RPA)** which means human resources can be channelled towards creative tasks and those that bring added value.
- **Digitalisation of the supply chain for the distribution of pharmaceutical and tobacco products**, going far beyond strict compliance with traceability regulations in both sectors. Logista is applying the very latest scanning and image recognition technologies to digitally capture all product movements across warehouses, cross-docking platforms and delivery vehicles, thus enabling the entire supply chain to be monitored.
- **Centralised temperature control system in pharmaceutical storage** containers, ensuring compliance with the storage temperature conditions required for each medicine.
- **Incorporation of artificial intelligence** into the digital marketing and sales platform in the convenience products distribution businesses, enabling a clear segmentation of clients and products and thus the development of segment-specific marketing initiatives. Artificial intelligence technologies based on recognising search history and previous sales patterns are also helping marketing experts to identify market potential and simulate promotions and customer loyalty initiatives.
- **Introduction of a variety of innovative technologies** such as Big Data analysis and artificial intelligence, enabling Logista's retail clients to digitalise their businesses and enhance their profitability.

Strategic priorities

1. To strengthen our consolidated businesses

One of Logista's main strategic objectives is to maintain its strong positioning in the business areas with the most consolidated business. However, given how mature some of these business areas are, it is vital to explore and develop new services to complement our distribution services. By extending our range of services we can help our clients to identify new growth areas and thus enable Logista to keep revenues in its most consolidated businesses stable.

2. To bring sustainable future growth, expanding our business base

Our long-term growth is based on continuing to develop the businesses which offer the greatest growth potential – such as Business to Consumer (B2C) distribution and pharmaceutical products 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 the Company's 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 services and/or capabilities.

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.

3. To offer excellence in our services and increase profitability through continued improvements in operational efficiency

Our commitment to our clients and our close collaboration with them to continually seek an outcome that brings a mutual benefit for us both is the main driving force that ensures we continue to maintain the highest standards in quality when delivering our services and carrying out our operations. As a consequence, we must constantly strive to maintain and increase profitability through continuous improvements in operational efficiency.

We should also highlight our commitment to sustainable growth from an environmental perspective, which is a fundamental aspect of our objective for continuous improvement. The Company has identified road traffic pollution as one of the areas in which it can make improvements to reduce its carbon footprint. In this regard, over 75% of Logista's fleet comprises Euro 5 or Euro 6 vehicles.

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.

Business outlook

Increased last-mile transport needs for e-commerce

Retail offering tailored to sectors that **demand a high level of service in the delivery of their products**

'Smart Lockers' and delivery and collection points to meet demand, while also controlling emissions from deliveries

Increased significance of local stores in developed countries: buying local, flexible hours, etc.

Distribution networks that repeatedly access around

200,000 points of sale

in the main proximity channels

Manufacturers require transparency in their route to consumers

Development of **BI capacities,** dedicating between

30% and 50%

of the Group's total investment in technology each year

Requirement from society as a whole for a better overall use of resources in carrying out operations

As a **one-stop shop** for points of sale and for manufacturers, we offer the **streamlining of service and the flexibility needed** to translate that into resource **savings for participants and for society** as a whole

Manufacturers' need for global management of pricing policies by channel; very difficult to guarantee in local stores

Retail offering based on pricing per service, rather than on the products' positioning, which avoids distortion and leaves it up to manufacturers to set the prices for their products

Greater attention paid to the effective management of the finished product distribution chain from origin to point of sale.

We anticipate regulatory requirements, and through our retail offering we can take direct responsibility for the **entire distribution from our clients' factory door to the point of sale,** with oversight at all times of the means used to carry out the distribution, while offering **exhaustive knowledge of the specifications and specific needs of the products we distribute.** Ongoing investment in the development of technological tools to ensure the integrated management and online oversight of operations. This enables us to differentiate our service and **improve our competitive position**

Development of beneficial relationships for all stakeholders

Business model that seeks to establish long-term relationships that create value **through fair,** non-discriminatory prices based on **service level** for suppliers and for clients; **performance-based pay and professional development** for employees; ongoing **dialogue and collaboration** with authorities and with shareholders

Reduced specialisation of local stores and a need to broaden the catalogue of products and services

We offer a cross-sector service that supports the commercial development of points of sales and enriches their own retail offering in a simple and efficient way thanks to our business relationship with manufacturers active in different sectors

Flexibility throughout the route to market, proximity of inventories to points of sale

Our business model for operations, which offers proximity to points of sale and brings flexibility and agility in adapting to products' location-specific needs

Reduced volumes in some product categories

We help manufacturers to adapt their offering and improve their products' route to market, facilitating the launch and distribution of new categories

The fiscal year-end results can be described as very positive, the main income statement figures having grown despite the fact that there were no COVID-19 impacts until March of the previous year.

4. Operational performance in 2021

IBERIA

Economic sales (€M)

	VAR.
634 TOTAL	6.9%
303 Tobacco and related products	3.5%
291 Transport	6.9%
83 Pharmaceutical distribution	20.1%
17 Other businesses	0.8%
(60) Adjustments	(4.2)%

Adjusted EBIT (€M)

	VAR.
134	19.3%

+ Tobacco and related products: Good performance, mainly due to the value-added services billed to tobacco manufacturers, which helped to offset the slight fall in tobacco volumes distributed, and the Economic Sales of convenience products distributed growth at a double-digit rate compared with 2020, explained by the influx of new customers, the rise in point-of-sale customers and the increasing demand for convenience products in these stores.

+ Transport: The situation caused by the pandemic favoured an increase in electronic commerce leading to a significant uplift in the parcel services business, while mobility restrictions and selective lockdowns brought down demand in the industrial parcel sector. However, pre-pandemic sales levels were recovered towards the end of the year as the industrial parcel business bounced back.

Long-distance transport sales improved over the course of the year, due partly to the addition and expansion of transport services for the pharmaceutical industry and the high-tech, mass consumption and fruit sectors, and to the rebound in tobacco volumes.

+ Pharmaceutical distribution: Good performance thanks to a steady influx of customers and the launch of new dedicated services for the industry, targeting both existing and new customers.

The circumstances during the pandemic gave rise to changing needs in the pharmaceutical and healthcare sectors that are being answered by Logista Pharma, such as the management of clinical trials, direct delivery of medicines to hospital patients and supply of critical medicines for COVID-19. This boosted business thanks to new customer profiles, such as public authorities and hospitals, as well as new products such as COVID-19 vaccines and healthcare and protection materials.

+ Other Businesses: Slightly stable performance despite the difficult situation in the industry.

ITALY

Economic sales (€M)

	VAR.
325 TOTAL	**6.5%**
325 Tobacco and related products	**6.5%**

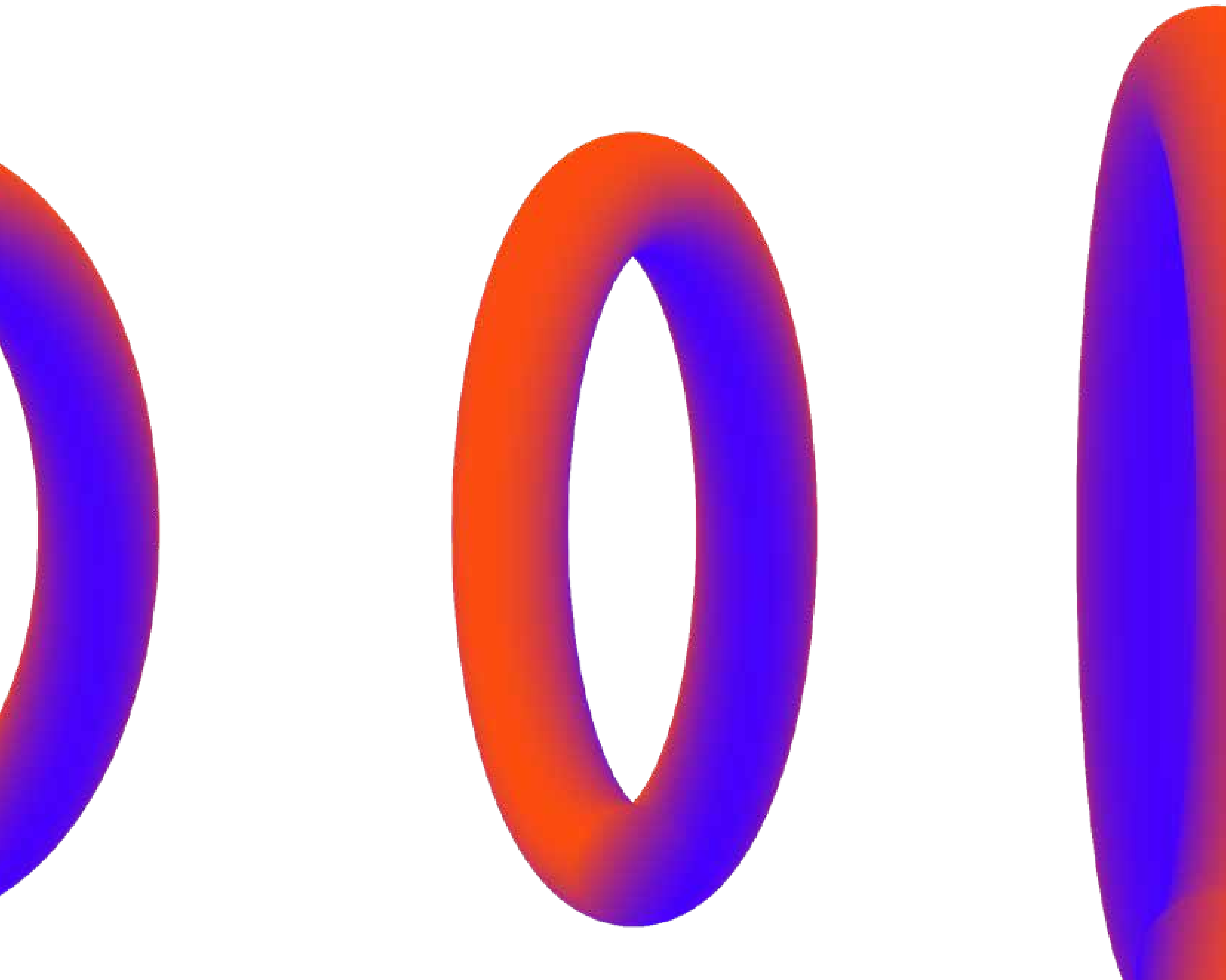
Adjusted EBIT (€M)

	VAR.
99	**14%**

The increase in revenue from services provided to manufacturers and from the distribution of convenience products allowed Economic Sales to grow 6.5%.

+ **Tobacco and related products:** As regards services to manufacturers, the new tobacco product categories in Italy and the value-added services associated with this type of products are performing well.

Commercial efforts to boost growth in the distribution of convenience products focused this year on the beverages category, new agreements having been reached with manufacturers in this sector, complementing the increase in the snacks and sweets category. As a result, Economic Sales in the distribution of convenience products once again reached double-digit growth.



FRANCE

Economic sales (€M)

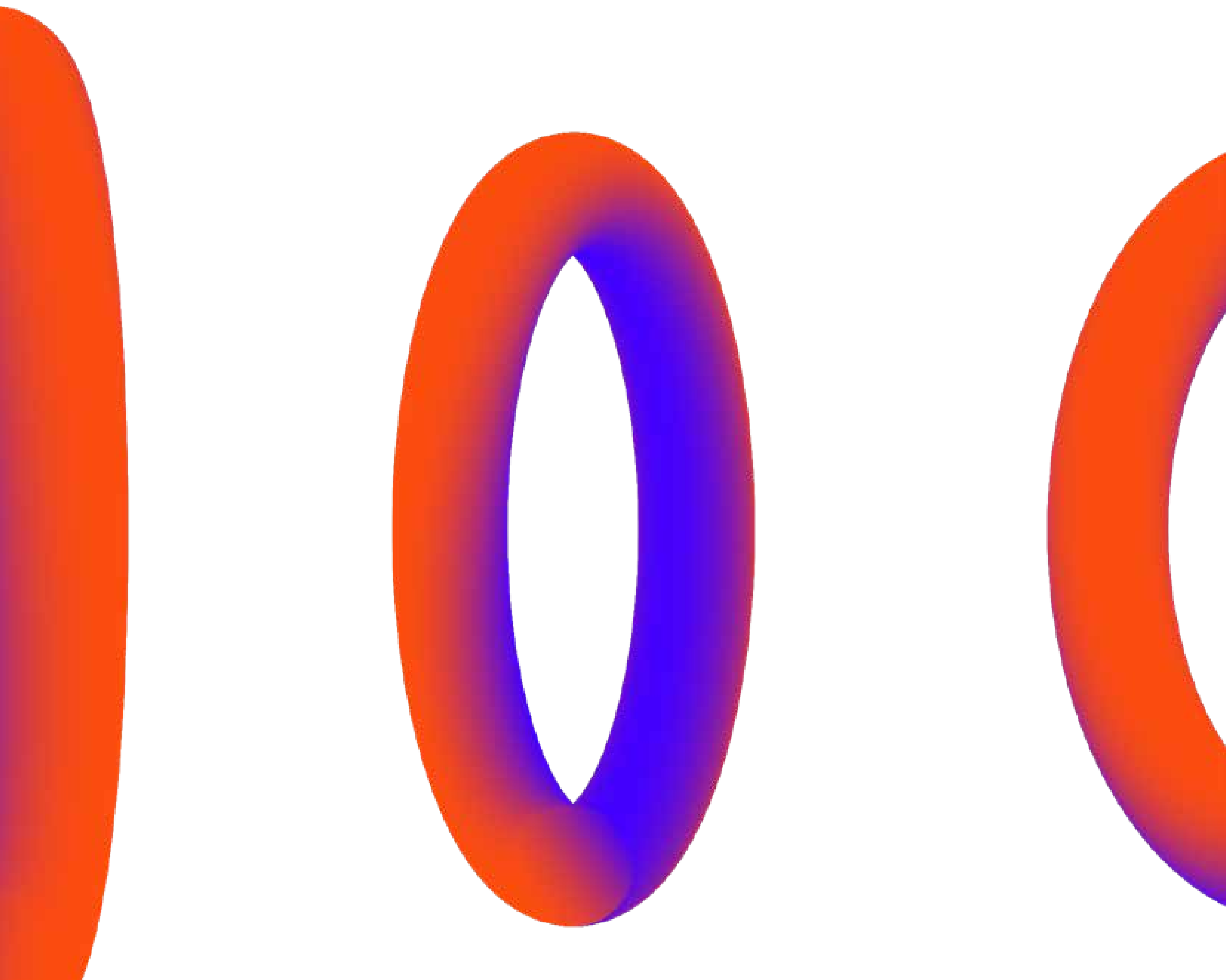
	VAR.
225 TOTAL	0.2%
225 Tobacco and related products	0.2%

Adjusted EBIT (€M)

	VAR.
66	1.4%

Economic Sales rose by 0.2% thanks to growth in the distribution of electronic transactions and convenience products, offsetting the poor Economic Sales in tobacco distribution.

+ Tobacco and related products: 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 end of the current fiscal year, so its results are included under discontinued operations and its Revenues, Economic Sales and results are no longer part of the France segment. The Other businesses sub-segment is no longer included in this segment, all the activities in France forming part of the Tobacco and other related products sub-segment. The corresponding figures were restated to reflect this classification and assure comparability between 2021 and 2020.



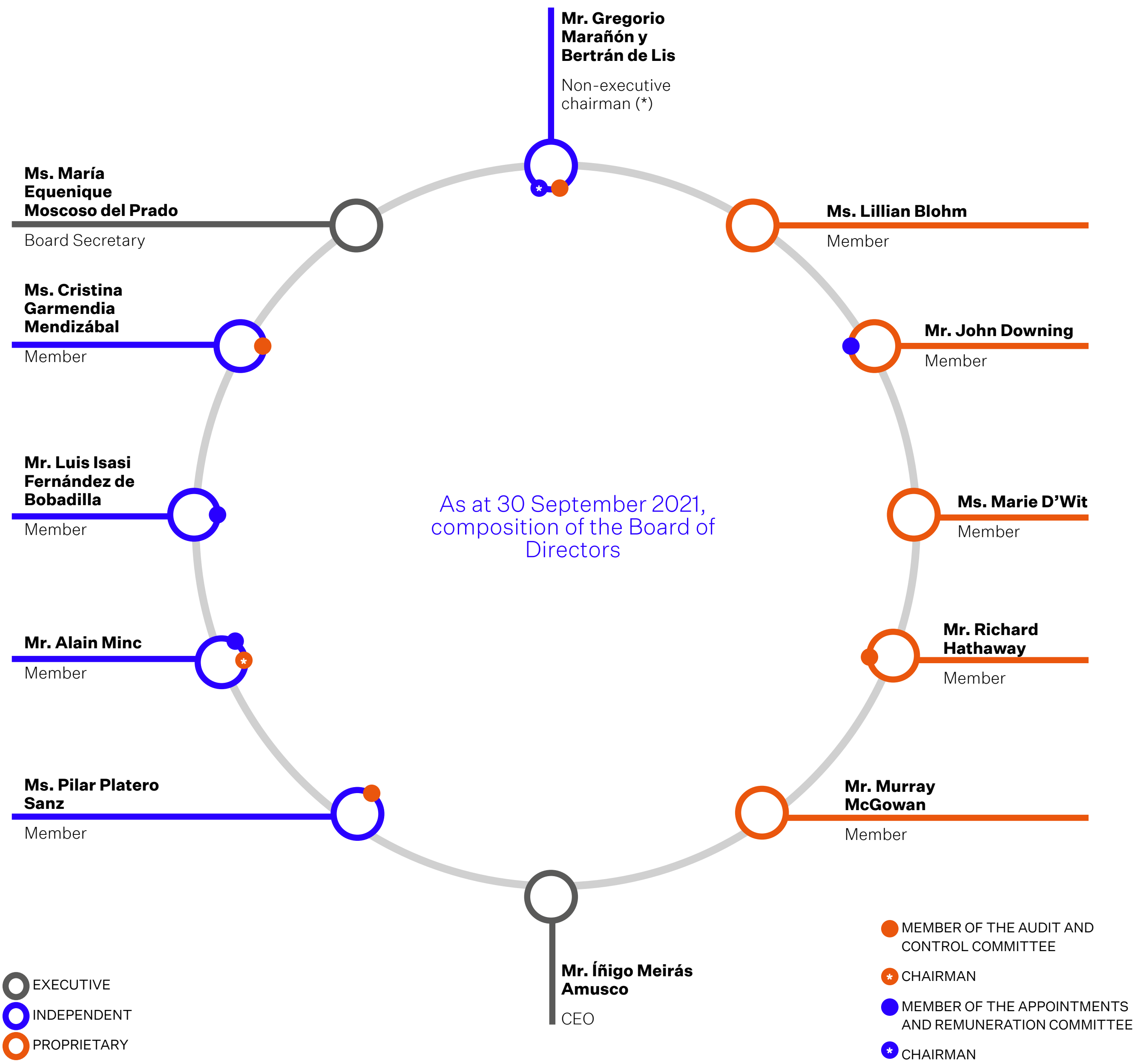
5. Corporate Governance

Duties and composition 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.



Key actions taken by the Board of Directors in 2021

Logista Holdings' Board of Directors has been extremely active over the course of the year across its varied remit.

A. Business management and monitoring COVID-19

Throughout the year the Board of Directors has carried out its regular duties to establish the Company's general policies and strategies, boost operations, and monitor the performance of the business areas and their economic and financial situation. In this regard the Board is delighted to report that the Company has achieved excellent results in the context of a financial year that is still influenced by the effects of the pandemic.

Having established Logista's resilient business model and the strong performance of its businesses, the Company has monitored the impact of COVID-19 from two other key perspectives:

- Firstly, the Board has focused its **attention on the operations of the Group's pharmaceutical distribution business.** In this regard, it is important to mention that the Board is extremely proud of the important role played by the Company in the fight against COVID-19 by distributing vaccines, in conjunction with several public authorities.

- Secondly, the Board **has monitored the health crisis to ensure all employees are adequately protected.**

B. Actions in relation to corporate governance and compliance

Based on its **firm commitment to transparency and good governance, the Board of Directors has embarked on a comprehensive review of the Company's internal rules and regulations**, with a view to simplifying them and improving best practices in corporate governance. The process was completed when the new Articles of Association and the new Annual General Shareholders' Meeting Regulation were presented at the Annual General Shareholders' Meeting and unanimously approved by the shareholders. The Board of Directors Regulations were also amended in line with these documents to strengthen the Company's commitment to gender diversity, based on its objective to ensure at least 40% of the Board members are women. Therefore, it is envisaged that Logista will be compliant with the CNMV's good governance recommendations in approximately two years. A number of corporate policies (the Sustainability Policy, Corporate Governance Policy, etc.) have also been revised to adapt to the CNMV's new recommendations.

Firstly, with regard to compliance, the instruments setting out the Group's ethical commitment have been reinforced. As part of the same exercise, the Company's **Code of Conduct** has also been updated this year and adapted to reflect its current circumstances. A new Anti-Corruption Policy has been approved and the **Manual on the Prevention of Money Laundering and the Financing of Terrorism has been updated.**

The Board has also pressed ahead with developing a **Group compliance model.** This has been managed primarily by the Audit and Control Committee. In this regard, in addition to its regular reporting duties, the Board has updated and expanded the Criminal Risk Map and controls matrix.

C.

Encouraging strategic debate

The Board believes that engaging in **strategic reflection** is one of its most important roles. Accordingly, it has been particularly attentive to these aspects this year, focusing on procedures for reappointing Board members and Board discussion, including a day specifically for strategic reflection.

D.

Risk management

The **Board of Directors has continued with its commitment to maintaining an effective risk control system**, therefore it systematically reviews the Company's risk management model. The Board has made improvements to the risk management governance model, included in the recently approved Risk Management Policy.

E.

Board member remuneration

In line with its commitment to transparency, the Board of Directors has **simplified the long-term remuneration model for executive Board Members** and has consolidated the previous share award plans into a single instrument. The maximum remuneration amount has not been increased. The respective Remuneration Policy proposal was tabled at the Annual General Shareholders' Meeting. This Policy, which included other technical amendments, was approved at the 2021 Annual General Shareholders' Meeting.

Evaluation of the Board of Directors

In accordance with the recommendations contained in the Good Governance Code 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 2021, the results of the internal evaluation were highly satisfactory. However, areas for improvement have been detected, basically aimed at strengthening the strategic debate and deepening the monitoring of risks. The Board of Directors has now produced an Action Plan to support progress in these areas.

Diversity in Board appointments and reappointments

Following approval of the Board skills matrix in the last financial year, 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 the strategic profile of its members.

Board of Directors' remuneration model

When determining its Remuneration Policy, the Company has regard to 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, best market 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. 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 2021. The results of the vote were as follows:

Number of shares	Percentage of share capital in attendance
In favour: 80,722,799	74.7288%
Against: 26,360,727	24.4034%
Blank ballots: 184	0.0002%
Abstentions: 937,172	0.8676%

Agenda for the Annual General Shareholders' Meeting on 4 February 2021

- **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 ending 30 September 2020.

- **Approval of the consolidated statement** on non-financial information for the financial year ending 30 September 2020.

- **Approval of the Board of Directors' management performance** during the financial year ending 30 September 2020.

- **Approval of the application of the result for the financial year** ending 30 September 2020 of Compañía de Distribución Integral Logista Holdings, S.A.

- Board member **ratification and appointment**.

- **Amendments to Articles of Association, General Shareholders' Meeting Regulation** and information about amendments to the Board of Directors Regulations.

- **Approval of the Board Remuneration Policy** 2021–2023.

- Examination and approval of the **Long-Term Incentive Plan 2021-2023.**

- **Delegation of powers** to the Board of Directors

- **Advisory vote on the Annual Report on Company Directors' Remuneration** for the financial year ending 30 September 2020.

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 of the Group. Examples of such criminal conduct include corruption, bribery and money laundering.

The Company takes issues relating to ethics and the fight against corruption seriously. 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.

+ All directors and employees must adhere to the Company's **Code of Conduct,** which 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 Manual,** which was updated in 2020, and adapted to the applicable laws of the countries where the Group operates, this Manual sets out principles and objectives of all Logista's Companies in Spain concerning criminal risk prevention, and the main internal processes established to prevent and mitigate any action that could bring a risk of criminal liability.

+ There is a **Compliance Committee that reports to the Audit and Control Committee,** to oversee the operation of and compliance with the Regulatory Compliance System. The Committee is built around three fundamental pillars: Code of Conduct, Criminal Risk Prevention Manual and Whistleblower Channel. The Committee is formed of representatives from the following corporate areas: Legal Department, Internal Control, Resources and Human Resources.

Group employees at all levels are informed of the importance of following the Criminal Risk Prevention Manual, 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 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, to the extent permitted by applicable national legislation, 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 2021 financial year.

During the 2021 financial year, Logista's Board of Directors approved the following:

+ A new **Code of Conduct for the Group,** replacing the previous one, which sets out the standards and ethical principles governing the Group's activities, sets the conduct requirements that all members of the Group must comply with in their day-to-day work and serves as the key basis for the Group's Policies and Procedures. It also expressly recognizes a business culture and philosophy based on the principles of compliance with laws, honesty, integrity in management and transparency in the Group's actions and relations with its shareholders, workers, suppliers, customers, communities and other "stakeholders" or interested parties.

+ The **anti-corruption policy** which establishes general principles for preventing corruption, guidelines on behaviour with third parties, whether public or private officials, and the set of rules concerning gifts, hospitality, promotional events and donations.

+ **Updating the Manual for the Prevention of Money Laundering and Terrorist Financing** including last regulatory modifications, which complements and expands on obligations that apply to all Group Companies in Spain.

Logista's supervisory bodies also carry out periodic checks on any process or activity 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, no risks arising from circumstances of corruption and / or bribery have materialized that should be taken into account in order to establish contingency plans or other measures.

No reports in relation to crimes of bribery, corruption or money laundering were received during the 2021 financial year.

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 activities.** This model also upholds the provisions of the International Labour Organisation (ILO)'s fundamental conventions regarding freedom of association and the right to collective bargaining, in addition to the principles and guidance contained within the United Nations Guiding Principles (UNGP) on Business and Human Rights and the European Social Charter.

Logista complies with the applicable labour laws, rules and regulations, with full respect to the fundamental right of trade-union freedom, and, managing the relations with the workers' representatives and Trade Unions in a fluent and transparent manner. All employees have the right to decide to join or not a trade union, or to have recognized employee representation in accordance with applicable law.

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 Audit and Control Committee. However, given the nature and geographical range of our activities and the robust regulatory framework in place, the Group does not tend to encounter any relevant risk exposure such as those potentially associated with forced and/or child labour.

During the 2021 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.

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: The Code requires the Group's employees to promote and uphold Human Rights such that:

+ They are obliged to respect the dignity and human rights of all other members and third parties they come into contact with in the development of their activities.

+ They will never use, or permit to be used, forced or trafficked labour, neither employ any person under 16 years old, or less than the local minimum employment age or mandatory school age (whichever is higher) nor to employ any person under 18 years old to undertake any work which is considered hazardous or likely to harm the health or safety.

+ We require our suppliers to comply with their labour obligations to their workers, to respect workers' labour and union rights and to pay wages that comply with the statutory minimum or the collective agreements in force, whichever is higher. Human trafficking or forced labour are strictly forbidden. Likewise, our suppliers are required to promote integrity, teamwork, diversity and trust, ensuring a fair and respectful workplace free from any type of harassment, discrimination or any other form of degrading behaviour, and to promote a positive health and safety culture, prohibiting unacceptable or potentially hazardous behaviour at work.

+ Logista members must conduct their business activities in a manner that promotes and respects human rights, and must not fail to speak up if they see a human rights violation.

- All members of the Group have the right to work in an environment that is free from intimidation, harassment and abuse, expressly prohibiting this type of conducts.

- Members of the Group must create a work environment where colleagues can contribute, develop and fully utilize their talents, demonstrating respect for others keeping an open mind to new ideas, various cultures and customs and different points of view.

- It is expressly forbidden to discriminate based on race, colour, gender expression, gender identity, ethnic, religion, social class, politics, citizenship, sexual orientation, marital status, disability or any other protected ground as established by law.

General Recruitment Protocol, Internal Selection Guide and Employee Competence Guidelines: these documents establish a set of general principles for line managers, 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. For example, it is standard practice across the Group 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 the Group's 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 Behavioural Standards, which are contractually binding on all suppliers who enter into an agreement with a Group Company. Logista may terminate its contractual or business relationship with any supplier that fails to either comply with the Behavioural Standards or, in the event of an accidental breach, take the necessary measures to resolve the situation.

Group 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.

Respect for human rights is a material concern for the Company.

During the 2021 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.

Risk and opportunity management

An integrated risk management system to support the achievement of the Company's objectives and to further advance its strategy

Logista's Corporate Risk Management system is outlined in its General Risk Management Policy, approved by the Board of Directors on 28 June 2020, and updated on 22 September 2021, as well its procedure, in accordance with the 2017 COSO ERM Framework.

They set out the Company's general protocols for controlling and managing all forms of external or internal risk to which Logista may be exposed, at any point in time, in the pursuit of its objectives:

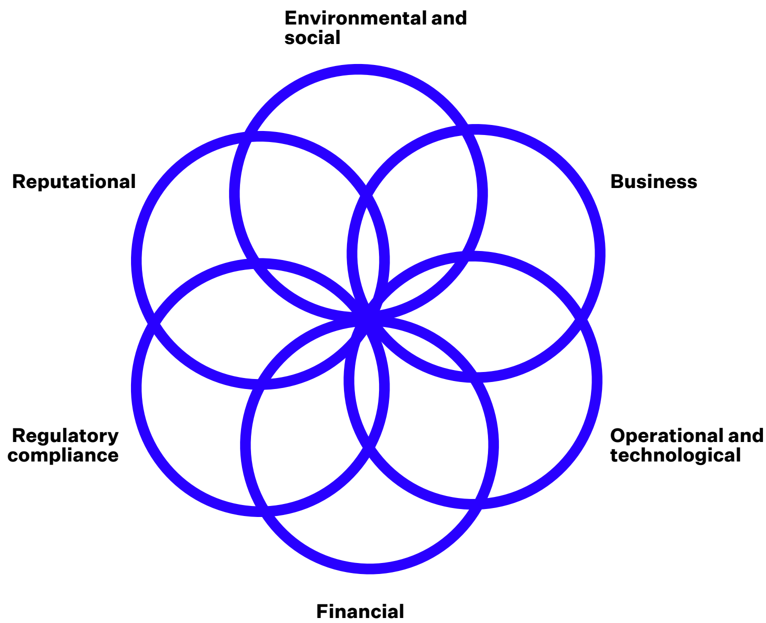
The Policy's overarching objective is to support the Board of Directors and management teams in their efforts to optimise the Group's results and ultimately enhance its capacity to create, sustain and realise value.

It applies to every business area, department and country of operation (Spain, France, Italy, Portugal and Poland), thus providing a global overview of all risks that Logista may encounter.

In particular:

- Identifying and managing risk across the Group.
- Obtaining reasonable assurance that the Group's objectives can be met.
- Participating in and supporting decision-making processes.
- Determining risk profile and appetite.
- Establishing a common language and methodology with respect to risks.
- 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.

General protocols for controlling and managing all forms of external or internal risk



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.
- Supervising the internal reporting and control systems.
- Determining the level of risk to be assumed by Logista.

+ Audit and Control Committe

- Supervising and evaluating control and financial and non-financial risk management systems.
- Directly overseeing the Risk Control and Management Unit.

+ Management Committee

- Defining a risk strategy and ensuring the efficacy of the Company's risk management systems.
- Communicating to the Risk Owners the guidelines that may be determine.
- Supervising the most relevant risks and making decisions about major risks.
- Promoting and disseminating a risk and control culture among all its employees.
- Advising the Risk Control and Management Unit on any relevant matters.
- Making, when required, a proposal for risk appetite and tolerances for approval.

+ Risk Control and Management Unit (through the Corporate Internal Audit Directorate)

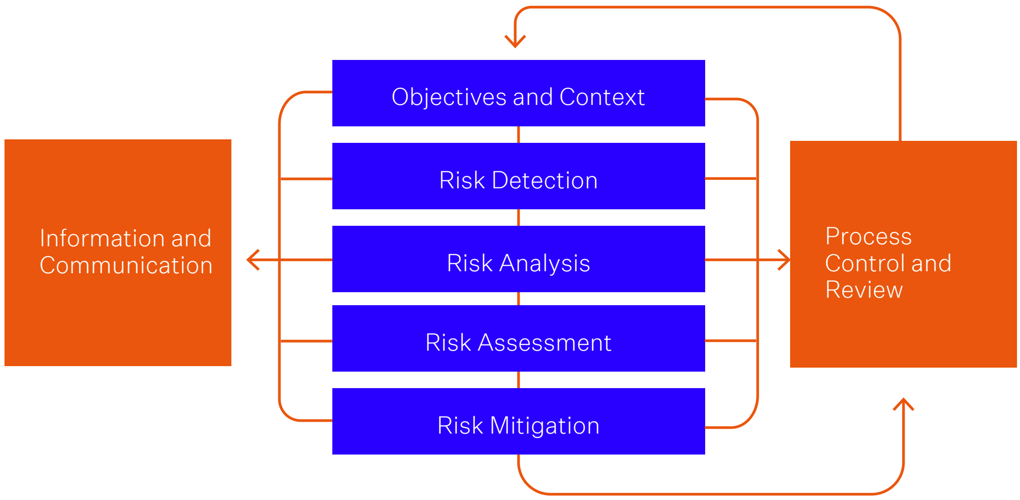
- Coordinating Logista's risk identification and evaluation process, supporting the Risks Managers in this process, supervising that the main risks are identified, evaluated and managed in such a way that they are at the risk levels that are considered acceptable. Ensuring the proper functioning of the Risk Management system.
- Keeping the Logista Risk Map update
- Cooperating with the Management Committee in the definition of Logista's risk strategy and providing support in the relevant decisions that said Committee must adopt in terms of Risk management.
- Ensuring that the risk management system offers risk mitigating measures in line with Logista's Risk strategy.
- Periodically reporting 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, where appropriate, when applicable, to the Logista Board of Directors.

+ Risk and Processes Owners

- Executing the Risk strategy established by the Management Committee and any guidelines determined by Logista's organizational units in terms of Risks, at all times in relation to Risk Management.
- Detecting situations of risks and opportunities that affect the achievement of Logista's objectives within its area of responsibility.
- Reporting 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.
- Analysing and evaluating the identified risks they face in achieving their objectives, according to the available methodology.
- Defining 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 risk.
- Ensuring and promoting that the control activities designed for each of the identified risks are carried out in a timely manner.
- Supervising the implementation of the different action plans and corrective actions defined for mitigation.

Process for identifying, evaluating and mitigating risks

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 do not threaten the Group's capacity to:

– achieve its strategic objectives while limiting uncertainty;

– maintain the strongest possible shareholder guarantee;

– protect its results and reputation;

– defend the interests of its shareholders, clients and manufacturers.

+ Higher risk tolerance profile

Towards plausible technological risks, given that Logista's strategic objectives include providing logistics services with high added value and, therefore, involving advanced technological solutions.

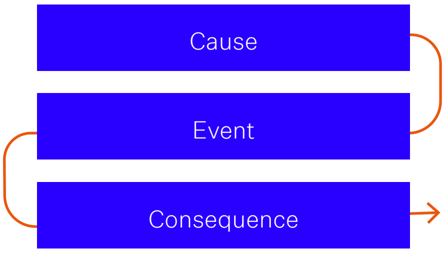
These baselines for risk appetite and tolerance are a tool for achieving the optimum balance between risk and opportunity.

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, 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 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 potential 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

All actors implicated in Logista's Risk Management Model are required to store and manage relevant information through tools such as the Risk Register and the Risk Map.

Twice a year, the Audit and Control Committee carries out a review of material risks, response strategies and mitigation plans, including those relating to fiscal matters, before approving and distributing Logista's Updated Risk Map. In the two quarters when this full review does not take place, the Audit and Control Committee is informed of the most significant developments in relation to material risks. This mechanism allows for the identification of new threats and for sufficient advance warning for effective Risk management. The Committee submits quarterly reports on its work in overseeing the Risk Control and Management System to the Board of Directors. In this way, the Group seeks to foster an appropriate setting and philosophy for risk management, through targeted communication with both the Audit and Control Committee and the Senior Management Team.

In this sense, the Management Committee has discussed 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), which facilitates decision-making by lower level, and approving the Logista's Risk Map.

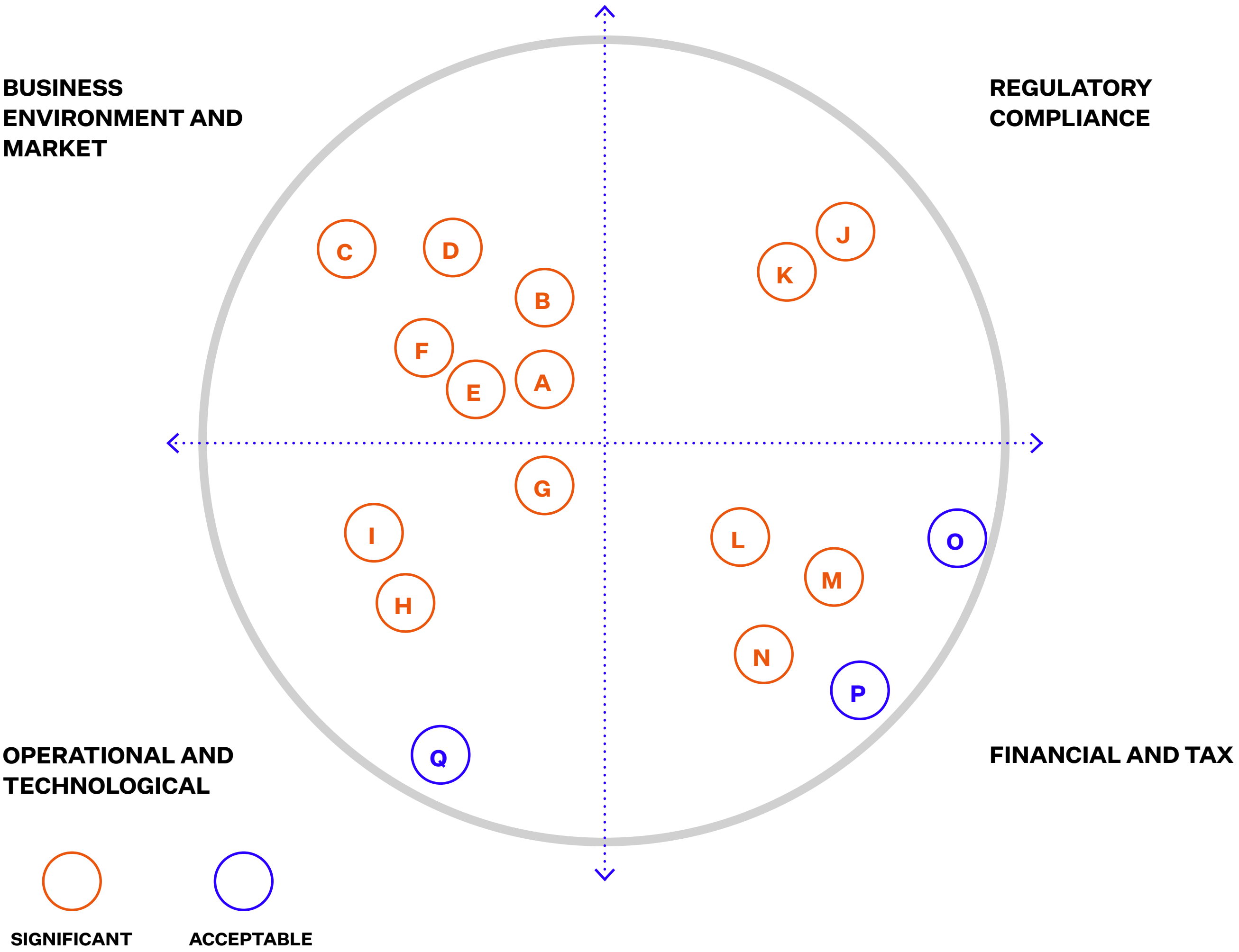
Likewise, the Board of Directors and the Audit and Control Committee have received additional periodical information in accordance with their responsibilities, from the Risk Control and Management Unit about the main risks of Logista.

The Board also held a specific discussion session on determining Logista's risk appetite and tolerance levels.

"Breakdown of material risks"

The Corporate Risk Map identifies the following most significant risks for Logista, which are categorised in accordance with the framework set out in the General Risk Management Policy.

Additionally, other risks are included which, although they are at an acceptable level, are also of interest.



Type of risk	Description	Response planning
Business environment and market risks		
A COVID-19 pandemic and its impacts	The current situation continues to be dominated by the coronavirus pandemic. There is still a degree of uncertainty about how the pandemic will evolve given infection rates and the prospect of new restrictions due to potential new variants of the virus and the impact this could have on the economy, employment and consequently, consumers.	Thanks to the plan implemented by Logista at the start of the Coronavirus pandemic, the Company has continued to adapt its operations to the new circumstances by introducing and readjusting corrective and contingency measures, together with various initiatives to protect employees and partners that have enabled it to continue operating. Further details on the measures implemented by Logista can be found in the Client Satisfaction section, which includes examples of new services developed in response to client needs during the pandemic.

Type of risk	Description	Response planning
B Macro-economic, political and social environment and changing consumer habits	Logista's various business operations around the world can be affected by changes in political, social and/or macroeconomic conditions, both at the global level and, in particular, in Spain, France, Italy, Portugal and Poland. The Group may become subject to new regulations or be affected by structural changes that affect clients' purchasing power. Similarly, changes in consumer habits and patterns may have an impact on its business performance.	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.
C The illicit tobacco trade	As a result of the economic crisis and rising unemployment levels, there is a risk that illicit trade in tobacco and counterfeit tobacco products will become significantly more prevalent. This could have an adverse effect on the volume of tobacco products distributed by Logista.	Product traceability is now subject to more rigorous protocols, as required by Directive 2014/40/EU of the European Parliament and of the Council of 3 April 2014. This directive establishes stricter standards in relation to labelling, ingredients, traceability and cross-border sales, among other aspects, which could have a bearing on the volume of tobacco sold. All EU member states in which the Group operates have already incorporated the Directive into their national legislation. Logista cooperates with national law enforcement and security forces to tackle illicit trade.
D Market liberalisation in countries where the Group operates	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.	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.
E Development of other business areas	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.	Expansion plan, as established in Logista's strategic plan
F Digital disruption	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.	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.
Operational and technological		
G Cybersecurity	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.	The Company has developed a Cybersecurity Plan, which should be regularly updated. This document sets out specific measures to counter these risks, such as external and internal intrusion testing, preventative digital monitoring and checks on the level of service delivered by providers contracted to manage and administer Logista's IT infrastructure.
H Risk of theft	Theft of tobacco from the Company's facilities or during transport may result in higher insurance premiums.	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.

Type of risk	Description	Response planning
I Availability of information systems, safeguarding assets and business continuity	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 they routinely provide.	Contingency plans should be in place and periodically tested to assess their effectiveness. The Group should continuously monitor the levels of service promised by Logista. This will allow us to assess the need to invest in essential assets for the Company and ensure its stocks, among other things, are protected.
Q Commitment to the environment	There is growing client demand for services that meet certain environmental standards. Consequently, there is a risk Logista will not be able to fulfil its commitment to developing good 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 regulations (reducing our carbon footprint, using renewable energy sources, waste management, collaborating with environmental bodies and institutions and complying with energy efficiency standards).	In this respect, Logista has developed 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. Pursuant to the ISO 14064 standard, the Group calculates its carbon footprint using the methodology set out in the GHG Protocol. 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 the fight against climate change – the only European distribution Company to have achieved this recognition in the last four years.
Regulatory compliance		
J Regulatory 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.	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.
K Legal action	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 them, the outcomes of which are uncertain by nature.	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 review of the Group's most significant contracts to ensure strict legal compliance.
Financial and tax		
L Changes to Logista's payment cycles or to fiscal policy	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 be in balance. 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.	Changes to Logista's payment cycles could force it to seek external financing in order to meet its obligations. The Group is 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, it is lowering credit limits, monitoring credit lines more closely and seeking bank guarantees.

Type of risk	Description	Response planning
M Annual accounts subject to audits and inspections	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. Currently, the Group's returns from a number of financial years are subject to inspection with respect to certain taxes.	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.
N Fair value impairment losses on assets, investments, goodwill and asset provisions	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.	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.
O Credit, liquidity and exchange rate risk	It is Logista's general practice to use only institutions with a high credit rating when depositing cash reserves and equivalent liquid assets. Furthermore, Logista's exposure to credit risk is shared with Imperial Brands through cash transfer agreements. 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 interest rates is relatively slight, since so few of its transactions are carried out in currencies other than the Euro.	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 monitored periodically.
P Insolvency and default risk	When dealing with clients in the ordinary course of its operations, Logista is exposed to commercial credit risk.	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. Development of other business areas

Logista's growth strategy depends, among other factors, on its ability to expand its business areas such as the transport, pharmaceuticals and convenience businesses. This strategy will allow Logista to address one of the risks to which it is exposed, namely, the decline in 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 in pharmacies, the growing importance of local distribution networks for consumer goods, and the shift towards e-commerce, with the associated transportation needs.

2. Next-generation products

The pharmaceutical sector is developing a new generation of personalised 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 those 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, which 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 sustainability leader by CDP for the fifth 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.

6. Creating value for shareholders and investors

Creating value

Logista is deeply committed to creating short, medium and long-term value for its shareholders and investors.

To do this, it works to ensure a profitable business, managing financial and non-financial risks carefully and responsibly, while maintaining open and transparent dialogue with shareholders, investors and financial analysts as one of the foundations for long-term sustainability.

During the financial year, Logista has updated its Information and Communications Policy with regard to shareholders, institutional investors and proxy advisors, and to sharing economic and financial, non-financial and corporate information concerning Logista.

Among the good governance principles included in its Good Governance Code for Listed Companies approved on 18 February 2015, the CNMV recommended that listed companies should draw up and implement a public policy for communicating with and contacting shareholders, institutional investors and proxy advisors that is fully compliant with market abuse regulations and accords equitable treatment to shareholders in the same position. In this regard, Regulation 3/2015 on the subject of the Group's Information and Communications Policy with regard to Shareholders, Market Securities and Public Opinion was approved on 23 June 2015. However, in its last review of the Good Governance Code in June 2020, in particular the aforementioned recommendations, the CNMV redrafted Recommendation number 4 in relation to this Policy.

Dividends allocated to the 2021 financial year

1.24€
per share

+5.1% dividends allocated to the 2020 financial year

Earnings per share

1.32€
+8.3%
CAGR 2015-2021

Logista manages the relationship with shareholders and the wider financial community through the Investor Relations department, deeply committed to offering maximum transparency in terms of sharing information and strictly complying with applicable law.

Logista therefore offers the investor community key information about the Company in relation to its strategy, operations and results, through the information published on its website, and through meetings, face-to-face meetings, participation in conferences and seminars, etc.

During 2021, due to the COVID-19 pandemic, our roadshows and participation in conferences and seminars have largely been carried out virtually; and meetings that would have previously been carried out in person have instead been conducted primarily via telephone, and only sporadically in person. In the financial year, 322 contacts were maintained with the market.

Coverage by research companies

At the end of the 2021 financial year
13 firms
have covered Logista

12
buy recommendations

1
neutral recommendation

0
recommendations to sell

Average target price of above
€ 24

Relevant facts and other relevant information reported to the Spanish Securities Market Commission (CNMV) in 2021

28 September 2021	Share **buy-back program**
22 September 2021	**Liquidity contract** suspension Extension of the shares **buy-back program**
26 July 2021	Press release announcing **results** for Q3 2021 Announcement of results for Q3 2021
22 July 2021	**Board member resignation and appointment**
22 July 2021	**Distribution of dividends** on account for the 2021 financial year
5 July 2021	Details of transactions completed under the **Liquidity Agreement** in Q2 2021
10 May 2021	Press release announcing **results** for H1 2021 Presentation of results for H1 2021 (English) Announcement of results for H1 2021
6 May 2021	**Appointment of Director**
5 May 2021	Notice of **presentation of the results** for the first half of the 2021 financial year
5 April 2021	Details of transactions completed under the **Liquidity Agreement** in Q1 2021
1 March 2021	**Resignation of a proprietary director**
8 February 2021	Press release announcing **results** for Q1 2021 Announcement of results for Q1 2021
4 February 2021	Agreements approved by the **Annual General Shareholders' Meeting** on 4 February 2021
1 February 2021	Supplementary notice of call to the **Annual General Shareholders' Meeting**
20 January 2021	**Liquidity agreement** entered into with Banco Santander S.A.
22 December 2020	Call for **Annual General Shareholders' Meeting**
28 October 2020	Press release announcing **results** for the 2020 financial year Presentation of results for the 2020 financial year Announcement of results for the 2020 financial year
26 October 2020	Share **buy-back program**
22 October 2020	Notice of presentation of the **results** for the 2020 financial year (audiowebcast)
20 October 2020	Share **buy-back program**
13 October 2020	Share **buy-back program**
6 October 2020	Share **buy-back program**

There were no Inside Information communications during the financial year.

Investor calendar

5 November 2021	Announcement of H2 2021 results (Oct-Sept)
27 August 2021	Dividend on account payment (€0.41 per share)
26 July 2021	Announcement of Q3 2021 results (Oct-Jun)
10 May 2021	Announcement of H1 2021 results (Oct-Mar)
26 February 2021	Interim dividend payment (€0.79 per share)
8 February 2021	Announcement of Q1 2021 results (Oct-Dec)
5 February 2021	Annual General Shareholders' Meeting 2021 (second call)
4 February 2021	Annual General Shareholders' Meeting 2021 (first call)
4 febrero 2021	Junta General de Accionistas 2021 (1ª convocatoria)

Logista and the Stock Market

Logista is listed on the Madrid Stock Exchange General Index, and the IBEX Top Dividend, which lists the 25 securities with the greatest dividend yield from those included in the IBEX 35, IBEX Medium Cap and IBEX Small Cap indexes, provided they demonstrate a history of payment of ordinary dividends for at least two years; it is also listed on the IBEX Medium Cap (the index listing the 20 largest securities after those listed on the IBEX 35 by market capitalisation adjusted for free float, provided the annualised turnover of securities on their free float is greater than 15%) and the FTSE4Good index, which lists companies that demonstrate sound environmental, social and corporate governance practices.

+3.4% average annual appreciation since 2014

+24.7% average annual appreciation in 2021

Since the end of the 2014 financial year, the year in which the Company was once again listed, Logista has increased its value by 3.4% (average annual appreciation), compared to an average annual decline of 3.4% and 0.4% on the Madrid Stock Exchange General Index and IBEX Medium Cap respectively over the same period, and a slight increase of IBEX Top Dividend of 1.7%. At the end of the 2021 financial year, Logista's share price was €18.2. In the financial year 2021, Logista' share price increased by 24.7%.

	2014*	2015	2016	2017	2018	2019	2020	2021
Capitalisation at financial year-end (€ million)	1,911.6	2,238.2	2,636.4	2,700.8	2,936.4	2,373.6	1,938.2	2,417.4
Closing price (€)	14.4	16.9	19.9	20.3	22.1	17.9	14.6	18.2
Maximum price (€)	14.4	20.2	21.6	24.2	23.7	22.8	21.3	19.3
Minimum price (€)	13.0	12.9	16.7	19.2	17.2	17.7	12.9	14.0
Total Volume (shares)	24,614,887	60,184,153	40,296,050	35,104,389	65,615,281	41,954,961	41,772,377	62,762,606
Average daily volume (shares)	431,840	236,016	156,186	137,127	258,327	164,529	163,173	244,212
Turnover (% of share capital)	18.5%	45.3%	30.4%	26.4%	49.4%	31.6%	31.5%	47.3%

*Since 14 July 2014: initial listing. Source: Bloomberg

Dividends

Logista's dividends policy, subject to approval by the Annual General Shareholders' Meeting, consists of distributing a payout of at least 90% of the Consolidated Net Annual Profit.

Logista therefore paid an interim dividend of €0.41 per share on 27 August 2021, allocated to the 2021 results and, in addition, at the Annual General Shareholders' Meeting, the Company's Board of Directors intends to propose distributing an additional dividend of €0.83 per share, to be paid at the end of Q2 2022.

1.24€
total dividend allocated to the 2021 financial year

95%
payout

The total dividend allocated to the 2021 financial year will therefore be €1.24 per share, +5.1% dividends distributed in the previous financial year, and representing a payout of 95%.

Capital structure

All Logista's shares belong to a single class and series with identical rights.

At the 2021 financial year-end, Logista had 800,623 treasury shares, 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.

Capital structure

	2014	2015	2016	2017	2018	2019	2020	2021
N. of Shares	132,750,000	132,750,000	132,750,000	132,750,000	132,750,000	132,750,000	132,750,000	132,750,000
Share Capital	26,550,550	26,550,550	26,550,550	26,550,550	26,550,550	26,550,550	26,550,550	26,550,550
Par Value	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
Treasury Shares	-	40,614	275,614	391,432	425,496	486,013	522,273	800,623
Treasury Shares as % of share capital	-	0.03%	0.21%	0.29%	0.32%	0.37%	0.39%	0.6%

*Since 14 July 2014: initial listing. Source: Bloomberg

Significant shareholdings to 30 September 2021*

Personal name or company name of shareholder	% of total voting rights
Imperial Brands PLC	50.01%
Capital Research and Management Company	4.94%

*According to information reported to the CNMV by the shareholders

During the 2021 financial year, Imperial Brands Plc transferred its indirect shareholding in the Company from Altadis, S.A.U. to Imperial Tobacco Limited, a wholly owned subsidiary of Imperial Brands Plc, retaining therefore a controlling interest in the Company. On 6 February 2021, Capital Research and Management Company reported that its shareholding in the Company had fallen below the 5% threshold to 4.941%.

Equal treatment

Every shareholder has the same rights, on an equal and equitable basis.

Logista encourages shareholders to participate in the Annual General Shareholders' Meeting, the Company's highest body and fundamental forum for shareholders to take part in decision-making and voice their opinions and concerns with the Board of Directors and other shareholders.

All Logista shareholders are entitled to attend the Annual General Shareholders' Meeting on an equal and equitable basis, irrespective of the number of shares they own.

Logista provides all shareholders with the information relating to the Annual General Meeting on the Company website (www.logista.com) as well as access to the electronic forum for participation.

7. Employee development

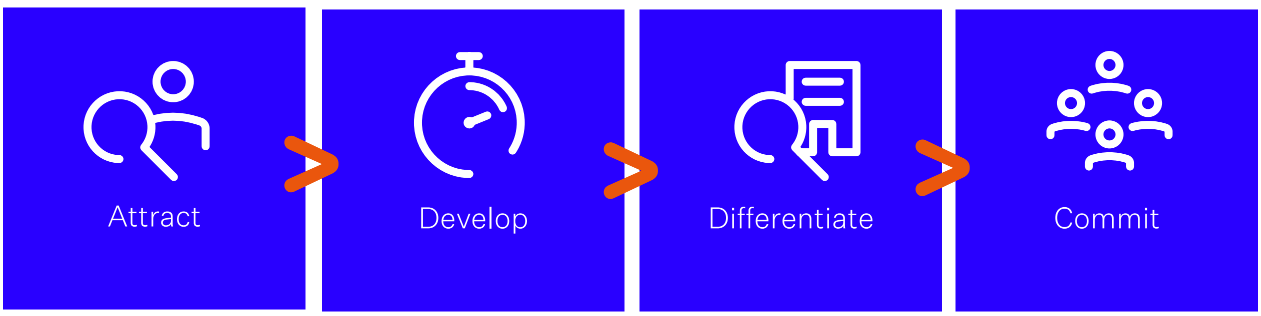
Logista's staff are a fundamental part of the Group's Strategic Business Plan. Through its Human Resources Department Logista promotes policies to improve employee development and embrace diversity and inclusion.

These are our core aspects of HR management reflect the Group's values: Respect, Initiative, Commitment and Professionalism. We promote these values across the entire workforce comprising 5,851 employees of more than 50 nationalities.

Logista's Human Resources Department's strategy is based on the Group's objectives, the objectives of each business area and best market practices. It has developed a Global Human Resources Plan that aims to cover both the short- and long-term needs of the Group's businesses by providing a clear, practical model for improving business, team and employee performance.

This plan is underpinned by four pillars that define the work model throughout the employee's professional lifecycle:

- **"The HR Roadmap":** sets out the Human Resources priorities, based on the objectives of the Group and of each of its businesses.
- **"The Balanced Scorecard/BSC":** measures the degree to which the targets set out in the HR Roadmap have been achieved and aids in both decision-making and devising action plans based on key HR management metrics.
- **Centres of Excellence:** their purpose is to create an HR hub comprising policies, processes and programmes that represent specialised HR knowledge centres. These specialised processes are adapted to each business area and local characteristics and include the best global practices.
- **Shared Services Centre:** designed to boost the efficiency of HR administrative processes to generate time and cost improvements. By developing employee management systems, the Shared Services Centre also becomes the management mechanism for employee data, using descriptive and predictive analysis to identify potential short- and long-term improvement measures.



In 2021, Logista has continued to identify and implement measures to carry on developing talent across the Company, particularly in positions identified as critical, to ensure they are held by people with the best skillset for the post.

It has also identified 166 potential successors within the Group as part of Logista's Succession Plan which focuses on ensuring the continuity of critical positions and of the business itself.

During 2021, Logista set the goal of achieving 80% of Talent Density (talent index in critical positions, it is the result of the matrix evaluation of the annual performance plus the growth potential), finally achieving an achievement of 86%. This improvement is the result of implementing the action plan established for each business area. As part of these plans, measures have been implemented in relation to employee development, ensuring attractive remuneration and benefits packages and attracting and retaining talent.

To demonstrate its commitment to young talent, Logista has introduced the "Youners" programme which is designed to attract, recruit and, above all, develop the technical and managerial skills of young people who have recently joined the Company across its various departments and business areas. Logista wants to ensure that these employees start to grow from the very outset of their career and work their way up to managerial roles or positions with more responsibility, thereby strengthening succession plans and guaranteeing the business' continuity.

Following on from the last financial year, Logista has continued to optimise the level of service offered in terms of attracting and recruiting new talent – improving the online application process and enhancing the experience of candidates.

Logista's remuneration system enables us to design an attractive remuneration model in line with market rates, which rewards outstanding performance and/or results through our variable short-term remuneration policy.

In addition to a fixed salary and an annual variable salary, our global remuneration scheme includes a long-term variable salary and a package of social benefits that is aligned with local policies in each business area and country.

Creating long-term value is one of the individual targets set for all the management teams in the Group. The variable remuneration scheme for the current 2021 financial year includes sustainability indicators for both the Group management team and for each business management team.

By participating in market research and using a structured methodology for evaluating positions, we can design measures that are aligned with our global talent management model.

The main risks the Group has identified with regard to HR management are retaining key personnel and finding the right candidate for each role, especially for critical positions. The potential consequence of these risks would be loss of business knowledge and low performance, which may have an impact on meeting targets. To mitigate these risks, the Group is actively working on the Succession Plan by identifying and developing the potential of employees who are part of the Plan – both those holding the positions now and their potential successors – and on the professional development of employees who currently occupy key positions within the Company.

During 2021, Logista set the goal of achieving 80% of Talent Density, finally achieving an achievement of 86%.

Employment

a) Distribution of employees by gender, age, nationality and professional category

Employees by gender	Total 2021	% 2021	Total 2020	% 2020
Female	2,213	37.82%	2,170	37.16%
Male	3,638	62.18%	3,669	62.84%
Overall total	**5,851**	**100%**	**5,839**	**100%**

Employees by age	Total 2021	% 2021	Total 2020	% 2020
Aged 29 and below	657	11.23%	638	10.93%
Aged 30-50	3,731	63.77%	3,816	65.35%
Aged 51 and above	1,463	25.00%	1,385	23.72%
Overall total	**5,851**	**100%**	**5,839**	**100%**

Employees by nationality	Total 2021	% 2021	Total 2020	% 2020
Spain	3,553	60.72%	3,516	60.22%
France	1,228	20.99%	1,258	21.54%
Portugal	526	8.99%	531	9.09%
Italy	458	7.83%	454	7.78%
Poland	86	1.47%	80	1.37%
Overall total	**5,851**	**100%**	**5,839**	**100%**

Employees by professional category	Total 2021	% 2021
Senior management	43	0.73%
Management	198	3.38%
Professionals	369	6.31%
Technical and administrative staff	2,611	44.62%
Warehouse staff	2,630	44.95%
Overall total	**5,851**	**100%**

The revised professional category breakdown allows for better comparability by ensuring greater homogeneity of its members.

Employees by professional category	Total 2021	% 2021	Total 2020	% 2020
Management team	22	0.38%	23	0.39%
Technical and administrative staff	3,177	54.30%	3,126	53.54%
Warehouse staff	2,652	45.33%	2,690	46.07%
Overall total	**5,851**	**100%**	**5,839**	**100%**

b) Total number and distribution of work contract types

Distribution of work contract types	Total 2021	% 2021	Total 2020	% 2020
Permanent	4,999	85.44%	4,981	85.31%
Temporary	852	14.56%	858	14.69%
TOTAL	**5,851**	**100%**	**5,839**	**100%**
Full-time	5,446	93.08%	5,443	93.22%
Part-time	405	6.92%	396	6.78%
TOTAL	**5,851**	**100%**	**5,839**	**100%**

c) Annual average of employees by contract type, gender, age and professional category

Annual average of employees by gender	Distribution by gender 2021		Distribution by gender 2020	
	Male	Female	Male	Female
Permanent	3,217	1,813	3,424	2,025
Temporary	445	368	563	413
TOTAL	**3,662**	**2,181**	**3,987**	**2,438**
Full-time	3,536	1,890	3,859	2,081
Part-time	126	292	128	357
TOTAL	**3,662**	**2,181**	**3,987**	**2,438**

* This indicator is quantified considering the annual average of employees at the end of the month. The accounting criteria for the average number of hired personnel has been modified to adjust the information offered with the objective pursued with this indicator.

Annual average of employees by age	Distribution by age 2021			Distribution by age 2020		
	<30	≤30->50	≤50	<30	≤30->50	≤50
Permanent	353	3,280	1,398	361	3,804	1,453
Temporary	262	440	111	304	374	129
TOTAL	**616**	**3,720**	**1,509**	**665**	**4,178**	**1,582**
Full-time	588	3,419	1,419	642	3,804	1,494
Part-time	28	301	89	23	374	88
TOTAL	**616**	**3,720**	**1,509**	**665**	**4,178**	**1,582**

* This indicator is quantified considering the annual average of employees at the end of the month. The accounting criteria for the average number of hired personnel has been modified to adjust the information offered with the objective pursued with this indicator.

Annual average 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 quantified considering the annual average of employees at the end of the month. The accounting criteria for the average number of hired personnel has been modified to adjust the information offered with the objective pursued with this indicator. The revised professional category breakdown allows for better comparability by ensuring greater homogeneity of its members.

Annual average of employees by professional category						
	2021			2020		
	Senior management	Technical and administrative staff	Warehouse staff	Senior management	Technical and administrative staff	Warehouse staff
Permanent	24	2,906	2,102	27	3,119	2,308
Temporary	0	284	530	0	661	2,966
TOTAL	**24**	**3,189**	**2,632**	**27**	**3,780**	**5,274**
Full-time	24	2,979	2,424	27	3,552	5,029
Part-time	0	210	207		228	245
TOTAL	**24**	**3,189**	**2,632**	**27**	**3,780**	**5,274**

d) Number of dismissals by gender, age and professional category

Dismissals by gender	Total 2021	Total 2020
Female	64	87
Male	111	152
Overall total	**175**	**239**

Dismissals by age	Total 2021	Total 2020
Aged 29 and below	23	21
Aged 30-50	100	126
Aged 51 and above	52	92
Overall total	**175**	**239**

Dismissals by professional category	Total 2021
Senior management	1
Management	7
Professionals	14
Technical and administrative staff	75
Warehouse staff	78
Overall total	**175**

The revised professional category breakdown allows for better comparability by ensuring greater homogeneity of its members.

Dismissals by professional category	Total 2021	Total 2020
Management team	0	2
Technical and administrative staff	96	114
Warehouse staff	79	123
Overall total	**175**	**239**

e) Average pay and change in average pay by gender, age and professional category

Average remuneration by gender	Total 2021	Total 2020
Male	39,282.97	37,490.85
Female	32,789.50	30,902.71

Average remuneration by age	Total 2021	Total 2020
Aged 29 and below	23,703.33	21,749.96
Aged 30-50	35,234.14	32,229.02
Aged 51 and above	46,782.62	46,162.02

Average remuneration by professional category	Total 2021
Senior management	285,238.52
Management	99,556.48
Professionals	59,485.81
Technical and administrative staff	33,564.18
Warehouse staff	28,102.99

The revised professional category breakdown allows for better comparability by ensuring greater homogeneity of its members.

Average remuneration by professional category	Total 2021	Total 2020
Management team	374,472.14	372,202.56
Technical and administrative staff	41,448.86	39,211.03
Warehouse staff	28,489.14	27,315.42

Gender pay gap

In line with diversity plans and to ensure better analysis and control of gender pay gap indicators, the number of professional categories to analyse has been has increased from three to five. This enables us to conduct a more accurate comparison of the salary difference for positions involving equal or similar duties and responsibilities.

In line with this new classification, positions have been re-organised within the new professional groups across the Company. The CEO's position is not included in this calculation. Salary details for this position can be found in the Annual Report on Board Remuneration.

As in previous years, this calculation only takes into account work-related earnings during the financial year, excluding compensatory and severance payments.

Average remuneration of Management Team by gender (€) 2021	
Male	292,373.88
Female	248,542.38

*Remuneration actually paid during the financial year with the new employee classification

Average remuneration of Management Team by gender (€) 2021	Total 2021	Total 2020
Male	392,181.55	405,879.00
Female	294,779.81	212,239.50

*Remuneration actually paid during the financial year with the previous classification

In average salary terms, the global gender pay gap is 16.53%, compared to 17.06% in 2020.

The overall average gender pay gap is 11.25%. This indicator is important as it takes into account the highest and lowest ends of the pay scale.

The Senior Management category includes the following manager groups: managers responsible for different departments, country and business area managing directors and managers in the first reporting line in the Group's significant business areas.

The Management Committee forms part of the Senior Management and currently comprises nine members, of whom women represent 22%.

Average remuneration of Board Members by gender (€) 2021	Total 2021	Total 2020
Male	194,664	134,004
Female	91,256	78,056

Remuneration actually paid during the financial year

On the Board of Directors, five of the 12 members are women, i.e., 42% of the Board.

The average remuneration of Board Members includes remuneration commensurate with their duties and responsibilities as such. The five proprietary directors do not receive any remuneration for their duties and responsibilities as Board Members and are therefore not included in the calculation of the average.

The average remuneration of male Board Members is higher than the average figure for female Board Members, mainly as a result of the inclusion of the Chairman of the Board's remuneration, which is higher due to his roles and responsibilities as Chairman.

Details of the regulatory framework for Board member remuneration are set out in the Board Remuneration Policy which is available to the public on our website. The 2021 Annual Report on Remuneration of Directors provides greater detail on board member remuneration, including fixed and variable percentages, as well as sustainability indicators.

Organisation of work

Logista's people management process is based on trust and results. Over the course of this financial year, this strategy has enabled it to implement measures and introduce employment conditions that promote and strengthen this type of management and provide greater flexibility in the organisation of work, for both employees and the business areas.

In this way, and always taking into consideration the needs of the businesses, local laws and good practices, Logista has introduced a number of measures that allow for more flexibility in the way work is organised and make it easier to establish a balance between work and personal life in those businesses and settings where production activity and local good practices make this possible. Some of these measures include compressed hours at certain times of the year, flexible working hours, a shorter working day, extended leaves of absence, etc.

Obviously, as a precautionary measure to prevent the spread of COVID-19, part of the organisation of work during 2021 has included remote working and organising shifts for staff who work on site.

Introduction of policies on the right to disconnect from work (digital disconnection)

Logista is committed to promoting and implementing measures to ensure employees have time off and recognises that the right to disconnect from work is fundamental to achieving better working time management for the purposes of respecting private and family life, improving the balance between personal, work and family life, and contributing towards creating optimal health and safety conditions for all its employees.

Absenteeism

Logista monitors the level of absenteeism on an ongoing basis, considering this as any absence from work due to an accidents or illness that has an impact for social security purposes. During the 2021 financial year, there were 558,223 hours of absenteeism, compared with 623,339 hours in the previous year. Absenteeism therefore decreased by 10.4% during 2021 mainly due to two factors: reduction of the impact generated by the COVID-19, as well as the reduction of accident rates.

Health, Safety and Well-being

Logista regards the Health, Safety and Well-being of its employees as one of its fundamental values and is committed to providing a safe and secure working environment. Every one of us in the Group has a part to play in the culture of health, safety and well-being.

The Centre for Excellence in Health, Safety and Well-being has focused on the following priorities for the 2021 financial year:

- To achieve a gradual reduction in accident rates in the Group's businesses.
- To continue improving safety conditions and making workplaces healthier.
- To promote a culture of excellence in terms of the health, safety and well-being of employees in the Group.

At present, Logista is certified under the ISO 45001 Standard (international reference standard on the matter). Specifically, in Spain Logista, Logista Parcel, Logista Pharma, Nacex and Logista Freight; in Portugal all Alcochete businesses; in Italy, Logista and in Poland Logista.

In 2021, the Group's Health,Safety and Well-being organisation has continued to focus its efforts on managing the effects of the COVID-19 pandemic, implementing and improving measures needed to reduce the risk of employees, partners and clients contracting the virus, whilst also ensuring business continuity during these extraordinary times.

For ISO 45001-certified Group Companies there is a procedure in place for reporting risks. This procedure can be used by all employees to report a hazardous situation or dangerous conduct. On the other hand, any accidents or incidents that occur on Group premises are investigated in accordance with the local regulations applicable in each country and the procedures set out in the respective management system. Finally, hazard identification and risk assessment are carried out in accordance with applicable regulations in each country and the procedures set out in the respective management system.

	Total 2021	Male	Female	Total 2020	Male	Female
Accidents	114	82	32	125	87	38
Frequency index	11.22	13.02	8.29	11.84	13.12	9.69
Severity index	0.2	0.25	0.12	0.34	0.35	0.32
Confirmed occupational illnesses	0	0	0	0	0	0
"Lost Time Accidents Rate"	2.24	2.6	1.66	2.37	2.62	1.94
Fatality	0	0	0	0	0	0

Work accidents with sick leave due to professional contingencies, excluding "in itinere" accidents.

Social relationships

The Centre for Excellence in Labour Relations is tasked with the preventative management of both legal and reputational risks and conflicts in the workplace to enable each business to develop strategically and operationally in the best way possible. Therefore 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.

We achieve this objective by promoting good practices in this area and through our extensive, specialised knowledge of the different regulatory frameworks applicable to labour relations in the locations where the Group has operations and carries out its activities.

Logista is committed to creating long-term employment and fosters relationships with its employees that are founded on high levels of motivation and job satisfaction. The regulatory framework for these relationships is shaped by internal policies and collective agreements that improve working conditions established in local legislation, and fully upholds the provisions of the United Nations Global Compact on Human Rights, the resolutions and recommendations of the International Labour Organisation and the European Social Charter.

In addition to this, Logista encourages relations with trade unions and workers' representatives based on responsibility and transparency, ongoing communication, the right to information and the right of consultation, while exercising the fundamental right to union membership.

99% of Logista's employees are covered by collective bargaining agreements, with the exception of employees in Poland.

Total hours of training by professional category	2021
Senior management	571
Management	4,381
Professionals	7,477
Technical and administrative staff	20,673
Warehouse staff	11,639

The revised professional category breakdown allows for better comparability by ensuring greater homogeneity of its members.

Total hours of training by professional category	2021	2020
Management team	170	187
Technical and administrative staff	32,931	27,318
Warehouse staff	11,639	9,590

Training

When creating and introducing the Training Plans for 2021, Logista has prioritised training programmes that are designed to help the business areas meet their objectives and achieve results. In this way the Company can align employee development with the Group's objectives and those of its business areas.

Logista bases its individual employee development plans on the 3Es model: Experience (70%), Exposure (20%) and Education (10%). The Education training model is provided via training schools. The fundamental components of our training cover the following aspects:

+ **Continually improving sales** by strengthening sales teams and guaranteeing business growth.

+ **Technical Excellence** to ensure we maintain a premium service in the operations we provide for our clients, through our know-how and by applying innovative practices in each particular area.

+ **Team Leadership and Management** to improve performance and ensure our people management is focused on achieving objectives.

In addition to these main areas, training in other areas also helps drive employee performance levels: Project management, technical skills and competencies, etc., together with any training required to ensure we are compliant with governance and sustainability requirements: legal, Code of Conduct, health and safety, etc.

Logista also remains committed to digitalised training. It aims to roll this out to everyone in the Group to be able to offer them a range of online training programmes – providing better access to content and courses for the Group's entire workforce. This has been particularly important this year due to the COVID-19 pandemic.

With regard to critical positions and employees identified in the succession plans for those positions, Logista has defined and implemented various individual development measures with a view to strengthening Talent in these key positions for the Group.

There have been 44,740 hours of training this year compared to 37,095 hours of training completed in the 2020 financial year, representing an increase of 20.6%. This indicates the Company's efforts to maintain learning levels despite difficulties caused by the pandemic, particularly related to the capacity restriction.

Universal accessibility and equality

The Group's Sustainability Policy expressly sets out Logista's commitment to diversity, equal opportunities and non-discrimination for reasons of any nature.

In 2021 the Financial Times has identified Logista as a Diversity Leader in its annual ranking of European companies thanks to its commitment to diversity and equality. The survey ranks Logista as the leading Company in Spain, 25th in the overall European ranking, and number one in its sector in Europe.

Logista seeks to work proactively with a range of foundations and associations that support and employ people with disabilities who are at risk of exclusion, with the aim of playing a part in integrating them into the labour market. In 2021, 140 people with disabilities were employed by Logista, representing a 30% increase (108 in 2020).

The Company has made any necessary adjustments for accessibility with regard to toilet facilities, car parks, the installation of ramps, etc., both at new premises and at existing premises that are gradually being redeveloped.

In line with Logista's Sustainability Policy, the Group has promoted the following initiatives this year:

- Donations for **research into diseases such as COVID-19, cancer or rare diseases.**
- Training and employing people with a **range of skills to integrate them into the jobs market.**
- Measures to **encourage sport.**
- Collecting **food and toys for low-income families and families at risk of social exclusion.**

All these actions are developed in line with the principles and values set out in the Group's Code of Conduct which also lays down the general guidelines of conduct for all its employees. It is published on the Group's Intranet and in the website to ensure that it is as widely available as possible, and as such maximises employee awareness.

In Spain, Logista has had a Parity and Equality Commission since 2011. This establishes principles of equality and lays down the protocols that ensure people are managed in accordance with principles of:

- **Non-discrimination** on grounds of gender or sexual orientation, or for any other reason prohibited by law.
- **Respect** for people above all other considerations.
- **Professional conduct** in relations between employees and with Management.
- The promotion of a **fair work climate** that encourages professional development based on professional merit and on training.

The Company is not aware of any incident this year relating to gender discrimination or any other kind of discrimination. Therefore, the measures implemented during the year have been purely preventative.

8. Client satisfaction

Excellence and the highest quality of service

Clients are the core focus of Logista's business model.

To meet the needs of its clients, Logista has developed a business model that is unique in southern Europe, integrating all the services that make up the distribution value chain into one single supplier. The Company acts efficiently and sustainably and, with full transparency and traceability, offering advanced and specialist services for each sector and point of sale channel in which it operates.

Logista includes sustainability in its objective of offering the highest quality of service, always seeking efficiency in its operations, under the most suitable social and environmental conditions.

As such, Logista promotes ongoing open and transparent dialogue with its clients through a range of specific communication channels tailored to their circumstances (face-to-face 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 complaints and claims from consumers. Each business sets up these systems, tailoring them to suit its individual nature and that of its consumers.

During the 2021 financial year, Logista received 15,691 claims and complaints from consumers (12,860 in 2020), that accounts for just 0.04% of shipments and consignments handled by Logista throughout the year. 3 of these claims and complaints were received by Logista Pharma, and were solved without economic impact. 99.98% of these claims and complaints correspond to operational incidents from the transport division, such as loss of goods, etc.

The claims and complaints from the transport division were resolved through agreement with the clients, always based on the contractual terms agreed in the service provision.

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.

Logista applies its commitment to quality, sustainability and continuous improvement to all its activities and operations and has numerous certifications to confirm this.

Main certifications

+ ISO 9001

Quality Management System in place at more than 300 facilities belonging to a number of the Group's businesses in Spain and Portugal (tobacco distribution, pharmaceutical products distribution, transport and distribution service of convenience products) and externally audited each year

+ GDP ("Good Distribution Practices")

Distribution of medicines in accordance with European and Spanish regulations

+ GMP ("Good Manufacturing Practices")

Correct handling, re-packaging and re-packing of medicines awarded 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 customs control, financial solvency and appropriate levels of security and administrative management to ensure satisfactory fiscal compliance

+ TAPA

Certifies Logesta's compliance with TAPA's 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

+ OHSAS 18001

Management system for preventing risks in the workplace

+ IFS Logistics

Certifies the quality of Integra2 and Logesta in the food sector

New services and measures adopted due to COVID-19

Logista has continued to apply the necessary security and safety measures in 2021 while still providing the services developed in the last financial year to enable it to continue operating during the pandemic – maintaining a high standard of service, quality and security in its operations.

One of these services that is particularly significant is the distribution of the COVID-19 vaccine provided by Logista Pharma. Logista Pharma has made the necessary investments and introduced the organisational procedures needed to distribute vaccines at the required temperature for each vaccine type (-70ºC, -20ºC and between 2-8ºC), using unit level traceability with information that is linked to each hospital pack.

Logista Pharma has also managed exports of vaccines (at -70ºC and refrigerated at between 2-8ºC) to various countries, including New Zealand, Fiji, Paraguay, Argentina, and has devised special boxes to ensure optimum storage conditions during transit to their destination.

Logista Pharma has also set up an extensive handling operation for preparing kits that contain all the materials needed for administering the vaccine (water, syringes, serum, solvent, instructions, etc.). In addition, it has managed critical medicines used to treat COVID-19 – controlled by the Spanish Government through the Spanish Agency for Medicines and Health Products (AEMPS) – and it has also managed health materials required to overcome the COVID-19 pandemic in the autonomous region of Valencia.

These services are in addition to the services that were introduced last year by Logista Pharma including direct-to-patient delivery service for clinical trial supplies and other hospital medicines, particularly to chronic and high-risk patients, which ensure continuity in treatments and save these patients from having to travel to hospital.

With regard to convenience products, a new range of individual PPI equipment has been created and the financing term for tobacco retailers was extended during the months when partial lockdown measures were imposed in different regions. As for small parcel services, Nacex has developed a tool which removes the need for the consignee to provide a physical signature on delivery slips by using a QR code sent by email to register the shipment.

In response to requests from booksellers and publishers who are facing new challenges due to the rapid rise of e-commerce, Logista Libros has continued to expand its Dropshipping service which allows readers to buy books via their preferred method, either online or at physical stores, for direct home delivery.

Logista's administrative divisions have also been able to work remotely during the pandemic almost without incident thanks to the progress made in recent years in digitalising the company. and its systems.

9. Collaboration with suppliers

Logista ensures a responsible management of its supply chain, with sustainability being a key element of our relationships with our 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 other 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 the Group's suppliers. To ensure they are public knowledge, they are published on the Company's corporate website and translated into the official languages of the countries in which Logista operates.

Procurement policy

Logista's Procurement Policy also sets out the Group's guiding principles on ethics, labour, sustainability, quality and client focus, and form the basis for supplier tendering and selection.

Under the Group's 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, and with all other standards required by the Group, Logista carries out regular evaluations.

In the 2021 financial year, Logista carried out 824 audits of suppliers, and did not identify any significant shortcomings in any of them. In 2020, 845 audits of suppliers were carried out.

The checks form part of the control systems in operation 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 area directors and other commercial representatives by means of unannounced inspection visits.

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.

824

audits

In the 2021 financial year, Logista carried out 824 audits of suppliers, and did not identify any significant shortcomings in any of them.

1. Principles of Ethical and Professional Conduct. Code of Conduct

Objectives

Establishes ethical values and other guidelines and principles of responsible conduct, applicable to the Group's management

Area

General. All Logista employees

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

2. Procedure and Rules for Reporting Malpractice

Objectives

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

General. All Logista employees

Scope

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 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

10. Minimising environmental impact

Logista is committed to minimising the environmental impact of its business operations.

Its Quality, Environment and Energy Efficiency Policy establishes guidelines and good practices which are designed to optimise the use of resources and prevent its processes from causing pollution – in strict compliance with regulations and the voluntary targets which the Group has signed up to.

Logista is therefore involved in various initiatives that aim to control and manage the current and foreseeable impacts of its operations on the environment, and to address key environmental aspects.

Logista has specified the main environmental and quality indicators relevant to its sustainable development, and monitors and evaluates these regularly, carrying out energy audits in each country and for each business.

In addition, Logista champions respect for the environment among its employees, customers, suppliers and society as a whole. Logista was one of the signatory companies to Spain's 2020 'manifesto for a sustainable economic recovery'.

This declaration advocates a recovery towards a more sustainable and robust economy and calls for alliances that will ensure the stimulus policies put in place as a result of the COVID-19 pandemic are aligned with both sustainability policies and the European Green Deal, in addition to being effective from a socioeconomic perspective.

The Quality, Environment and Energy Efficiency Policy is available for all employees and other stakeholders on the Group's Intranet and on its 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 according to the ISO 14001 standard.

The Group promotes the renovation of its facilities, as well as the fleet subcontracted to more efficient and less polluting modes of transport, favoring the reduction of CO_2e emissions, as well as other substances that deplete the ozone layer (ODS), oxides of nitrogen (NOx), sulfur oxides (SOx) and other significant air emissions.

List of ISO 14001-certified centres

Business unit	Centre	Address	Certifying body	Expiry date	Scope
INTEGRA2	CORPORATE HEADQUARTERS	Corporate headquarters/ C. Energía, 25-29 Pg Nordeste, 08740, Sant Andreu de la Barca, Barcelona	BUREAU VERITAS	02/10/2022	Temperature-controlled transport and distribution of goods.
INTEGRA2	SANT ANDREU DE LA BARCA	Dronas 2002 S.I.U / C. Energía, 25-29 Pg Nordeste, 08740, Sant Andreu de la Barca, Barcelona	BUREAU VERITAS	02/10/2022	Temperature-controlled transport and distribution of goods.
INTEGRA2	GETAFE	Dronas 2002 S.L.U / P.I. La Carpetania C. Miguel Faraday, 32-34,28906, Getafe, Madrid	BUREAU VERITAS	02/10/2022	Temperature-controlled transport and distribution of goods.
LOGESTA	LEGANÉS	P.I. Polvoranca, C. Del Trigo, 39, 28914 - Leganés (Madrid)	AENOR	30/03/2022	Management of national and international road transport of general goods.
LOGISTA ESPAÑA	LEGANÉS	Compañía de Distribución Integral Logista S.A.U. - Dirección de Zona Centro. C. Trigo 39 Polígono 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 and management of the organisation's own collections and payments.
LOGISTA ESPAÑA	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 and management of the organisation's own collections and payments.
LOGISTA ESPAÑA	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 and management of the organisation's own collections and payments.
LOGISTA ESPAÑA	LA RIOJA	Compañía de Distribución Integral Logista S.A.U. - Delegación de Logroño. P.I. El Sequero, Cl 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 and management of the organisation's own collections and payments.

Business unit	Centre	Address	Certifying body	Expiry date	Scope
LOGISTA ESPAÑA	SEVILLA	Compañía de Distribución Integral Logista S.A.U. - Dirección de Zona Sur-Sevilla. P.I. Aeropuerto, C. 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 and management of the organisation's own collections and payments.
LOGISTA ESPAÑA	ANDÚJAR	Compañía de Distribución Integral Logista S.A.U. - Delegación de Andújar. Ctra. Madrid-Cádiz, 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 and management of the organisation's own collections and payments.
LOGISTA PHARMA	LEGANÉS	Oficinas Centrales/ Planta C/ Trigo, 39 - 28914 Leganés Madrid	SGS	12/03/2022	Pharmaceutical and healthcare product logistics (handover, warehousing, order picking and shipping), reverse logistics (returns of pharmaceutical and healthcare products), partial manufacture of medicines and investigational medicines (secondary packaging), management of sample archives and management of promotional material logistics. Customer service.
LOGISTA PHARMA	PIERA	Planta Piera C. Copérnico, 7 - 08784 Piera Barcelona	SGS	12/03/2022	Pharmaceutical and healthcare product logistics (handover, warehousing, order picking and shipping), reverse logistics (returns of pharmaceutical and healthcare products), partial manufacture of medicines and investigational medicines (secondary packaging), management of sample archives and management of promotional material logistics. Customer service.
LOGISTA PHARMA	LAS PALMAS ENTERRIOS	Planta Pol. Ind. El Sebadal C. Entrerios, 5 Nave 3 35008 Las Palmas de Gran Canaria	SGS	12/03/2022	Pharmaceutical and healthcare product logistics (handover, warehousing, order picking and shipping), reverse logistics (returns of pharmaceutical and healthcare products), partial manufacture of medicines and investigational medicines (secondary packaging), management of sample archives and management of promotional material logistics. Customer service.
LOGISTA PHARMA	WAREHOUSE C	C/ Delco 5-7, Pol. Ind. Ciudad Del Automovil 28914 Leganés (Madrid)	SGS	12/03/2022	Pharmaceutical and healthcare product logistics (handover, warehousing, order picking and shipping), reverse logistics (returns of pharmaceutical and healthcare products), partial manufacture of medicines and investigational medicines (secondary packaging), management of sample archives and management of promotional material logistics. Customer service.
LOGISTA PHARMA	LAS PALMAS DE GRAN CANARIA	Planta de Sanitarios Y Nutricionales Pol. Ind. El Sebadal, C/ Cochabamba, 11 35008 Las Palmas de Gran Canaria	SGS	12/03/2022	Pharmaceutical and healthcare product logistics (handover, warehousing, order picking and shipping), reverse logistics (returns of pharmaceutical and healthcare products), partial manufacture of medicines and investigational medicines (secondary packaging), management of sample archives and management of promotional material logistics. Customer service.

Business unit	Centre	Address	Certifying body	Expiry date	Scope
LOGISTA PHARMA	BARBERÁ DEL VALLÉS	Avda. Torre Del Mateu, 107 Can Salvatella, Manzana 6, Parcela 2 - 08210 Barberá Del Valles Barcelona	SGS	12/03/2022	Pharmaceutical and healthcare product logistics (handover, warehousing, order picking and shipping), reverse logistics (returns of pharmaceutical and healthcare products), partial manufacture of medicines and investigational medicines (secondary packaging), management of sample archives and management of promotional material logistics. Customer service.
LOGISTA PHARMA	CABANILLAS DEL CAMPO	Pol. Ind. La Quinta, Avda. de Castilla-La Mancha, 2 - 19171 Cabanillas Del Campo Guadalajara	SGS	12/03/2022	Pharmaceutical and healthcare product logistics (handover, warehousing, order picking and shipping), reverse logistics (returns of pharmaceutical and healthcare products), partial manufacture of medicines and investigational medicines (secondary packaging), management of sample archives and management of promotional material logistics. Customer service.
NACEX	HOSPITALET	P.I. Gran Vía Sur Cl Pablo Iglesias 112-122. 08908 - Hospitalet de Llobregat (Barcelona)	AENOR	19/11/2022	Express documentation and parcel delivery service and associated activities (collection, handling, storage, distribution and delivery).
NACEX	COSLADA	P.I. Coslada, Avda. Fuentemar, 8-12. 28823 - Coslada (Madrid)	AENOR	19/11/2022	Express documentation and parcel delivery service and associated activities (collection, handling, storage, distribution and delivery).
NACEX	BARBERÁ DEL VALLÉS	P.I. Can Salvatella, Avda. Torre Mateu, 107. 08210 - Barberá Del Valles (Barcelona	AENOR	19/11/2022	Express documentation and parcel delivery service and associated activities (collection, handling, storage, distribution and delivery).

Environmental management

Logista includes environmental risks and opportunities in its multidisciplinary procedure for managing risks across the Group. The risk assessment process takes environmental risks and opportunities into account, including those arising from changes in regulations, the physical environment and other climate-related developments.

In 2021, Logista incorporated all of the recommendations issued by the "Task Force on Climate-related Financial Disclosures" (TCFD) into the assessment of risks and opportunities related to climate change.

These recommendations not only apply to financial institutions but 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, lenders or investors) can have a clear idea of the material risks that lie ahead.

The TCFD analysis carried out by Logista has 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: Logista has 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: the company has 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 (SPS): only policies that have been formally adopted by governments or are derived from current trends already observed in social, business, technological or market fields have been considered. For example, Spain's National Energy and Climate Plans.

b) Future Policies for Sustainable Development scenario: the scenario 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.

Logista completed an analysis of the above emissions and transitional scenarios, as outlined by the TCFD, and identified future risks and opportunities.

Logista subsequently assessed the economic impacts (impact on revenue, expenditure, assets, etc.), in line with the TCFD. The impacts on the Group's specific services (products and services, supply chain/value chain, adaptation and mitigation, investment in R&D and operations) were also assessed, together with the Group's resilience to impacts, i.e. its capacity to respond to physical and transitional risks and to take advantage of opportunities identified.

In order to fulfil the TCFD requirements, a cross-cutting procedure has been implemented in the organisation, involving all its members in the identification and assessment of risks.

Under Logista's climate-related risk and opportunities management system, the identification and assessment of risks, must be carried out at least once per year. In reality, this is carried out a lot more often than this due to the ongoing monitoring and review of the risk management process.

This risk management process is applied to all the Group's business areas, departments and across all countries in which it operates (Spain, France, Italy, Portugal and Poland).

The results of this risk identification and assessment process are collated and reported to the Internal Audit Department.

Procedure for prioritising climate-related risks and opportunities

Climate change risks and opportunities are prioritised on the basis of the ratings obtained from applying the corporate methodology. However, all climate-related risks and opportunities, not only those with a significant impact, are taken into account in the Company's strategy and objectives.

This methodology generally covers a period of between five and seven years, as a longer period would involve more uncertainties. However, depending on the type of risk, a longer period could be considered.

The procedure for prioritising climate-related risks and opportunities follows the same stages as the risk management procedure across the Group.

Logista has also 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

Physical risks		
Risk	Relevance	Explanation
Acute physical	Relevant	Acute physical risks mean those that are caused by events, including the greatest severity of extreme weather events such as cyclones, hurricanes and floods. Cyclones and hurricanes do not affect the countries in which Logista operates. Snowfall, storms and floods are possible, although their probability is low. Floods or storms could cause an interruption to distribution operations at the Group's warehouses. 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 very significant.
Chronic physical	Not relevant	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.

Transitional risks

Risk	Relevance	Explanation
Current regulations	Not relevant	Logista is analysing the impact of carbon taxes on fossil fuels, because although Logista sub-contracts vehicles for its transport activity, incorporating them into its operations, any carbon tax that is applied to fossil fuels will affect Logista's operational costs through its impact on the prices 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 commitment made in the Paris Agreement, would require new regulations that would affect all business sub-sectors and companies. This strategy includes other objectives such as decarbonising transport. 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. The Group 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 moderate 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 relevant	Legal risks have been identified as not relevant due to the nature of Logista's business operations. Moreover, the Group considers that there is very little probability of this risk materialising and the impact if it did would be low.
Market	Not relevant	Logista distributes different types of products, and a change in consumer behaviour may affect the business of the Group in question. This risk has been identified as not relevant to Logista.
Reputation	No Significant	This risk has been identified as not relevant to Logista, since the Group's business model helps to minimise the main climate-related impact.

Opportunities

Opportunity	Explanation
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 partially financed and/or subsidised, or by increasing Logista's market share in cities with 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. Logista uses electricity from renewable sources at 99% of its premises.

The resources that Logista allocates to the prevention of environmental risks include:

	2021	2020
Resources allocated to the prevention of environmental risks (no. of people, with different allocation %)	84	84
Resources allocated to environmental risk prevention (€)	1,822,573	1,652,250

Given the Group's business activity, Logista does 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.

During the financial year 2021, the Group has not been subject to any relevant fine or sanction in environmental matters.

Climate change

The Group calculates and promotes the reduction of its carbon footprint, as part of its initiatives to minimise the environmental impact of its operations.

Logista calculates the carbon footprint of all its businesses and operations in the different countries in which it operates. This calculation includes the most relevant of the Group's 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 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 - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals.

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.

The Group's transport division also notifies its clients, free of charge, of the carbon footprint of their deliveries and travels.

The Group's transport division also notifies its clients, free of charge, of the carbon footprint of their deliveries and travels.

Greenhouse gas emissions 2021[1]

Direct stationary, mobile and fugitive GHG emissions

46,666

Scope 1 (t CO_2 eq,)

(38,112 in 2020[2])

Indirect GHG emissions from imported energy

340

Scope 2 (t CO_2 eq,)

(295 in 2020[2])

Indirect GHG emissions from the transport, purchase and use of goods and other sources

201,188

Scope 3 (t CO_2 eq,)

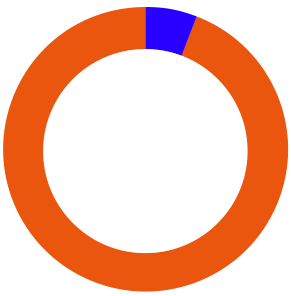
(203,886 in 2020[2])

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 '2020' data reported in the non-financial information statement (EINF) for the 2020 financial year compared with those reported in the 2021 EINF is due to the adjustment of estimated data from the previous year to the updated data obtained in 2021.

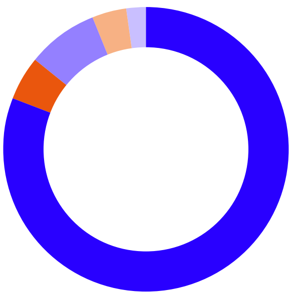
Distribution of GHG emissions in 2021

Emissions by operations



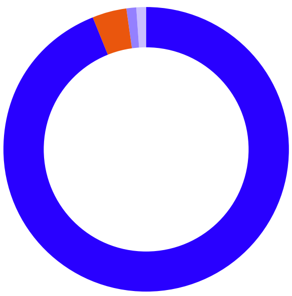
●	Storage	6%
●	Transport	94%

GHG emissions by country



●	Spain	81%
●	Portugal	5%
●	France	8%
●	Italy	4%
●	Poland	2%

GHG emissions by source



●	Transport	94%
●	Purchases	4%
●	Energy	1%
●	Waste	0%
●	Other	1%

Noise and light pollution

Noise during daytime and night-time hours is measured at each of Logista's facilities as per the frequency stipulated by environmental regulations. If the measurements show values close to the legal limit, action plans have been established to correct the noise level.

Light pollution is not significant, so the Group has 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

The Group reduces 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.

This year, Logesta has also strengthened its combined rail/road intermodal operations, enabling it to reduce CO^2 emissions for long-distance goods transport, in line with Logista's environmental strategy.

99% of the Group's premises use renewable electricity, including all the Group's directly managed centres in Spain, France, Italy and Portugal.

In addition, measures taken to improve energy efficiency and increase the use of renewable forms of energy, which are described below in Energy Consumption, also foster the reduction of greenhouse gas emissions.

Awards

Logista was once again recognised in 2021 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 2020 climate report.

Logista is the only European distributor, and one of the only two global distributors, to be included in the 'A List' for the fifth year running. Only three Spanish companies, and 23 worldwide, have managed to maintain this distinction for five consecutive years.

Logista has also been recognised as a Supplier Engagement Leader 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 Group's management of climate change at corporate level and at individual business level. This information can be viewed on CDP's website.

CDP DISCLOSURE INSIGHT ACTION A LIST 2020 CLIMATE

CDP SUPPLIER ENGAGEMENT LEADER 2020

99%

99% of the Group's premises use renewable electricity, including all the Group's directly managed centres in Spain, France, Italy and Portugal.

Emission reduction targets

Global emission reduction target

Logista has developed its own Sustainability Index to identify opportunities for reducing emissions, based on the Science-Based Target (SBT) initiative.

After analysing the existing methodologies, Logista has taken the view that the GEVA method (Greenhouse gas emissions per value-added unit) is the most suitable method for its operations.

Logista has reviewed this methodology and adapted it to include its transport operations within its reduction targets, since it is the most pertinent in terms of emissions within the Group. 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 (which includes transport activities with operational control), Scope 2 and Scope 3 (which include all emissions related to transport activities without operational control: upstream and downstream emissions) emissions, as well as emissions from franchise transport.

Logista has considered CDP recommendations concerning year-on-year reduction and included an annual emissions reduction of 2.1%. Logista includes the majority of Scope 3 emissions in this target, and exceeds the percentage recommended by SBT, since 95% of Logista's emissions are categorised as Scope 3. The result is an Overall Target which accounts for and includes 95.5% of all Logista's emissions (considering Scopes 1+2+3).

$$\frac{\text{Scope 1+2 (market-based)+ 3 (transport)}}{\text{TmCO}_2\text{e per €M\&Mkm}}$$

2030 target

30%
reduction (base year: 2013)

2050 target

54%
reduction (base year: 2013)

Renewable energy consumption target

Committed to renewable energy, Logista aims to consume renewable energy in all its directly managed offices in Spain, France, Italy and Portugal (Poland is not included because its electricity consumption accounts for 2%).

2020 target

99%
(achieved)

Electricity consumption in Spain, France, Italy and Portugal 100% from renewable sources since 2018.

Sustainable use of resources

Logista is fully aware of how important the efficient use of resources is.As such, it compiles and analyses information about water consumption, waste and about the materials that are most important for the Group.

Renewable material (Kg)

11,787,382
in 2021[1]

11,307,057 in 2020[2]

Non-renewable material (Kg)

622,846
in 2021[1]

599,320 in 2020[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.

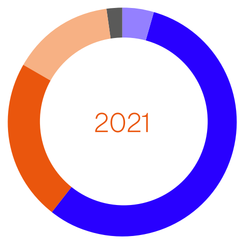
2. The reason for the variation between the '2020' data reported in the non-financial information statement (EINF) for the 2020 financial year compared with those reported in the 2021 EINF is due to the adjustment of estimated data from the previous year to the updated data obtained in 2021.

Energy management

The main sources of energy consumption in the Company are electricity, natural gas, diesel and fuel oil.

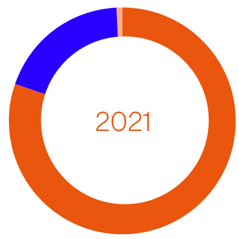
Total energy by country 2021 (Kwh)

	2021[1]	2020[2]
Portugal	2,875,304	2,564,833
Spain	34,817,670	35,910,900
France	14,129,802	14,046,871
Italy	8,962,663	8,969,718
Poland	1,234,864	1,125,549



Energy consumption 2021 (Kwh)

	2021[1]	2020[2]
Electricity consumption	49,911,716	50,562,574
Natural gas	11,598,892	11,549,268
Other energy consumption	509,695 Diesel: 368,509 Fuel oil: 141,186	506,029 Diesel: 456,401 Fuel oil: 49,628



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 '2020' data reported in the non-financial information statement (EINF) for the 2020 financial year compared with those reported in the 2021 EINF is due to the adjustment of estimated data from the previous year to the updated data obtained in 2021.

Measures adopted to improve energy efficiency

Logista is implementing several action plans in order to achieve fuel and energy consumption savings, such as: optimising routes, upgrading fleets, adjusting the volume of existing infrastructure, setting local targets and reduction initiatives in our main warehouses, implementing energy efficiency criteria in new and existing premises, etc.

Energy audits are carried out regularly on the Group's principal processes and warehouses. The results are used to identify and prioritise actions to reduce consumption.

Other actions undertaken by Logista to reduce energy consumption include:

- **LEED/BREEAM certification for all new Group facilities.** The Company has established a mandatory internal requirement that all new facilities comply with LEED/BREEAM efficiency standards.
- **The continuous implementation of corporate and local projects** (monitoring consumption, lighting replacements, improving insulation, updating equipment, etc.).

Measures adopted to improve renewable energy use

As a Group committed to renewable energy, Logista aims to consume green energy in all its directly managed offices in Spain, France, Italy and Portugal.

In the 2020 financial year, Logista consumed 50,563 MWh, of which 50,185 MWh corresponded to the purchase of renewable energy. In the 2021 financial year, Logista's electricity consumption fell to 49,912 MWh, with the purchase of renewable energy accounting for 49,476 MWh. This renewable energy consumption entails an estimated saving of 13,746 metric tonnes of CO_2e compared with conventional energy consumption, taking into account the different emissions factors in each country.

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, temporary (remote working) and permanent (flexitime, compressed hours) measures introduced by Logista in 2021 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

The discharging of wastewater is not considered a relevant aspect at Logista because, due to the Group's type of operations, this water is sanitary and is discharged into municipal water systems.

Good practices implemented to minimize water consumption include the installation of energy saving devices, consumption monitoring, panels and awareness campaigns, and the certification of all new Group installations under LEED / BREEAM efficiency standards.

In the 2021 financial year, water accounted for 0.006% of the Group's environmental impact, because it is only used for sanitary purposes (0.015% in 2020).

In the 2021 financial year, 106,744* m3 of the supply network was consumed, in accordance with local limits. In 2020, water consumption from the supply network stood at 104,017 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 by the Group and their quantities are shown below:

	2021[1] (t)	2020[2] (t)
Airpad film	110	119
Cardboard boxes and lids	8,485	8,653
Pallets	3,002	2,372
Paper	300	282
Single-use plastic bags	15	14
Reusable bags	1	0
Wrapping film	497	466
Biodegradable bags	0	0

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 '2020' data reported in the non-financial information statement (EINF) for the 2020 financial year compared with those reported in the 2021 EINF is due to the adjustment of estimated data from the previous year to the updated data obtained in 2021.

Efficiency measures

Efficiency measures for improving the use of raw materials include the recovery of reusable cardboard boxes through a system involving specific continuous improvement actions.

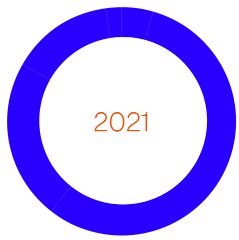
In addition, the Group's Environment, Quality and Energy Efficiency Policy includes, among its commitments, the implementation of policies and good practices for the rational use of resources, where the formula underpinning its processes is optimisation.

Circular economy, waste prevention and management. The Group has significantly reduced waste and emissions produced by its 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.

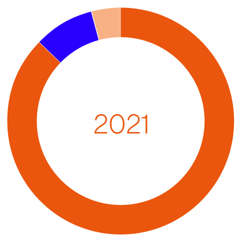
Hazard classification (Kg)

	2021[1]	2020[2]
Hazardous	15,044	12,949
Not hazardous	17,850,478	16,790,452



Classification by end use (Kg)

	2021[1]	2020[2]
Recycling	15,449,637	13,943,262
Landfill	1,640,627	1,462,264
Energy recovery	775,258	1,397,875



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.

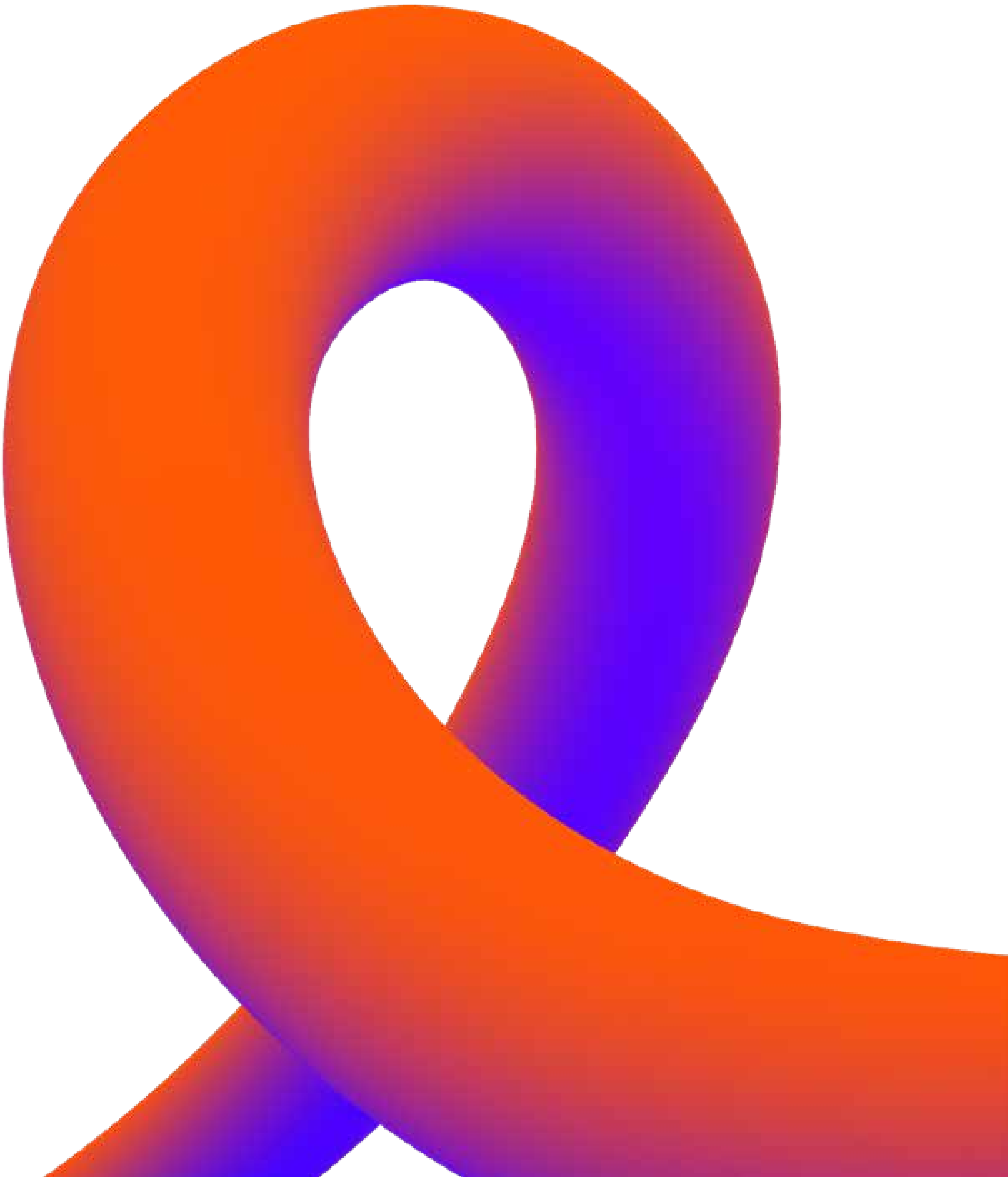
2. The reason for the variation between the '2020' data reported in the non-financial information statement (EINF) for the 2020 financial year compared with those reported in the 2021 EINF is due to the adjustment of estimated data from the previous year to the updated data obtained in 2021.

Protection of biodiversity. Logista's operations do not have a direct impact on protected areas. This is why biodiversity is not included in the Company's material considerations.

There was no significant impact on biodiversity during the 2021 financial year.

Strategic Objective	Actions	2021 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%*** Logesta, Integra2 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

11. Impact on the community



Long-term employment relationship with its employees

Logista fosters a long-term employment relationship with its employees in a working environment with high levels of motivation and job satisfaction.

85%

of the Group's employees are permanent staff

Indirect local job creation

In addition to Logista's 5,851 employees, in 2021, partner companies and individuals collaborated indirectly with Logista in its various operations and countries, for example, Nacex franchisees, Integra2 agents, drivers, etc.

Minimising environmental impact

Logista applies good environmental practices in order to minimise the environmental impact of its operations.

- Included in CDP's 'A List' for the fifth consecutive year
- Recognised as a Supplier Engagement Leader by CDP
- Part of the FTSE4Good index, a list of companies that demonstrate sound environmental, social and corporate governance practices
- UNE-EN ISO 14064
- Logista uses electricity from renewable sources at 99% of its premises
- LEED/BREEAM certification for new premises
- Over 75% of Logista's fleet comprises Euro 5 or Euro 6 vehicles

For more information about the environment, see Minimising Environmental Impact

Social initiatives

Logista is actively engaged in numerous social initiatives, mainly in its local areas.

- Logista works with a range of foundations and associations that support and employ people with disabilities at risk of exclusion, with the aim of helping to integrate them into the labour market.

- In the 2021 financial year, Logista employed 140 people with disabilities.

- Contributions to foundations and non-profit organisations in the 2021 financial year amounted to €331,726 (€447,993 in 2020), the primary beneficiaries being those active in the areas of humanitarian response and social welfare and integration. These funds will be used 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 parishes, social canteens and other frontline support providers.

- 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, to respect and guarantee Human Rights compliance.

Partnership and sponsorship initiatives

- Logista is 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.

- Logista sponsors The Madrid Futuro non-profit association which was founded by businesses and organisations looking to boost Madrid's recovery following the health and socioeconomic impact of the pandemic.

- Every year Logista takes part in CDP's initiatives and for the fifth year running, the Company has been included in CDP's 'A List' for its climate change leadership. This year it has also been named a Supplier Engagement Leader by CPD.

- At sector level, Logista is also involved with associations such as the Confindustria (the General Confederation of the Italian Industry), the Spanish Chamber of Commerce, the AESEG (Spanish association of generic drugs), the AEFI (Spanish Association of Industry's Pharmacists) and the AECOC (association of manufacturers and distributors).

Fiscal reporting

Country	Pre-tax profit/(loss) (€ thousand) in 2021	Pre-tax profit/(loss) (€ thousand) in 2020
Spain	113,575	79,203
France	23,234	24,254
Italy	109,378	104,012
Portugal	13,378	10,526
Poland	966	687
Total	**260,531**	**218,682**

Country	Corporate Income Tax Paid (cash basis) (€ thousand) in 2021	Corporate Income Tax Paid (cash basis) (€ thousand) in 2020
Spain	2,935	70,226
France	24,955	21,322
Italy	33,220	26,138
Portugal	2,907	4,683
Poland	174	201
Total	**64,191**	**122,570**

In 2021, as in 2020, Logista did not receive any public subsidy.

About this report

Logista's 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. The aim is to report on the most significant aspects for the Company in the implementation of its core business operations, including detailed information on economic, social and environmental matters, on respect for human rights, combating corruption and bribery, and on corporate governance among others. For this purpose, the most appropriate GRI have been selected for this report.

This report includes the updated statement on non-financial information 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 2021 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 Law 11/2018 of 28 December 2018 on non-financial information and diversity.

Scope of reporting

The report's quantitative data correspond to the year 2021 financial year – the period from 1 October 2020 to 30 September 2021.

Figures are rounded, except percentages, in this report.

The qualitative information included in the report, explains the Company's performance and expected future performance following an analysis of the current context. It does not make a commitment to attaining those objectives, since they are subject to risks and uncertainties.

Scope

The quantitative and qualitative information in this report encompasses all the operations carried out by 100% of Logista's subsidiaries included in the scope of consolidation.

Materiality

To design the content of this report and select the significant aspects, Logista has carried out a materiality analysis to identify the most relevant aspects to report to its stakeholders, and to provide a response to non-financial information requirements under current regulations, while helps to define the Company's priorities to continue creating economic, environmental and social value.

Materiality analysis

During the 2021 financial year, Logista carried out a new materiality analysis. We expanded the scope of this year's analysis by contacting external stakeholders directly, including analysts, investors, clients, suppliers and other actors in corporate social responsibility. We also consulted our employees again, in their capacity as internal stakeholders.

Logista has therefore conducted a survey among contacts for different stakeholders using a closed questionnaire to identify the most relevant aspects for each group.

External stakeholders were asked which of Logista's key aspects with regard to the environment, social responsibility and corporate governance, they believe have or could have the greatest impact in their setting. To complete the analysis we consulted over 250 contacts from among our different external stakeholders.

In their capacity as internal stakeholders, employees were also asked about the impact these key aspects regarding the environment, social responsibility and corporate governance can have on Logista's operations, objectives, results, etc.

Participants were consulted about the following aspects:

Environment

- Minimising the environmental impact of our operations
- Environmental risk management
- Adapting to regulations aimed at combatting climate change

Social

- Client satisfaction
- Quality of employment
- Respect for human rights
- Social impact

Corporate governance

- Ethics and anti-corruption
- Composition of the Board of Directors and Board Member Remuneration
- Governance policies

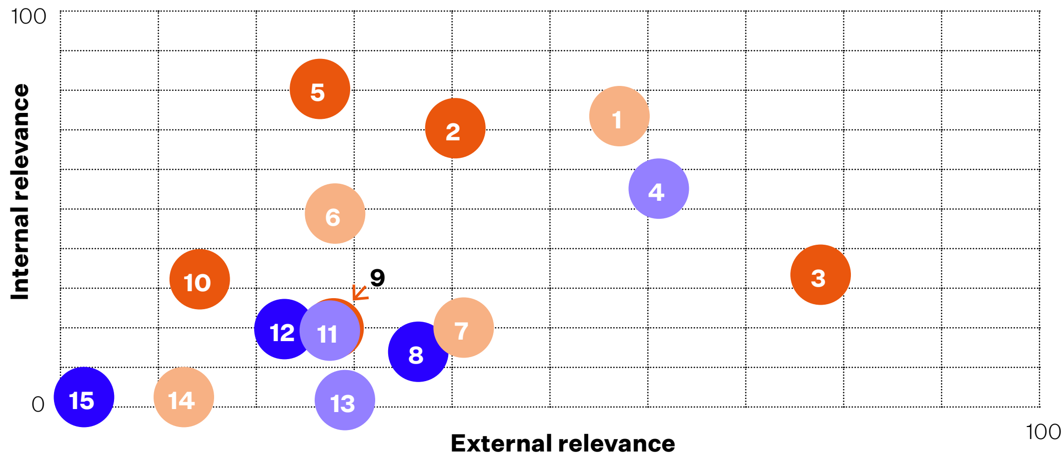
Operations and financial

- Financial performance
- Innovation
- Cybersecurity
- Risk management
- Sustainable supply chain management

The aim of this analysis is to understand what aspects are relevant for each stakeholder, although the global materiality matrix in this Report is only a summary of the results.

To better identify different stakeholders' priorities and expectations with regard to the environment, social responsibility and corporate governance, Logista extended the questionnaire to include a specific question about each of these aspects.

Materiality Matrix



1 Client satisfaction
2 Innovation
3 Management of sustainable supply chain
4 Minimization of environmental impact of our operations
5 Economic performance
6 Employment quality
7 Social impact
8 Ethics & Anti-corruption
9 Risk management
10 Cibersecurity
11 Adaptation to regulations on fighting against climate-change
12 Governance policies
13 Management of environmental risks
14 Respecto for Human Rights
15 Composition and remuneration of the Board of Directors

The conclusions drawn from the materiality analysis indicate that client satisfaction, innovation, sustainable supply chain management and minimising the impact of our operations on the environment are the most relevant aspects overall. For external stakeholders, the most relevant aspect is sustainable supply chain management, while employees consider economic development to be the most important.

This icon is used throughout the report to indicate the aspects considered to be most relevant overall ❁.

Connectivity

For further information on the 2021 financial year, Logista also publishes the following reports:

- Annual Accounts
- Annual Report on Corporate Governance
- Annual Report on Remuneration of Directors

Contents required under Law 11/2018 and GRI indicators

Contents	Reference	Reporting framework
Business model		
- Business environment and business model	18-27	102-2
- Organisation and structure	16-17	102-2
- Markets in which the company operates	11	102-6
- Objectives and strategies	28	102-15
- Factors and trends affecting performance	26-29	102-15
Policies	These are set out in detail according to subject area in each of the respective sections of the 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.	84-89	Internal framework: qualitative description of the principle effects
- Environmental assessment or certification procedures	79-93	Internal framework: qualitative description of assessments and certifications
- Principle of precaution, number of provisions and guarantees for environmental risks.	83-85	102-11
- Resources dedicated to environmental risk prevention	86	Internal framework: qualitative description of dedicated resources
Pollution		
- Measures associated with carbon emissions	88	Internal framework: qualitative description of key measures and action taken
- Measures associated with light, noise and other types of pollution	88	Internal framework: qualitative description of key measures and action taken
Circular economy and waste prevention and management		
- Initiatives aimed at promoting circular economy	92	306-2
- Measures associated with waste management	92	306-2
- Actions to combat food waste	No details, bearing in mind the company's business sector	n.a.
Sustainable use of resources		
- Water: consumption and supply	91	303-1
- Raw materials: consumption and measures	91	301-1
- Energy: consumption, measures and use of renewables	89-91	302-1

Contents	Reference	Reporting framework
Climate change		
- Greenhouse gas emissions	87	305-1/ 305-2/ 305-3
- Measures to adapt to climate change	86	Internal framework: qualitative description of measures
- Emission reduction targets	89	Internal framework: Qualitative description of targets
Biodiversity		
- Conservation measures	93	Internal framework: qualitative description of measures
- Impacts on protected areas	93	304-2
Social and staff-related matters		
Employment		
- Total number of employees and distribution by gender, age, nationality and professional category	63	102-8/405-1
- Total number and distribution of work contract types	63	102-8
- Annual average of permanent, temporary and part-time employees by gender, age and professional category	64	102-8/405-1
- Number of dismissals by gender, age and professional category	64	Internal framework: total number of dismissals during the financial year broken down by sex, age and professional category
- Average pay and change in average pay by gender, age and professional category, or equivalent.	65	Internal framework: average remuneration (including fixed and variable remuneration)
- Gender pay gap, remuneration for similar jobs or the company average	65	Internal framework: (1 - (average male remuneration - average female remuneration)/average male remuneration)
- Average remuneration of board members and directors	65-66	Internal framework: average remuneration including fixed and variable remuneration
- Policies for disconnecting from work	66	Internal framework: qualitative description of current policies
- Employees with disabilities	69	405-1
Organisation of working time		
- Organisation of work	66	Internal framework: qualitative description of organisation of working time
- Number of hours of absenteeism	66	Internal framework: number of hours of absenteeism
- Measures for work-life integration	66	Internal framework: qualitative description of measures
Health and safety		
- Health and safety conditions in the workplace	67	103- Health and safety in the workplace

Contents	Reference	Reporting framework
- Workplace accidents, particularly their frequency and severity	67	403-2 Internal framework: Frequency Index: number of work accidents with sick leave per 1,000,000 hours worked. Severity Index: number of days lost due to work accidents with medical leave for every 1,000 hours worked. Lost Time Accident Rate: number of work accidents with sick leave for every 200,000 hours worked.
- Professional illnesses, separated by gender	67	403-2
Social relationships		
- Facilitating social dialogue	68	Internal framework: qualitative description of the ways in which social dialogue is facilitated
- Percentage of employees covered by collective bargaining agreements by country	68	102-41
- Assessment of collective bargaining agreements on health and safety in the workplace.	68	403-1
Training		
- Policies implemented in training	68	Internal framework: qualitative description of policies
- Total hours of training by professional category.	68	Internal framework: total hours of training and total hours of training by professional category
Equality		
- Universal access for people with disabilities	69	Internal framework: qualitative description of measures
- Measures adopted to promote equality, plans for equality and policy against discrimination and diversity management	69	Internal framework: qualitative description of measures
- Equality plans and measures adopted to promote employment, protocols to prevent sexual and gender-based harassment.	69	Internal framework: qualitative description of measures
- Policy against any form of discrimination and, where applicable, for diversity management	69	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	42-43	102-16/102-17
- Complaints relating to human rights violations.	43	406-1
- Promoting and compliance of ILO covenants relating to freedom of association and collective bargaining	42-43	102-16
- Elimination of employment discrimination, forced and child labour	42-43	102-16
Corruption and bribery		
- Measures adopted to prevent corruption and bribery	40-41	102-16/102-17
- Measures to combat money laundering	41	102-16/102-17

Contents	Reference	Reporting framework
- Contributions to foundations and non-profit organisations	96	Internal framework: amount of contributions in euros
Society		
Company commitments to sustainable development		
- Impact of the company's activity on local employment and development, local populations and populations in Spain.	11. 19. 95-96	Internal framework: qualitative description of impact
- Dialogue with the local community	21	Internal framework: qualitative description of dialogue
- Partnership and sponsorship initiatives	96	102-12/102-13
Subcontracting and suppliers		
- Inclusion of social, gender equality and environmental matters in the procurement policy	43. 75	102-9
- Consideration of social and environmental responsibility in relations with suppliers and subcontractors	75. 77	102-9
- Monitoring and auditing systems and their results	75	Internal framework: qualitative description of revisions related to the control systems implemented in every business
Consumers		
- Consumer health and safety measures	71-73	Internal framework: qualitative description of measures
- Complaints and claims systems and resolution process	71	102-17
Fiscal reporting		
- Profits by country	96	Internal framework: pre-tax profit/ (loss) by country
- Income tax paid	96	Internal framework: corporation tax paid by country
- Public subsidies received	96	201-4

Independent verification report

Independent Limited Assurance Report of the Integrated Annual Report
for the year ended September 30, 2021

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

EY
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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, 2021, 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 section "Contents required under Law 11/2018 and GRI indicators" 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 section "Contents required under Law 11/2018 and GRI indicators" 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 the section "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, 2021.
- 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, 2021 and its correct compilation from the data provided.
- Obtaining a representation letter from the Board of Directors and Management.

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, 2021 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 section "Contents required under Law 11/2018 and GRI indicators" 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 on the original version in Spanish)

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Alberto Castilla Vida

November 4, 2021

Audit Report on Financial Statements
issued by an Independent Auditor

COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A.
Financial Statements and Management Report
for the year ended
September 30, 2021

Building a better working world

Ernst & Young, S.L.
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AUDIT REPORT ON 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 15)

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

Report on the financial statements

Opinion

We have audited the financial statements of COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A. (the Company), which comprise the balance sheet as at September 30, 2021, the income statement, the statement of changes in equity, the statement of cash flow, and the notes thereto for the year then ended ("2021").

In our opinion, the accompanying financial statements give a true and fair view, in all material respects, of the equity and financial position of the Company as at September 30, 2021 and of its financial performance and its cash flows for the year then ended in accordance with the applicable regulatory framework for financial information in Spain (identified in Note 2.1 to the accompanying financial statements) and, specifically, the accounting principles and criteria contained therein.

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 financial statements* section of our report.

We are independent of the Company in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the 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.

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.

Key audit matters

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

Impairment of non-current investments in Group companies and associates

Description	At year-end 2021, the Company had recognized in non-current assets investments in the equity of group companies and associates amounting to 2,518 million euros, which represent 52% of the total assets. The Company recognizes impairment losses whenever there is objective evidence that the carrying amount of said investments may not be recoverable, being the amount of the impairment loss the difference between the investment's carrying and recoverable amounts. Recoverable amount is determined using complex estimates based on the application by Company Management of criteria, judgments, and hypotheses. We have determined this matter to be a key audit matter due to the significance of the amounts and the complexity inherent to the estimation process to determine the recoverable amount of these investments. The information related to the criteria applied by Company Management and the principal hypotheses used in determining impairment losses from investments in group companies and associates are described in Note 4.1) to the accompanying financial statements.
Our response	Our audit procedures include, among others, the following: ▶ Understanding the processes established by Company Management to determine impairment on non-current investments in group companies and associates including assessment of the design and implementation of relevant controls. ▶ Analyzing indications of impairment and, where necessary, reviewing the model used by Company Management to determine recoverable amount in collaboration with our valuation specialists, focusing particularly on the model's mathematical coherence, the reasonableness of projected cash flows, discount rates, and long-term growth rates. ▶ Contrast the trading value of the Company at year-end. ▶ Reviewing the disclosures in the financial statements in accordance with the applicable financial reporting framework.

Other information: management report

Other information refers exclusively to the 2021 management report, the preparation of which is the responsibility of the Company's Directors and is not an integral part of the financial statements.

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

a. Checking only that certain information included in the Corporate Governance 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 management report with the financial statements, based on the knowledge of the entity obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the 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 therein is consistent with that provided in the 2021 financial statements and its content and presentation are in conformity with applicable regulations.

Responsibilities of the Directors and the Audit and Control Committee for the financial statements

The Directors are responsible for the preparation of the accompanying financial statements so that they give a true and fair view of the equity, financial position and results of the Company, in accordance with the regulatory framework for financial information applicable to the Company in Spain, identified in Note 2.1 to the accompanying financial statements, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 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 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 Company's internal control.

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

- Conclude on the appropriateness of the Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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 on November 4, 2021.

Term of engagement

The ordinary general shareholders' meeting held on March 24, 2020 appointed us as auditors for 3 years, commencing for the year ending 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 4, 2021

Compañía de Distribución Integral Logista Holdings, S.A.

Financial Statements for the year ended 30 September 2021 and Director's Report

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

COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A.
BALANCE SHEET AT 30 SEPTEMBER 2021 AND 2020
(Thousands of Euros)

ASSETS	Notes	30-09-2021	30-09-2020	EQUITY AND LIABILITIES	Notes	30-09-2021	30-09-2020
NON-CURRENT ASSETS:		**2,517,861**	**972,703**	**EQUITY:**	**Note 7**	**1,391,557**	**1,259,669**
Non-current investments in Group companies and associates-	**Note 6.1**	**2,517,861**	**972,703**	***SHAREHOLDERS' EQUITY:***		***1,391,557***	***1,259,669***
Equity instruments		2,517,861	972,703	**Share capital**		**26,550**	**26,550**
				Share premium		**867,808**	**867,808**
				Reserves		**283,892**	**38,742**
				Legal reserves		5,310	5,310
				Other reserves		278,582	33,432
				Other contributions of the shareholders		**5,124**	**4,066**
				Interim dividend		**(54,116)**	**(51,569)**
				Treasury shares		**(14,346)**	**(10,681)**
				Profit for the period		**276,645**	**384,753**
				NON - CURRENT LIABILITIES:		**86,791**	-
				Deferred tax liabilities	**Note 8.5**	**86,791**	**-**
CURRENT ASSETS:		**2,304,407**	**291,863**	**CURRENT LIABILITIES:**		**3,343,919**	**4,897**
Current tax receivables	**Note 8**	**55,348**	**72,969**	**Group companies and associates debt short-term**	**Note 10**	**3,338,579**	**-**
Current investments in Group companies and associates	**Note 10**	**2,247,076**	**218,817**	**Trade and other payables-**		**5,340**	**4,897**
Prepayments for current assets		**47**	**40**	Payable to suppliers		1,075	766
Cash and cash equivalents-		**1,936**	**37**	Other debts with public authorities	**Note 8.1**	4,265	4,131
Cash		1,936	37				
TOTAL ASSETS		**4,822,267**	**1,264,566**	**TOTAL EQUITY AND LIABILITIES**		**4,822,267**	**1,264,566**

The accompanying Notes 1 to 15 are an integral part of the balance sheet at 30 September 2021.

COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A.
INCOME STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2021 AND 2020
(Thousands of Euros)

	Notes	2021	2020
Revenue:		**281,408**	**386,038**
Income from investments in equity instruments	Note 9.1	271,825	385,860
Finance income on investments to Group companies and associates	Note 10	9,583	178
Finance costs:	**Note 10**	**(11,492)**	**(131)**
On debts to Group companies and associates		(11,492)	(131)
Staff costs:	**Note 9.2**	**(1,052)**	**(1,038)**
Wages, salaries and similar expenses		(1,052)	(1,038)
Other Operating expenses		**(632)**	**(506)**
Impairment and gains/(losses) on disposal of financial instruments	**Note 6.1**	**4,551**	-
PROFIT FROM OPERATIONS		**272,783**	**384,363**
Finance income:		**3,952**	**13**
Other		3,952	13
FINANCIAL LOSS		**3,952**	**13**
PROFIT BEFORE TAX		**276,735**	**384,376**
Income tax	**Notes 8.3 & 8.4**	(90)	377
PROFIT FOR THE YEAR		**276,645**	**384,753**

The accompanying Notes 1 to 15 are an integral part of the balance sheet at 30 September 2021.

COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A.
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2021 AND 2020
A) STATEMENT OF RECOGNISED INCOME AND EXPENSE
(Thousands of Euros)

	2021	2020
PROFIT PER INCOME STATEMENT (Note 3)	**276,645**	**384,753**
TOTAL INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY	**-**	**-**
TOTAL TRANSFERS TO PROFIT OR LOSS	-	-
TOTAL RECOGNISED INCOME AND EXPENSE	**276,645**	**384,753**

The accompanying Notes 1 to 15 are an integral part of the balance sheet at 30 September 2021.

COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A.
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2021 AND 2020
B) STATEMENT OF CHANGES IN TOTAL EQUITY
(Thousands of Euros)

	Share Capital	Share Premium	Reserves	Other Contributions of the Shareholders	Interim Dividend	Treasury Shares	Profit / (Loss) for the Period	Total
BALANCE AT 30-09-2019	**26,550**	**867,808**	**29,381**	**6,052**	**(48,938)**	**(9,893)**	**165,539**	**1,036,499**
Total recognised income and expense	-	-	-	-	-	-	384,753	384,753
Transactions with shareholders:								
Equity-instrument-based transactions (Notes 7.5 and 7.7)	-	-	(144)	(1,986)	-	2,667	-	537
Operations with treasury shares	-	-	-	-	-	(3,455)	-	(3,455)
Distribution of profit 2019	-	-	9,505	-	48,938	-	(165,539)	(107,096)
Interim dividends	-	-	-	-	(51,569)	-	-	(51,569)
BALANCE AT 30-09-2020	**26,550**	**867,808**	**38,742**	**4,066**	**(51,569)**	**(10,681)**	**384,753**	**1,259,669**
Total recognised income and expense	-	-	-	-	-	-	276,645	276,645
Transactions with shareholders:								
Equity-instrument-based transactions (Notes 7.5 and 7.7)	-	-	(165)	1,058	-	1,283	-	2,176
Operations with treasury shares	-	-	(249)	-	-	(4,948)	-	(5,197)
Distribution of profit 2020	-	-	228,913	-	51,569	-	(384,753)	(104,271)
Interim dividends (Note 7.4)	-	-	-	-	(54,116)	-	-	(54,116)
Other equity movements (Note 7.8)	-	-	16,651	-	-	-	-	16,651
BALANCE AT 30-09-2021	**26,550**	**867,808**	**283,892**	**5,124**	**(54,116)**	**(14,346)**	**276,645**	**1,391,557**

The accompanying Notes 1 to 15 are an integral part of the balance sheet at 30 September 2021.

COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A.
STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30 SEPTEMBER 2021 AND 2020
(Thousands of Euros)

	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		**270,151**	**314,073**
Profit before tax		**276,735**	**384,376**
Adjustments for-		**(6,594)**	**(60)**
Finance costs	**Note 10**	11,492	131
Finance income		(13,535)	(191)
Valuation adjustments for impairment (+/-)	**Note 6.1**	(4,551)	-
Changes in working capital-		**901**	**(77)**
Trade and other payables		309	(77)
Other current liabilities		134	-
Other current assets		458	-
Other cash flows from operating activities-		**(891)**	**(70,166)**
Interest paid		(11,492)	(131)
Interest received		13,535	191
Collection/Payments for income tax		(2,934)	(70,226)
CASH FLOWS FROM FINANCING ACTIVITIES:		**(268,252)**	**(314,060)**
Payments for investments		**(50)**	**-**
Group companies and associates		(50)	**-**
Proceeds and payments relating to equity instruments-	**Note 6**	**(5,196)**	**(788)**
Acquisition of treasury shares		(5,196)	(788)
Proceeds and payments relating to financial liability instruments-	**Note 10**	**(104,619)**	**(154,607)**
Proceeds from issue of borrowings from Group companies and associates		3,104,920	237,727
Repayment of debts to group companies		(3,209,539)	(392,334)
Dividends payment and remuneration of other equity instruments-		**(158,387)**	**(158,665)**
Dividends payment		(158,387)	(158,665)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		**1,899**	**13**
Cash and cash equivalents at beginning of year		37	24
Cash and cash equivalents at end of year		1,936	37

The accompanying Notes 1 to 15 are an integral part of the balance sheet at 30 September 2021.

Compañía de Distribución Integral Logista Holdings, S.A.

Notes to the annual Financial Statements for the year ended 30 de September de 2021

1. Company activity

Compañía de Distribución Integral Logista Holdings, S.A., 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 26 May 2014, the Company was registered in the Mercantile Registry as a sole-shareholder company.

The Company's registered office is at Polígono Industrial Polvoranca, calle Trigo, número 39, Leganés (Madrid).

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 offering of shares in the 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 (see Note 6).

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 2020 as "2020", and so on.

The activity performed by the Company since its incorporation has been that of a holding company. The company is the Parent of a distributor and logistics operator Group, which provides various distribution channels with a wide range of value added products and services, including tobacco and tobacco by-products, convenience goods, electronic documents and products (such as mobile phone and travel card top-ups), drugs, books, publications and lottery tickets. In order to provide these services, the Group has a complete infrastructure network, which spans the whole value chain, from picking to POS delivery.

On 22 March 2021 and 7 April 2021, respectively, and effective for accounting purposes from 1 October 2020, the simplified merger by absorption between Compañía de Distribución Integral Logista Holdings, S.A. (the Absorbing Company) and Logista Investments, S.L.U. (the Absorbing Company) was registered with the Madrid Mercantile Registry. (Absorbing Company) and the company Logista Investments, S.L.U. (Absorbed Company). (see Note 5).

The Company, as parent of a group of subsidiaries, prepares consolidated financial statements separately in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRSs). The consolidated financial statements of Logista Group for 2021 were formally prepared by its directors at the Board of Directors meeting held on 4 November 2021.

On 20 July 2021 there was a change in the majority shareholder of the Company to Imperial Tobacco Limited, an entity belonging to the Imperial Brands PLC group, which is governed by the commercial legislation in force in the United Kingdom, with registered office at 121 Winterstoke Road, Bristol BS3 2LL (United Kingdom). The consolidated financial statements of the Imperial Brands PLC group for the year ended 31 December 2020 were authorized for issue by the directors at a meeting of the board of directors held on 17 November 2020.

2. Basis of presentation of the financial statements

2.1 Regulatory financial reporting framework applicable to the Company

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

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

b. Law on Corporations consolidated text.

c. The Spanish National Chart of Accounts approved by Royal Decree 1514/2007 and the amendments thereto introduced by Royal Decrees 1159/2016 and 602/2016.

d. The mandatory rules approved by the Spanish Accounting and Audit Institute in order to implement the Spanish National Chart of Accounts and the relevant secondary legislation.

e. All other applicable Spanish accounting legislation.

2.2 Fair presentation

The financial statements for 2021, which were obtained from the Company's accounting records, are presented in accordance with the regulatory financial reporting framework applicable to the Company and, in particular, with the accounting principles and rules contained therein and, accordingly, present fairly the Company's equity, financial position, results of operations and cash flows for the corresponding period. These financial statements, which were formally prepared by the Company's Directors, will be submitted for approval by the General Meeting, and it is considered that they will be approved without any changes.

The financial statements for 2020 were approved at the Annual General Meeting held on 4 February 2021.

2.3 Accounting principles applied

The directors formally prepared these financial statements taking into account all the obligatory accounting principles and standards with a significant effect hereon.

2.4 Key issues in relation to the measurement and estimation of uncertainty

In preparing the accompanying financial statements estimates were made by the Company'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 calculation of allowances for financial assets (see Note 4.1).

- The assessment of the long-term obligations to employees of the companies in the Group headed by the Company (see Note 4.4).

- The assessment of the income tax expense (see Note 4.3).

Although these estimates were based on the best information available at the close of 2021, it is possible that future events may require these to be raised or lowered in the coming years. This would be done prospectively, recognising the effects of the changes in accounting estimates in the relevant future financial statements.

2.5 Comparative information

The information relating to 2020 included in these notes to the financial statements is presented solely for comparison purposes with that relating to 2021.

2.6 Grouping of items

Certain items in the balance sheet, income statement, statement of changes in equity and statement of cash flows are grouped together to facilitate their understanding; however, whenever the amounts involved are material, the information is broken down in the related notes to the financial statements.

2.7 Materiality

In preparing these financial statements the Company 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 conceptual framework applicable to the Company.

2.8 Going Concern

At 30 September 2021 the Company had negative working capital 1,039 million of Euros (286,966 thousand of Euros positive working capital at 30 September 2020). However, practically all of the current liabilities relate to debts with Group companies that could be increased and the Company's directors consider that the cash flows generated by the Company and the financing facilities available with the Group companies Imperial Brands Finance PLC and Compañía de Distribución Integral Logista, S.A.U. are sufficient to meet the current liabilities (see Note 10). Accordingly, the Directors of the Company have prepared the annual accounts on a going concern basis.

3. Distribution of profit

The proposed distribution of the profit for 2021, amounting to 276,645 thousand of euros, that the Company's Directors will submit for approval by the shareholders at the Annual General Meeting is as follows:

	Thousands of Euros
To voluntary reserves	112,347
Dividends	110,182
Interim dividend (Note 7.4)	54,116
	276,645

In accordance with the regulations in force, the Company assessed the liquidity status at the date of approval of the interim dividend. Based on this assessment, on 22 July 2021 the Board of Directors, on the basis of the net profit recorded as at 30 June 2021 of 88 million of euros, considered sufficient for the payment of the approved interim dividend, taking into account the existing treasury shares, approved the distribution of this interim dividend.

4. Accounting policies and measurement bases

The principal accounting policies and measurement bases used by the Company in preparing its financial statements for 2021, in accordance with the Spanish National Chart of Accounts, were as follows:

4.1 Financial instruments

4.1.i Financial assets

Equity investments in Group companies

Group companies are deemed to be those related to the Company as a result of a relationship of control.

These investments are measured at cost or contribution value net, where appropriate, of any accumulated impairment losses. The method used to determine the value of the shares received through the non-monetary contribution made by Altadis, S.A.U. (prior main shareholder of the company) was to maintain the carrying amount of the contributed shares in the separate financial statements of the contributing company at the date of contribution.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the corresponding write-down is recognised through the income statement.

Value in use is calculated on the basis of an estimate of the future cash flows generated by each cash-generating unit, discounted at a rate which reflects the current value of money and the specific risks associated with the assets. Fair value is considered the value at which the asset in question could be disposed of under normal conditions, and it is determined on the basis of market data, comparable transactions, etc.

Impairment losses and, where appropriate, their reversal, are recognised as an expense or as income, respectively, in the income statement.

The Company 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 Company operates.

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

	2021		2020	
	Discount Rate	Growth Rate	Discount Rate	Growth Rate
Iberia, tobacco and related products	8,36%	0,00%	7,14%	0,00%
Italy, tobacco and related products	9,20%	0,00%	-	-
Francia, tobacco and related products	6,45%	0,00%	-	-
Iberia, trasportation	7,57%	0,00%	-	-
Iberia, other businesses: Pharma	7,24%	0,00%	-	-

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 Company.

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 (Cash-Generating Unit).
- 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.

At 30 September 2021 the Company's directors have concluded that the entities Logista Polska, S.p.A. and Logista Payments, S.L.U. are impaired by 198 thousand of euros and 36 thousand of euros, respectively. In addition, reversals of impairments recorded at Logista France Holdings, S.A.S. amounting to Euros 3,314 thousand and of the provision for other liabilities transferred from the simplified demerger and merger operation (see Note 5) amounting to 1,471 thousand of euros have been recorded (see note 6.1).

At 30 September 2020, the Company's directors concluded that none of the Company's investees were impaired. (See Note 6.1).

Loans and receivables

The loans granted are measured at their amortised cost, which is understood to be the initial value plus accrued interest and repayment premiums based on the effective interest rate, minus the principal and interest repayments, while also considering possible reductions due to impairment or uncollectibility.

Cash and cash equivalents

Cash includes both cash and demand deposits.

The Company derecognises 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.

4.1.ii Financial liabilities

Trade payables, loans received and other accounts payable are initially recognised at fair value, which generally coincides with their nominal value, reduced by transaction costs, and are subsequently measured at amortised cost.

The Company derecognises financial liabilities when the obligations giving rise to them cease to exist.

4.1.iii Equity instruments

Equity instruments issued by the Company are recognised in equity at the proceeds received, less issue and arrangement costs.

The acquisition by the Company of treasury shares is disclosed separately at cost as a reduction of equity in the balance sheet. No gain or loss is recognised in income statement on transactions involving own equity instruments.

4.2 Revenue and expense recognition

Revenue and expenses are recognised 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. Revenue is measured at the fair value of the consideration received, net of discounts and taxes.

Interest income from financial assets is recognised using the effective interest method and dividend income is recognised when the shareholder's right to receive payment has been established. Interest and dividends from financial assets accrued after the date of acquisition are recognised as income in the income statement.

In accordance with the Resolution of the Spanish Accounting and Auditing Institute (I.C.A.C.) 79/2009 Consultation 2, on the classification in the individual annual accounts of the income and expenses of a holding company, whose principal activity is the holding of investments and the financing of the operations carried out by its investees, the Company classifies the income and expenses arising from the holding of financial instruments (dividends, interest and financial expenses associated with the financing of investees, changes in the fair value of financial instruments, impairment losses and results on disposal) as operating profit or loss.

4.3 Income tax

Tax expense (or tax income) comprises current tax expense (or current tax income) and deferred tax expense (or deferred tax income).

The current income tax expense is the amount payable by the Company as a result of income tax settlements for a given year. Tax credits and other tax benefits, excluding tax withholdings and pre-payments, and tax loss carryforwards from prior years effectively offset in the current year reduce the current income tax expense.

The deferred tax expense or income relates to the recognition and derecognition of deferred tax assets and liabilities. These include temporary differences measured at the amount expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities and their tax bases, and tax loss and tax credit carryforwards. These amounts are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled.

In general, deferred tax liabilities are recognised for all taxable temporary differences. However, deferred tax assets are recognised to the extent that it is considered probable that the Company will have taxable profits in the future against which the deferred tax assets can be utilised.

Deferred tax assets and liabilities arising from transactions charged or credited directly to equity are also recognised in equity.

The deferred tax assets recognised are 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 assets are 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.

From 2017 onwards, the Company is the parent of the tax group, with tax Group number 548/17 assigned.

4.4 Pension and other employee benefit obligations

On 20 December 2016, the Board of Directors of the Company approved the long-term incentive plan (the General Plan and the Special Plan), for the period from 2017 to 2022, implemented in three blocks of three years each, with the first block starting on 1 October 2017.

On 23 January 2018, the Board of Directors approved the list of beneficiaries of the first block (2017-2020), with 58 beneficiaries included in the General Plan and 9 beneficiaries considered in the Special Plan. The total estimated cost of the first block of the plan amounts to 2,933 thousand euros. This first Consolidation Period closed on 30 September 2020 with a total of 62,821 shares delivered in December 2020 for a total cost of 966 thousand euros. These shares were delivered in some cases net of income tax.

On 29 January 2019, the Board of Directors approved the list of beneficiaries of the second block (2018-2021), with 60 beneficiaries included in the General Plan and 9 beneficiaries considered in the Special Plan. The total estimated cost of the second block of the plan amounts to 3,240 thousand euros.

On 28 January 2020, the Board of Directors approved the list of beneficiaries of the third block, with 62 beneficiaries included in the General Plan and 9 beneficiaries considered in the Special Plan. The total estimated cost of the third block of the plan amounts to 3,023 thousand euros.

On 26 November 2019, the Company's Board of Directors approved the Logista Group's 2020-2025 Long-Term Incentive Plan (the General Plan and the Special Plan), which accrues from 1 October 2020 and matures on 30 September 2025 and is implemented in three three-year blocks, with settlements occurring at the end of each block. This Plan was replaced by the 2020 Plan, which the Board of Directors approved on 28 January 2020, configuring it as an extension of the old 2017 Plan. This Plan was launched by the Board of Directors on 27 October 2020, with a single vesting period ending on 30 September 2023, with a list of beneficiaries and a maximum number of shares to be distributed for the vesting period 2021-2023 of 62 beneficiaries for the General Plan and 11 beneficiaries for the Special Plan, amounting to 2,812 thousand euros.

On 4 February 2021, the Board of Directors of the Company approved the Long-Term Incentive Plan structured in three overlapping cycles of three years each. The plan will start on 1 October 2021 and, consequently, new cycles will be launched in October 2022 and October 2023.

The Company holds 674,423 treasury shares to cover the incentive plans in force.

On 29 September 2020, the Board of Directors of the Company extended until 1 October 2021, the Extended Share Buyback Programme (up to 722,273 shares, or 0.5% of the share capital) of the Company to cover the share buyback needs for the Long Term Incentive Plan 2020.

Finally, on 22 September 2021 the Board of Directors of the Company has approved the purchase of own shares up to a maximum of 233,000 shares and until 1 October 2022, to cover the new incentive plan to be approved in November 2021.

4.5 Related party transactions

The Company performs all its transactions with related parties on an arm’s length basis. Also, the transfer prices are adequately supported and, therefore, the Company’s Directors consider that there are no material risks in this connection that might give rise to significant liabilities in the future.

In mergers and divisions of a business, the items acquired are generally valued at the amounts at which they were recorded in the individual annual accounts of the transferring company.

4.6 Environmental assets and liabilities

Environmental assets are deemed to be assets used on a lasting basis in the Company’s operations whose main purpose is to minimize environmental impact and protect and improve the environment, including the reduction or elimination of future pollution.

Because of their nature, the Company’s business activity does not have a significant environmental impact.

4.7 Current and Non-current classification

Current assets are assets associated with the normal operating cycle, which in general is considered to be one year; other assets which are expected to mature, be disposed of or be realized within twelve months from the end of the reporting period, held-for-trading financial assets, and cash and cash equivalents. Assets that do not meet these requirements are classified as non-current assets.

Similarly, current liabilities are liabilities associated with the normal operating cycle, held-for-trading financial liabilities and, in general, all obligations that will mature or be extinguished at short term. All other liabilities are classified as non-current liabilities.

4.8 Revenue

In accordance with the Resolution of the Spanish Accounting and Audit Institute (I.C.A.C.) 79/2009 Consultation 2, regarding the classification in the individual annual accounts of the income and expenses of a holding company, whose main activity is the holding of shares and the financing of the operations carried out by its investees, the Company classifies dividend income and interest accrued on financing granted to its investees under the heading "Revenue" in the income statement.

5. Merger by absorption

Simultaneous partial demerger and simplified merger by absorption

On 18 December 2020, the Board of Directors of the Company unanimously approved the common plan for the partial demerger of Compañía de Distribución Integral Logista, S.A.U. (" Demerged Company") in favour of Logista Investments, S.L.U. ("Grantee Company or Absorbed Company") and the simultaneous simplified merger between Compañía de Distribución Integral Logista Holdings, S.A. (the "Acquiring Company") and the absorbed Company, approved by the members of the Board of Directors of the acquiring Company and by the Sole Shareholder of the Absorbed Company, all within the framework of the reorganisation of the current corporate structure of the Logista Group.

On 3 March 2021, the deed of partial split and simultaneous simplified merger by absorption was executed and signed, through the partial split of Compañía de Distribución Integral Logista, S.A.U. ("demerged Company") in favour of Logista Investments, S.L.U. ("Grantee Company or Absorbed Company") and simultaneous simplified merger between Compañía de Distribución Integral Logista Holdings, S.A. ("the Absorbing company") and the absorbed Company (see Note 1 of these financial statements).

In order to comply with the provisions of article 86 of the Corporate Income Tax Law, the Company states that:

- The tax periods in which the transferor, Compañía de Distribución Integral Logista S.A.U., acquired the transferred assets are:

Transferred assets	Business name	Acquisition tax period
Investee companies in Spain	Logista-Dis, S.A.U.	2001
	Dronas 2002, S.L.U.	2003
	Logesta Gestión de Transporte, S.A.U.	2002
	La Mancha 2002, S.A.U.	2000
	Compañía Distribución Integral de Publicaciones Logista, S.L.U.	2005

	Distribuidora del Noroeste, S.L.	2006
	Logista Libros, S.L.	2005
	Logista Payments, S.L.U.	2019
Investee companies in France	Logista Francia Holding, S.A.	2004
	Logista Francia, S.A.S.	2012
Investee companies in Italy	Logista Italia, S.p.A.	2004
Investee companies in Poland	Logesta Polska Sp. Zoo	2006
	Logista Polska, S.p. Zoo	2007

- The last balance sheet closed by the transferor is for the year 2021.

- There are no assets acquired that have been included in the accounting books at a value other than that at which they appeared in the books of Compañía de Distribución Integral Logista S.A.U.

- In relation to the tax benefits enjoyed by Compañía de Distribución Integral Logista S.A.U., in its capacity as transferor, in respect of which the Company must assume compliance with certain requirements, it should be noted that by virtue of the universal succession whereby the Company acquires the tax rights and obligations of the transferor, the Company acquires the right to deduct the financial goodwill arising between 2004 and 2006, corresponding to the purchase of Etinera S.P.A. (currently Logista Italia) in accordance with the provisions of the Spanish Companies Law. (now Logista Italia) in accordance with the applicable tax regulations, and also transfers (see note 5) the deferred tax liability corresponding to this item amounting to 80,055 thousand of Euros.

The transactions have been carried out under the Special Regime for mergers, splits, contributions of assets, exchange of securities and change of registered office of a European Company or a European Cooperative Society from one Member State to another Member State of the European Union.

The Company is the beneficiary of the assets and liabilities received, as well as the contractual position in each one of contracts and/or obligations by acquiring both rights and obligations.

The detail of the assets and liabilities of the Absorbed Company is as follows:

(Thousand of Euros)	**Note**	**1 October 2020**
NON CURRENT ASSETS		
Long-term investments in group and associated companies	**6**	1,558,517
CURRENT ASSETS		
Short-term investments in group companies and associates	**10**	1,887,264
TOTAL ASSETS		**3,445,781**
NON CURRENT LIABILITIES		
Deferred tax liabilities	**8.5**	80,055
Provision for other long-term liabilities	**6**	1,471
CURRENT LIABILITIES		
Short-term liabilities to group and associated companies	**10**	3,330,056
TOTAL LIABILITIES		**3,411,582**

As a result of these operations, a decrease in the value of the investment held in Compañía de Distribución Integral Logista, S.A.U. of 34,199 thousand of euros has been recorded (see Note 6.1).

Demerger - Portugal

On 19 January 2021, the Company approved the project for the partial spin-off of Compañía de Distribución Integral Logista, S.A.U. ("demerged Company"), with the consequent transfer, without being extinguished, of part of the Company's assets and liabilities, which are concentrated in three independent and autonomous economic units, to the Portuguese company CDIL Companhia de Distribuicao Integral Logista Portugal, S.A. ("beneficiary Company"), which will acquire, by universal succession, all the rights and obligations inherent to the part of the assets and liabilities to be split.

The transactions have been carried out under the special regime for mergers, spin-offs, contributions of assets, exchange of securities and change of registered office of a European Company or a European Cooperative Society from one Member State to another Member State of the European Union.

Notwithstanding the above-mentioned deeds of both demerger and merger projects were registered in the Commercial Register on 22 March 2021 and 7 April 2021. The date from which the transactions would take effect for accounting purposes is 1 October 2020, i.e. back to the first day of the financial year in which the transactions are approved.

Both reorganisation operations are aimed at reorganising the Group's companies in order to adapt the legal form and corporate structure of the group to the underlying material reality of the different lines of business that are more efficient after the restructuring so that, on the one hand, Compañía de Distribución Integral Logista Holdings, S.A. is allowed to act as a holding company directly in the other companies by acquiring stakes in the companies previously owned by Compañía de Distribución Integral Logista Holdings, S.A.U., to act as a holding company directly in the other companies by acquiring the shares in the companies previously owned by Compañía de Distribución Integral Logista S.A.U. And, on the other hand, the objective of protecting the businesses developed by the different companies is achieved, guaranteeing their continuity and independence, in particular (i) for the main business developed by the spun-off company, Compañía de Distribución Integral Logista S.A.U., and (ii) for Portugal, with the subsidiarisation of the branch.

6. Financial assets

6.1 Non-current investments in Group companies

The detail of "Non-Current Investments in Group companies and associates" at 30 September 2021 and 2020 is as follows:

2021

	Thousand of Euros				
	30.09.20	Additions by merger (Note 5)	Additions	Disposals	30.09.21
Cost:					
Equity Investments	972,703	1,558,517	19,092	(35,531)	2,514,781
Total cost:	**972,703**	**1,558,517**	**19,092**	**(35,531)**	**2,514,781**
Impairment / Reversals	-	-	(234)	3,314	3,080
Total non-current investments	**972,703**	**1,558,517**	**18,858**	**(32,217)**	**2,517,861**

2020

	Thousand of Euros			
	30.09.19	Additions	Disposals	30.09.2020
Cost:				
Equity Investments	974,689	2,401	(4,387)	972,703
Total cost:	**974,689**	**2,401**	**(4,387)**	**972,703**
Impairment / Reversals	-	-	-	-
Total non-current investments	**974,689**	**2,401**	**(4,387)**	**972,703**

As explained in Note 5, the Company has carried out a business reorganisation in 2021.

On 11 November 2020, the Company constitute the company CDIL Companhia Distribuiçao Integral Logista, S.A. with a share capital of 50 thousand of Euros. The company's corporate purpose is the marketing, purchase and sale, including the import and export, storage and distribution of tobacco and other tobacco-related products, conducting all of its activities in Portugal.

On 14 June 2021 the Company agreed, as Sole Shareholder of its investee Dronas 2002, S.L.U., the distribution of an interim dividend in kind for the financial year 2020-2021 of Dronas 2002, S.L.U. for a total amount of 16,651 thousand euros consisting of the transfer of all the shares held by Dronas 2002, S.L.U. in the companies Logista Pharma, S.A.U. and Logista Pharma Canarias, S.A.U., with a book value of 14,994 thousand euros and 1,657 thousand euros, respectively. The agreed transfer took full effect as from 2 June 2021. This interim dividend in kind has been recorded against equity in accordance with the applicable accounting regulations (see Note 7.8).

During 2021, the Company reversed the impairment of its interest in Logista France Holdings, S.A.S. for an amount 3,314 thousand of Euros. In addition, it has reversed the provision for other liabilities transferred from the simplified demerger and merger transaction (see Note 5) in the amount of 1,471 thousand of Euros.

At 30 September 2021 the Company Directors have concluded that the entities Logista Polska, S.p.A. and Logista Payments, S.L.U. are impaired by 198 thousand of Euros and 36 thousand of Euros, respectively (no impairment at 30 September 2020) (see Note 4.1).

During 2021 the Company has recognised as an increase in the value of its investment in Compañía de Distribución Integral Logista, S.A.U. the amount accrued for long-term incentive plans amounting to 2,391 thousand of Euros (2,401 thousand of Euros in 2020) and as a lower value the settlement of the Third Consolidation Period (2016-2019) plus shares of the remaining blocks of the 2017 Incentive Plan in the amount of 1,333 thousand of Euros (in 2020 the higher value of the investment was 4,387 thousand Euros) (see Note 4.4)

The most significant information relating to the Group company as at 30 September 2021 and 2020, in individual data, is as follows:

2021

Company	Address	Direct % Ownership		Thousand of Euros							
				Data of the Companies					Carrying Value		
		Direct	Indirect	Share Capital	Profit for the Year: Operating Profit	Profit for the Year: Profit	Reserves and Other	Total Equity	Cost	Reversal / (Impairment) in the Year	Acummulated Impariment
Compañía de Distribución Integral Logista S.A.U (*)	Madrid	100	-	26,550	62,547	124,313	68,851	219,714	939,561	-	-
Logista-Dis, S.A.U. (*)	Madrid	100	-	902	4,615	2,139	(180)	3,221	1,203	-	-
Dronas 2002, S.L.U. (*)	Barcelona	100	-	12,562	22,602	25,794	(11,374)	26,982	21,293	-	-
Logesta Gestión de Transporte, S.A.U. (*)	Madrid	100	-	1,000	3,356	3,650	(3,801)	849	4,510	-	-
La Mancha 2000, S.A.U. (*)	Guadalajara	100	-	1,352	214	168	182	1,702	1,352	-	-
Distribuidora del Noroeste, S.L. (*)	Vigo	49	51 (**)	307	64	48	996	1,350	271	-	-
Compañía de Distribución Integral de Publicaciones Logista, S.L.U. (*)	Madrid	100	-	1,100	(275)	(227)	1,556	2,429	-	-	-
Logista Libros, S.L. (*)	Guadalajara	50	-	500	5,700	4,464	4,780	9,743	1,490	-	-
Logista Payments, S.L.U. (*)	Madrid	100	-	200	(46)	(34)	(2)	164	200	(36)	-
Logista Pharma, S.A.U.(*)	Barcelona	100	-	4,368	11,034	8,273	(317)	15,734	14,994	-	-
Logista Pharma Canarias, S.A.U. (*)	Barcelona	100	-	120	1,487	1,133	485	1,738	1,657	-	-
CDIL Companhia de Distribuiçao Integral Logista, S.A.	Portugal	100	-	50	5,076	10,082	28,089	38,221	50	-	-
Logista France Holding, S.A.S. (*)	Tremblay (France)	100	-	11,108	-	-	(131)	10,977	-	3,314	-
Logista France, S.A.S. (*)	Vincennes (France)	100	-	107,250	58,489	47,461	(19,250)	135,461	920,161	-	-
Logista Italia, S.p.A. (*)	Rome (Italy)	100	-	15,164	94,637	78,270	3,057	96,491	605,627	-	-
Logesta Polska, S.p. Z.o.o. (*)	Warsaw (Poland)	49	51(***)	216	184	163	11	390	129	-	-
Logista Polska, Z.o.o (*)	Warsaw (Poland)	100	-	260	826	629	1,196	2,085	2,283	(198)	-
									2,514,781	**3,080**	**-**

(*) Unaudited figures.
(**) Investee through Compañía de Distribución Integral de Logista de Publicaciones Logista, S.L.U.
(***) Investee company through Logesta Gestión de Transporte, S.A.U.

2020

Company	Address	Direct % Ownership		Thousand of Euros							
				Data of the Companies					Carrying Value		
		Direct	Indirect	Share Capital	Profit of he Year: Operating Profit	Profit of he Year: Profit	Reserves and Others	Total Equity	Cost	Reversal / (Impairment) in the Year	Acummulated Impariment
Compañía de Distribución Integral Logista S.A.U (*)	Madrid	100	-	26,550	54,972	258,082	76,162	360,794	972,703	-	-

(*) Audited figures as at 30 September 2020

The market capitalization of the Company as of September 30, 2021 and 2020 amounts to 2,417.4 million euros and 1,938.2 million euros, respectively.

During the years 2021 and 2020, the Company received from its investees 271,825 thousand euros and 385,860 thousand euros in dividends (see Note 9.1).

6.2 Financial risk exposure

The management of the financial risks to which the Company is exposed in the course of its business activities constitutes one of the basic pillars of its activities aimed at preserving the value of its assets and its shareholder's investment.

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

The Company's financial risk management is centralised in Logista Group's Finance Division. This Division has established the mechanisms required to control based on the structure and financial position of the Company and on the economic variables of the business- exposure to interest rate and exchange rate fluctuations and credit and liquidity risk.

a. Credit risk:

   The Company's main financial assets are cash and loans to Group companies. In general, the Group holds its cash and cash equivalents at banks with high credit ratings.

b. Liquidity risk:

   The Company, 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 balance sheet, together with the credit and financing facilities obtained through the cash assignment agreement entered into with Imperial Brands PLC Group. (see Note 9).

c. Market risk (including interest rate, foreign currency and other price risks):

   In relation to its cash and cash equivalents the Company is exposed to interest rate fluctuations that could have an effect on its results and cash flows, although due to the Company's financial structure, management considers that this impact would not be material in any event.

The level of exposure of the equity and income statement to the effects of future changes in prevailing exchange rates is not significant.

The Company does not have any direct or indirect significant investments in foreign entities that operate in currencies other than the euro and does not perform significant transactions in countries with currencies other than the euro.

6.3 Exposure to risk. Covid-19 situation

Identified risks

In the current environment there remains a degree of uncertainty generated by the coronavirus pandemic and the restrictions on mobility and activity that may be put in place by different governments, but to a lesser extent than in previous periods.

Actions taken to mitigate risks

In any case, this risk is mitigated, given that Logista is engaged in the supply and distribution of products to sales networks providing essential services, tobacconists, pharmacies, service stations, kiosks, and is therefore obliged to maintain its activities, in any case, guaranteeing the supply and delivery of these products to retail establishments, and therefore these annual accounts are presented on a going concern basis.

Impacts at present and potential impacts in the future

The governments of Spain, Portugal, France and Italy have adopted measures to limit opening hours, mobility, shop closures and selective confinements, but, in general, these measures have been less drastic than those adopted in the previous year. However, as was the case then, Logista maintained business as usual in most of the businesses which, once again, were considered core activities.

The negative effects on results as a result of COVID-19 were offset by cost-cutting measures and the adoption of certain strategic decisions, which made it possible to translate certain positive trends derived from the situation created by the pandemic in certain sectors into increases in activity.

The positive impacts of the pandemic situation, which were already observed in the previous year, include increased activity in e-commerce distribution, pharmaceutical distribution, the development of services to manufacturers, as well as the improved performance of tobacco volumes distributed in France as a result of the measures to limit mobility, particularly across borders.

The Company estimates that the impact of the pandemic will not be as significant in 2021 as in 2020.

7. Equity

7.1 Share capital

At 30 September 2021 and 2020, the Company's share capital amounted to 26,550 thousand of euros and was represented by 132,750,000 fully subscribed and paid shares of EUR 0.2 per value each, all of which are of the same class.

As indicated in Note 1, the Parent was incorporated on 13 May 2014 with a share capital of 60 thousand of euros, divided into 300,000 shares of EUR 0.2 par value each, all of the same class, which were fully subscribed and paid in cash by the Parent's sole shareholder, Altadis, S.A.U.

On 4 June 2014, Altadis, S.A.U. approved a capital increase of 26,490 thousand of euros at the Parent, which was subscribed by means of a non-monetary contribution through the issue of 132,450,000 new shares of EUR 0.2 par value each, with a total share premium of 942,148 thousand of euros. The shares issued were of the same class as the outstanding shares, and they were fully subscribed and paid by Altadis, S.A.U. by means of the contribution to the Parent of the 44,250,000 registered shares representing the entire share capital of Compañía de Distribución Integral Logista, S.A.U. (which was, until that time, the Parent of the Logista Group). In this connection, it should be noted that the aforementioned non-monetary contribution was subject to the requisite appraisal by an independent expert appointed by the Mercantile Registry, in accordance with the Consolidated Spanish Limited Liability Companies Law and the Mercantile Registry Regulations.

The offering of shares in the 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, 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 holding 10% or more of the share capital of the Company as at 30 September 2021 is Imperial Tobacco Limited with a percentage of 50.01%. In 2020 the only shareholder with a percentage of 10% or more in the share capital of the Company was Altadis, S.A.U. with a percentage of 50.01%. (See Note 1).

At 30 September 2021 all the Company's shares have equal voting and dividend rights.

7.2 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 recognised and does not establish any specific restrictions as to its use.

In 2015 the Company distributed dividends with charge to the share premium of 74,340 thousand of euros.

There has been no movement in this caption at 30 September 2021 and 2020.

7.3 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, unless other reserves are not available for this purpose.

At 30 September 2021, the legal reserve has reached the legally stipulated minimum.

7.4 Interim dividends

On 22 July 2021, the Company's Board of Directors approved the distribution of an interim dividend out of 2021 profit amounting to 54,116 thousand of euros for which payment has already been made on 27 August 2021 (51,569 thousand of euros in 2020) (See Note 3).

7.5 Other reserves

These reserves are freely available. The Company recognized changes occurred in 2021 relate to 2020 not distributed profit to the shareholders amounting 228,913 thousand and the negative effect of the settlement of the First Consolidation Period (2017-2020) in addition to 2017 Incentive Plan amounting 165 thousand.

7.6 Treasury shares

The Company holds 800,623 treasury shares amounting to 14,346 thousand of euros, of which 674,423 shares are earmarked to cover the long-term incentive plan payable in treasury shares for a total amount of 12,284 thousand of euros (522,273 treasury shares amounting to EUR 10,681 thousand as at 30 September 2020).

On 20 January 2021, the Company entered into a liquidity contract with the bank Banco Santander, S.A., the purpose of which is to promote the liquidity and regularity of the Company's share price. This contract is in accordance with the liquidity contract model included in Circular 1/2017 of 26 April of the National Securities Market Commission (CNMV) on liquidity contracts. The total number of shares allocated to the securities account associated with the Liquidity Agreement is 120,000 shares and the term of the agreement is 12 months from that date.

7.7 Other shareholder contribution

This heading also includes the annual allocation for 2021 and 2020 to the Share Plan blocks, amounting to 2,391 thousand euros and 2,401 thousand euros, respectively (see Notes 4.4 and 6.1). In addition, the current year includes an application of Euros 1,333 thousand in respect of the settlement of the first Consolidation Period of the 2017 General Plan and Special Plan (see Notes 4.4 and 6.1). In 2020, an application of €4,387 thousand was recognised in respect of the settlement of the Third Consolidation Period of the General Plan and the 2014 Special Plan.

7.8 Other shareholder contribution

On 14 June 2021 the Company agreed, as Sole Shareholder of its investee Dronas 2002, S.L.U., the distribution of an interim dividend in kind for the financial year 2020-2021 of Dronas 2002, S.L.U. for a total amount of 16,651 thousand euros consisting of the transfer of all the shares held by Dronas 2002, S.L.U. in the companies Logista Pharma, S.A.U. and Logista Pharma Canarias, S.A.U., with a book value of 14,994 thousand euros and 1,657 thousand euros, respectively. The agreed transfer took full effect as from 2 June 2021. This interim dividend in kind has been recorded against equity in accordance with the applicable accounting regulations (see Note 6.1).

7.9 Earnings per share

Basic earnings per share are determined by dividing the Company's net profit (after tax) by the weighted average number of shares outstanding during the year, excluding the average number of treasury shares held.

The calculation of earnings per share is as follows:

	Thousand of Euros	
	2021	2020
Net profit for the year (thousand of euros)	276,645	384,753
Weighted average number of issued shares (thousand of shares) (*)	131,982	132,228
Beneficio por acción (euros)	**2.09**	**2.91**

(*) As at 30 September 2021, the Parent Company of the Group holds 800,623 treasury shares.

At 30 September 2021, taking into account treasury shares that are subject to the long-term incentive plans, the calculation of diluted earnings per share would result in an amount of EUR 2.09 per share (30 September 2020: EUR 2.91 per share).

8. Tax matters

As indicated in Note 4.3, since 18 September 2017 the Company has been head of a consolidated tax group and responsible for its obligations; therefore, the amount receivable of EUR 55.348 thousand in 2021 (2020: EUR 72,969 thousand) arising from the consolidated tax group’s tax return for 2021 is disclosed under “Other Accounts Receivable from Public Authorities” in the balance sheet as at 30 September 2021.

8.1 Current tax receivables and payables

The detail of the current tax receivables at 30 September 2021 and 2020 is as follows:

	Thousand Euros	
	2021	2020
Non-resident income tax withholdings	2,660	2,852
Personal Income Tax withholdings	1,605	1,279
	4,265	**4,131**

8.2 Reconciliation of the accounting profit to the taxable profit

The reconciliation of the accounting profit to the taxable profit for income tax purposes is as follows:

	Thousand Euros	
	2021	2020
Accounting profit before taxes	276,735	384,376
Permanent differences:		
Dividends (Note 9.1)	(271,825)	(385,860)
Non-deductible Expenses	-	60
(Endowment) / Reversal of portfolio of group companies	(4,551)	-
Adjusted taxable profit (fiscal result)	**359**	**(1,424)**
Temporary differences:		
Amortisation of goodwill	(26,947)	-
Adjusted tax base (tax result)	**(26,588)**	**(1.424)**

In 2021 and 2020 the Company applied the treatment provided for in Article 21.1 of the Spanish Income Tax Law in relation to the dividends received from its subsidiary and, therefore, considered them to be exempt from inclusion in the income tax calculation. In addition, the Company recognizes as a permanent difference the recognition and reversal of impairment in its investees (see Note 6.1).

Temporary differences in 2021 correspond to the amortization of the goodwill of the investee company Logista Italia, S.p.A. (See Note 5).

8.3 Reconciliation of accounting profit to the income tax expense

The reconciliation of the accounting profit to the income tax expense is as follows:

	Thousands of Euros	
	2021	2020
Accounting profit for the year before tax	276,735	384,376
Permanent differences	(276,376)	(385,860)
Non-deductible Expenses	-	60
Temporary differences:	(26,947)	-
Amortisation of goodwill	(26,947)	-
Adjusted taxable loss	**(26,588)**	**(1,424)**
Tax charge (25% of taxable loss)	(6,647)	(356)
Deductions	-	(21)
Corporate tax adjustment (Note 8.5)	6,737	-
Income tax profit	**90**	**(377)**

8.4 Breakdown of income tax profit

The reconciliation of the accounting profit to the income tax expense is as follows:

	Thousand of Euros	
	2021	2020
Current tax	(6,647)	(377)
Deferred tax (Note 8.5)	6,737	-
Income tax profit	**(90)**	**(377)**

8.5 Changes in deferred tax liabilities

Movements in deferred taxes in 2021 are as follows. At 30 September 2020 there were no movements in deferred taxes.

2021

	Thousand of Euros				
	30.09.20	Additions by merger	Additions	Disposals	30.09.21
Deferred tax liabilities	-	80,055	6,736	-	86,791
	-	**80,055**	**6,736**	**-**	**86,791**

As a result of the transaction described in Note 5, the Company in the simplified takeover merger process reflects in its balance sheet an amount of 80,055 thousand Euros corresponding to the potential obligation to pay the deferred tax generated in the purchase of Logista Italia, S.p.A. in respect of the amortisation of up to 100% of the goodwill of Logista Italia, S.p.A.

On 30 March 2012, Royal Decree-Law 12/2012 came into force in Spain, introducing various tax and administrative measures aimed at reducing the public deficit, which limited the tax deduction of this goodwill to a maximum of 1% annually. From 2017 onwards, the tax deduction is again applied at a maximum of 5% per year.

8.6 Tax credit carryforwards

At 30 September 2021, the Company does not have any tax credit carryforwards (2020: 226 thousand of euros).

8.7 Years open for review and tax audits

Under current legislation, taxes cannot be considered definitively settled until the returns filed have been inspected by the tax authorities or the four-year statute of limitations period has elapsed. The Company has the last four years open for inspection for all applicable taxes. In addition, at 30 September 2020, the tax authorities were reviewing 2013, 2014, 2015 and 2016 for corporate income tax and 2014, 2015 and 2016 for withholding tax, and the aforementioned audits had been completed at year-end 2021 without any adjustments.

The Company's directors consider that the settlements of the aforementioned taxes have been properly made and, therefore, even if discrepancies arise in the interpretation of the tax regulations applicable to the transactions during the year open to inspection, any resulting liabilities, should they materialise, would not have a material effect on these financial statements.

9. Income and expenses

9.1 Income from investments in equity instruments

In 2021 and 2020, the Company received 271,825 thousand Euros and 385,860 thousand Euros in dividends from its investees (see Note 6.1).

	Thousand Euros	
	2021	2020
Compañía de Distribución Integral Logista S.A.U.	203,638	385,860
Logista-Dis, S.A.U. (*)	5,435	-
Dronas 2002, S.L.U. (*)	7,600	-
Logesta Gestión de Transporte, S.A.U. (*)	4,444	-
La Mancha 2000, S.A.U. (*)	268	-
Logista Libros, S.L. (*)	1,240	-
Logista Pharma, S.A.U. (*)	1,800	-
Logista Pharma Canarias, S.A.U. (*)	289	-
Logista France, S.A.S. (*)	29,975	-
Logista Italia, S.p.A. (*)	16,605	-
Logesta Polska, S.p.A. (*)	44	-
Logista Polska, S.p.A. (*)	488	-
TOTAL	**271,825**	**385,860**

(*) Entities in which the Company has a stake following the merger and partial spin-off approved on 18 December 2020 (See Note 5).

9.2 Staff costs

The balance of "Staff Costs" in the income statement for 2021 and 2020, amounting to 1,052 thousand Euros and 1,038 thousand Euros, respectively, includes the expenses incurred directly by the Company in respect of remuneration of the Board of Directors. At 30 September 2021 and 2020, the Company did not have any employees.

Remuneration of Senior Executives

The senior executive functions are discharged by members of the Management Committee, which consists of 9 members at 30 September 2021 (9 members in 2020).

The functions of Senior Executives are discharged by the members of the Logista Group's Management Committee. The remuneration accrued in 2021 by the members of the Logista Group's Management Committee (excluding the executive directors), which is recognised in the financial statements of Compañía de Distribución Integral Logista, S.A.U., amounted to 4,114 thousand euros (30 September 2020: 5,417 thousand euros).

The period contributions to the savings schemes for members of the aforementioned Management Committee for 2021 and 2020 amounted to 299 thousand euros 285 thousand euros, respectively.

9.3 Audit fees

In 2021 and 2020 the fees for individual and consolidated financial audit services provided by the auditor of the Company's financial statements, or by companies related to the auditor as a result of a relationship of control, common ownership or common management, were as follows:

	Thousand Euros	
	2021	2020
	EY	EY
Total audit and related services		
Audit services	10	10
Other attest services	35	35
Total audit and related professional services	**45**	**45**
Other services	**-**	**-**
Total professional services	**45**	**45**

From 30 September 2021 until the date of preparation of the individual financial statements for the financial year 2021, the fees invoiced for non-audit services provided by the company's auditor, Ernst & Young, S.L., amounted to 35 thousand Euros (in the financial year 2020 by Ernst & Young, S.L. amounted to 31.5 thousand Euros).

10. Balances and transactions with related parties

10.1 Balances with related parties

Balances at 30 September 2021 and 2020 with Group, associated and related companies are as follows:

2021

	Thousand Euros		
	Current Financial Receivable (Note 10.1)	Accounts Receivable Fiscal Consolidated (Note 10.1 y Note.7)	Current Financial Payables (Note10.1)
Parent Company:			
Imperial Tobacco Limited	-	-	-
Companies with control over the Company:			
Imperial Brands Finance PLC (Note10.1)	1,887,264	-	-
Investees of the Company			
Compañía de Distribución Integral Logista S.A.U.	322,484	37,328	581,399
Logista France, S.A.S. (*)			1,657,736
Logista Italia, S.p.A. (*)	-	-	1,099,444
	2,209,748	**37,328**	**3,338,579**

(*) See Note 5 for an explanation of the simplified merger operation.

2020

	Thousand Euros		
	Current Financial Receivable (Note 10.1)	Accounts Receivable Fiscal Consolidated (Note 10.1 y Nota.7)	Current Financial Payables (Note 10.1)
Parent Company:			
Imperial Tobacco Limited	-	-	-
Companies with control over the Company:			
Investee of the Company			
Compañía de Distribución Integral Logista S.A.U.	197,092	21,725	-
	197,092	**21,725**	**-**

(**) On 20 July 2021 the Company changed its majority shareholder (See Note 1).

Balances and transactions with Imperial Brands

As of 12 June 2014, Imperial Tobacco Enterprise Finance Limited, Compañía de Distribución Integral Logista Holdings, S.A., Compañía de Distribución Integral Logista, S.A.U., Logista Italia, S.p.A. and Logista France, S.A.S., entered into a new 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 group companies 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.

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).

On September 1, 2020, an addendum to the credit line agreement was signed in which the maximum drawdown 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 at 30 September 2021, the maximum drawdown limit is 2.6 billion of euros.

The daily balance of this internal current account earns interest at the European Central Bank interest rate, plus a spread of 0.75%. Interest is calculated daily on a 360-day basis and is added to the nominal value of the debt quarterly.

Under the aforementioned agreement, the Company has committed not to incur in any financial liabilities with third parties not to pledge any of its assets but under qualified approval by the Board of Directors.

As a consequence of the common project for the partial spin-off of Compañía de Distribución Integral Logista, S.A.U. ("Divided Company") in favor of the company Logista Investments, S.L.U ("Beneficiary Company or Absorbed Company") and simultaneous simplified merger between Compañía de Distribución Integral Logista Holdings, S.A. (Absorbing Company) and the Absorbed Company, approved by the members of the Board of Directors of the Absorbing Company and by the Sole Shareholder of the Absorbed Company, approved on December 18, 2020, the Company has absorbed the fee receivable associated with the Credit line maintained with Imperial Brands Finance PLC for the amount of 1,887,264 thousand euros. As of September 30, 2021, the amount of the account receivable amounts to 1,887,264 thousand euros.

Balances and transactions with Compañía de Distribución Integral Logista, S.A.U.

On 18 June 2014, Compañía de Distribución Integral Logista, S.A.U. and the Company entered into a credit line and cash pooling agreement, the amount and maturity of which were amended in addenda to the agreement. The drawable limit is 115 million euros, and the maturity date is 30 September 2021. At the date of preparation of these financial statements, the parties had agreed to extend this agreement for an additional year. At 30 September 2021 the company had no amount drawn down against this credit facility and had lent 322,484 thousand euros (at 30 September 2020 the company had no amount drawn down against this credit facility and had lent 197,092 thousand euros).

The average daily balance held under the aforementioned agreement has a cost equal to the European Central Bank rate plus a spread of 2.2% (with a 2.2% minimum) for credit drawdowns and earns interest at the same benchmark rate plus a spread of 0.75% for surplus cash loans. In 2021, the interest expense incurred as a result of the aforementioned agreement amounted to 0 euros (2020: 131 thousand euros) and 1,485 thousand euros of interest income (2020: 178 thousand euros).

With effect from 3 March 2021, the Company formalised Compañía de Distribución Integral Logista, S.A.U. in which it confers and entrusts Compañía de Distribución Integral Logista, S.A.U. with the provision of financial services, understood as such the financial services of treasury management, loans, financial guarantees or any other financial service that the Company may require from Compañía de Distribución Integral Logista, S.A.U. During the 2021 financial year, treasury management consisted of;

- Re-invoicing of the financial income accrued on the account receivable from Imperial Brands Finance PLC in the amount of 1,887,264 thousand euros, the accrual of interest on which has been managed through Compañía de Distribución Integral Logista, S.A.U. and,

- Accrual of cashpooling debit positions with Compañía de Distribución Integral Logista, S.A.U. that have taken place during 2021.

This cash management has a net impact on the income statement in 2021 of 8.098 thousand euros of financial income (see note 10.2).

At 30 September 2021 the Company has a financial account payable amounting to 581,399 thousand euros (0 thousand euros in 2020).

Also, the Company is head of, and responsible for the obligations of, the consolidated income tax group. Consequently, the Company recognised an account payable to Compañía de Distribución Integral Logista, S.A.U. of 37,328 thousand euros under "Debts with Group Companies and Associates" (2020: 21,725 thousand euros) (see Note 7).

Balances and transactions with Logista Italia, S.p.A.

As a result of the joint plan for the partial spin-off of Compañía de Distribución Integral Logista, S.A.U. ("Demerged Company") in favour of Logista Investments, S.L.U. ("Beneficiary Company or Absorbed Company") and the simultaneous simplified merger between Compañía de Distribución Integral Logista Holdings, S.A. (Absorbing Company) and the Absorbed Company, explained in Note 5. (the absorbing company) and the absorbed company, as explained in Note 5, the Company has included in its balance sheet a financial debt with Logista Italia, S.p.A. amounting to 2,773,060 thousand euros at the date of the transaction. At 30 September 2021, this financial debt amounts to Euros 1,099,444 thousand euros, accruing a financial expense of 4,649 thousand euros in the income statement.

The aforementioned financial relations contract is remunerated at the interest rate of the European Central Bank plus a spread of 0.75%.

Balances and transactions with Logista France, S.A.S.

As a result of the joint project for the partial spin-off of Compañía de Distribución Integral Logista, S.A.U. ("Demerged Company") in favour of Logista Investments, S.L.U. ("Beneficiary Company or Absorbed Company") and the simultaneous simplified merger between Compañía de Distribución Integral Logista Holdings, S.A. (Absorbing Company) and the Absorbed Company, explained in Note 5. (the absorbing company) and the absorbed company, as explained in Note 5, the Company has included in its balance sheet a financial debt with Logista France, S.A.S. amounting to 557 thousand euros at the date of the transaction. At 30 September 2021, this financial debt amounts to 1,657,736 thousand euros, accruing a financial expense of 6,843 thousand euros in the income statement.

The aforementioned financial relations contract is remunerated at the interest rate of the European Central Bank plus a spread of 0.75%.

10.2 Related party transactions

Details of the Company's transactions during the year with Group companies, associates, its majority shareholder and related parties are as follows:

2021

	Thousand of Euros		
	Dividends (Note 9.1)	Financial Income (Note10.1)	Financial Expenses (Note10.1)
Parent Company:			
Imperial Tobacco Limited	-	-	-
Companies with control over the Company:			
Imperial Brands Finance PLC	-	-	-
Investees of the Company			
Compañía de Distribución Integral Logista S.A.U.	203,638	9,583	-
Logista-Dis, S.A.U. (*)	5,435	-	-
Dronas 2002, S.L.U. (*)	7,600	-	-
Logesta Gestión de Transporte, S.A.U. (*)	4,444	-	-
La Mancha 2000, S.A.U. (*)	268	-	-
Logista Libros, S.L. (*)	1,240	-	-
Logista Pharma, S.A.U. (*)	1,800	-	-
Logista Pharma Canarias, S.A.U. (*)	289	-	-
Logista France, S.A.S. (*)	29,975	-	6,843
Logista Italia, S.p.A. (*)	16,605	-	4,649
Logesta Polska, S.p.A. (*)	44	-	-
Logista Polska, S.p.A. (*)	488	-	-
	271,825	**9,583**	**11,492**

(*)See Note 5 for an explanation of the simplified merger operation.

2020

	Thousand of Euros		
	Dividends (Note 9.1)	Financial Income (Note10.1)	Financial Expenses (Note10.1)
Parent Company:			
Altadis, S.A.U. (**)	-	-	-
Companies with control over the Company:			
Imperial Brands Finance PLC	-	-	-
Investee of the Company			
Compañía de Distribución Integral Logista, S.A.U.	385,860	178	131
	385,860	**178**	**131**

(**) On 17 July 2021 the Company changed its majority shareholder (See Note 1).

During the financial years 2021 and 2020 the Company has received dividends from its investees as described in Note 9.1.

Financial income and expenses mainly correspond to interest accrued on short-term loans granted to these companies (see Note 10.1).

10.3 Remuneration o Board Directors

In 2021 and 2020 the remuneration accrued by the members of the Board of Directors by reason of their membership of the Board of Directors or of any of its delegated committees for all items, included under the heading Personnel expenses in the accompanying income statement, together with the remuneration accrued through Compañía de Distribución Integral Logista, S.A.U. by the members of the Board who are also executives, amounts to 4,447 thousand euros and 7,205 thousand euros, respectively.

Contributions to savings schemes for executive directors in 2021 and 2020 amounted to 279 thousand euros and 385 thousand euros, respectively.

The amount of the life insurance premium for executive directors amounted to EUR 16 thousand in 2021 and EUR 6 thousand in 2020 in each year, respectively.

The Company has long-term incentive plans for executive directors, the cost and characteristics of which are detailed in Note 4.4.

The Directors' civil liability bonus amounts to 139 thousand euros and 66 thousand euros in 2021 and 2020, respectively.

In addition, in 2021 and 2020 the Company has not entered into any transactions with the members of the Board of Directors outside the ordinary course of business or transactions under conditions other than normal market conditions.

The members of the Board of Directors are 7 men and 5 women.

10.4 Information on conflicts of interests on the part of Directors

As per art.229 of the Law on Corporations, no Director has informed any situation of direct nor indirect conflict of interests with the Company.

11. Guarantee commitments to third parties and other contingent liabilities

The Company does not have guarantee commitments to third parties nor other contingent liabilities identified at 30 September 2021 and 2020.

12. 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	
	2021	2020
Average period of payment to suppliers	25	27
Ratio of transactions settled	25	27
Ratio of transactions not yet settled	23	10

	Thousands of Euros	
	2021	2020
Total payments made	441	590
Total payments outstanding	-	1

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.

The figures shown in the foregoing table relate to suppliers of goods and services and, therefore, they include the figures relating to "Payable to Suppliers" and "Sundry Accounts Payable" under current liabilities in the balance sheet.

The maximum payment period applicable to the Company in 2021 under Law 11/2013, of 26 July, on combating late payment in commercial transactions, was 30 days unless the parties have entered into an agreement for a maximum period of 60 days.

13. Information on the environment

In matters concerning the environment, the Company complies strictly with all the requirements of applicable legislation and also looks for the best ways of reducing its environmental impact (waste reduction awareness campaigns and improvement of waste management; policies aimed at reducing atmospheric emissions and the use of water, electricity and paper; reduction of the use of containers and packaging by improving manufacturing processes, etc.). During the year ended at 30 September 2021 and 2020 the Company has not incurred in any expenses or performed any investment to protect and improve the environment.

14. Events after the reporting period

No significant events have occurred subsequent since the end of the year ended 30 September 2021.

15. Explanation added for translation to English

These financial statements are presented on the basis of the regulatory financial reporting framework applicable to the Company (see Note 2.1). Certain accounting practices applied by the Company that conform to that regulatory framework may not conform with other generally accepted accounting principles and rules. In the event of discrepancy, the Spanish-language version prevail.

1. EVOLUTION AND POSITION OF THE COMPANY IN 2021

Due to its Holding Company condition, the Company has not operations and carries out its activity through its operating company, Compañía de Distribución Integral Logista, S.A.U. and rest of the Group's companies.

Logista provides high value-added logistics services, specialising in distribution to local retailers in southern Europe, serving around 200,000 points of sale within capillary retail networks in Spain, France, Italy and Portugal, providing the best and fastest access to the market of tobacco and convenience products, electronic top-ups, pharmaceuticals, books, publications and lotteries. Logista, also, distributes tobacco products to wholesalers in Poland.

The Logista's share price was 18.21 euros at closing of fiscal year 2021 (September 30, 2021). Therefore, the Logista's market capitalization amounted 2.417,4 million euros at closing of fiscal year 2021.

During the fiscal year 2021, revenues were 281,408 thousand euros. The Company's revenues come from the distribution of dividends paid by Group's companies.

The Company paid a FY2020 final dividend amounted 104.3 million euros on February 26, 2021, and paid a 2021 interim dividend for 54.1 million euros on August 27, 2021.

Besides the own shares acquired in accordance with the liquidity agreement signed with Banco Santander S.A. on January 20, 2021, the Company acquired 342,606 own shares during the fiscal year 2021, mainly to cover undertakings to award shares in the future, under the directors' long-term remuneration schemes of the Group of which the Company is the head. These shares were acquired in the following dates:

Date	Number of shares	Average price
30/09/2021	6,335	18.23
29/09/2021	6,335	18.11
28/09/2021	6,335	18.16
27/09/2021	6,335	18.35
24/09/2021	6,335	18.38
23/09/2021	6,335	18.59
26/10/2020	18,500	14.12
23/10/2020	18,500	14.16
22/10/2020	18,162	14.16
21/10/2020	17,739	14.12
20/10/2020	17,362	14.20
19/10/2020	16,874	14.23
16/10/2020	16,501	14.26
15/10/2020	16,311	14.21
14/10/2020	16,660	14.37

13/10/2020	16,301	14.38
12/10/2020	17,000	14.44
09/10/2020	16,313	14.46
08/10/2020	16,041	14.48
07/10/2020	16,064	14.43
06/10/2020	16,262	14.58
05/10/2020	16,656	14.54
02/10/2020	16,637	14.48
01/10/2020	16,713	14.63

1.1 Research and Development activities

The Company did not make any investments in research and development activities in the fiscal year 2021.

1.2 Treasury shares

At 30 September 2021, the Company holds 800,623 own shares.

1.3 Outlook for the Company

As the Company is a holding company, the Company's outlook is linked to the performance of the companies that form the Group.

2. RISK EXPOSURE

The system of corporate Risk Management of the Company is included in the Group's General Policy on Risk Management, approved on July 21, 2020, and modified on September 22, 2021 intended 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 are defined in this Policy, in the financial risks are included the fiscal and credit risks deriving from operations of the Company.

Likewise, Fiscal strategy described at Fiscal Policy of Logista Group, of which the Company is the head, states, as part of its key objectives the following:

- To minimize the fiscal risks associated with the operations and strategic decisions of each company, 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.

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 Company, considering its nature as entity of public interest due to its shares are trading in the Stock Market, and being the holding company of the Logista Group, presents as main risk the risk derived from a possible incompliance of the regulatory framework to which it is subject. However, the Company presents a low tolerance respect this risk and has established policies, procedures and controls that allow to identify, prevent and mitigate this risk, as well as to comply with the obligations imposed by the various legislations applicable to it.

On the other hand, from a financial perspective, the main financial risks that the Company faces can be summarized in:

The Company's main financial assets are cash and cash equivalents and credits to Group's companies that represent the Company's maximum exposure to credit risk. In general, the Company deposits its cash and cash equivalents in entities holding a high credit rating. Likewise, the Company presents an exposure to credit risk with Imperial Brands by virtue of the subscribed treasury agreements.

The Company estimates that at September 30, 2021 the level of exposure to credit risk of its financial assets is not significant.

To ensure the liquidity and be able to pay all its payments commitments derived from its usual activities, the Company maintains enough cash and cash equivalents, as well as, credit lines through the subscribed treasury agreements, ultimately, with Imperial Brands Finance PLC, entity belonging to the Imperial Brands Group, PLC Group.

Respect the exposure to interest rate risk, considering the no-financial debt of the Company, the Management considers the impact from a potential increase in interest rates which could have in the attached annual accounts is not significant.

Also, the level of exposure to the net equity and the P&L account in terms of future changes in the current exchange rates is not relevant.

From a fiscal point of view, the main risk that the Company faces is derived from the possibility of modifications in the tax regulations, than might impact directly in the results and cash management of the Company.

With regard to Brexit, there is no longer any risk associated with the United Kingdom's exit from the European Union, which has not affected Logista, given it does not trade with or move goods to or from the UK, and the fact that Logista does not have any funding from its shareholder in either euros or sterling, and is therefore not affected by fluctuations in interest or exchange rates.

Risk from the pandemic due to COVID-19

Due to the nature of the Company, without commercial activity, at the individual level it is not impacted by the risk of the COVID-19 pandemic. Although, given that it is the head of the Group, it could be indirectly affected by the evolution of the activity of said Group.

New waves of the pandemic have been recorded throughout the financial year, reaching their peak in the second quarter. This contrasts with the previous year when the pandemic started practically at the end of the second quarter.

As a result, the situation during the first six months of this financial year cannot be compared to the same period last year since the pandemic did not affect business in the countries in which Logista operates during the first quarter and almost the entire second quarter. From the second half of the year however, when comparing business in the context of COVID-19 for both financial years, the overall economic situation this year has been more positive than in 2020.

Any negative impact that COVID-19 may have had on results this year has been offset by cost-cutting measures and by taking a number of strategic decisions which have ensured that positive trends in some sectors resulting from the pandemic have been converted into business growth. As a result, the economic/financial impact of COVID in the annual accounts of the Group of which the Company is the head, is estimated to be immaterial contrasting with the 14 million euros net negative impact estimated last year.

3. USE OF FINANCIAL INSTRUMENTS

The Company does not perform transactions with financial instruments that might affect the correct measurement of the assets or liabilities recognised in the balance sheet.

4. SIGNIFICANT EVENTS FOR THE COMPANY AFTER THE REPORTING PERIOD

No events significantly affecting the accompanying financial statements took place after the end of the fiscal year 2021.

5. ANNUAL REMUNERATION REPORT

The annual remuneration report is presented in Annex 1 and is an integral part of the management report.

6. ANNUAL REPORT ON CORPORATE GOVERNANCE

It is included as a separated section of the Directors Report.

Annex I – ANNUAL REPORT ON DIRECTORS REMUNERATION OF LISTED COMPANIES

ANNEX I TEMPLATE

ANNUAL REPORT ON DIRECTORS REMUNERATION OF LISTED COMPANIES

ISSUER IDENTIFICATION DETAILS

YEAR END-DATE **30/09/2021**

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)

A REMUNERATION POLICY OF THE COMPANY FOR THE CURRENT FINANCIAL YEAR

A.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:

- Description of the procedures and company bodies involved in determining and approving the remuneration policy and its terms and conditions.
- Indicate and, where applicable, explain whether comparable companies have been taken into account in order to establish the company's remuneration policy.
- Information on whether any external advisors took part in this process and, if so, their identity.

The General Shareholders' Meeting of Compañía de Distribución Integral Logista Holdings, S.A. (hereinafter, "the Company"), held on 4 March 2021, approved a Remuneration Policy 2021-2023 (the "Remuneration Policy 2021-2023" or "the Policy"). It should be noted that, in accordance with the provisions of Transitional Provision 1 of Law 5/2021, of 12 April, which amends the Consolidated Text of the Capital Companies Act, the Board plans to submit a new remuneration policy adapted to the requirements of the new wording of article 529 novodecies of the Capital Companies Act, a policy that the Company has begun to work on for approval by the General Shareholders' Meeting to be probably held in February 2022.

Therefore, this Report refers to the Remuneration Policy 2021-2023, which is the policy in force at the time of approval of this Report. This Policy introduced certain changes to the remuneration policy previously in force, maintaining its structure in general terms, but seeking to simplify it.

It should also be noted that the 2021 General Shareholders' Meeting approved an amendment to the Bylaws, which eliminates the possibility of non-executive directors receiving remuneration in Company shares, and established the possibility of implementing mechanisms to facilitate the removal of executive directors, in line with those established for the Company's senior executives.

Thus, the Remuneration Policy 2021-2023:

- distinguishes between remuneration received for the exercise of non-executive functions and remuneration received for the exercise of executive functions.

- With regard to non-executive functions, directors in their capacity as such receive a fixed remuneration and attendance fees, and the possibility of receiving remuneration in shares has been eliminated in the Bylaws, in accordance with best corporate governance practices.

- Remuneration for the performance of executive duties comprises (i) fixed remuneration, (ii) short-term (annual) variable remuneration in cash, and (iii) long-term (multi-year) variable remuneration in shares, with the structure of the previous incentive plans having been simplified and a single plan implemented, maintaining the three-year vesting periods. The executive Directors also benefit from a supplementary social welfare system, linked to retirement and other contingencies, and other remuneration in kind, in line with that received by the Group's management team. In any case, it should be noted that executive Directors also receive the remuneration that corresponds to their membership of the Board of Directors and the performance of non-executive duties.

In establishing this Policy, the Board has taken into consideration international governance criteria on remuneration: (i) clarity; (ii) simplicity; and (iii) risks management.

- Clarity: The Company is committed with transparency and communication with all stakeholders, including shareholders, employees and analysts.

- Simplicity: A simple remuneration framework has been chosen, comprising fixed and variable remuneration elements and simplifying the structure of the long-term variable remuneration. This provides a clear vision for both the Company's executive directors and shareholders about the main goals of the entity.

- Risks Management: The remuneration structure is aligned with the Company's risk management, and includes clawback and malus clauses.

The Remuneration Policy 2021-2023 was examined and reported on by the Appointments and Remuneration Committee at its meeting of 18 December 2020, before the Board agreed on its proposal to the General Shareholders' Meeting held in February 2021, where it was finally approved. The Company was assisted in the preparation of such Policy, from a legal perspective, by Gómez Acebo y Pombo Abogados. With regard to the aspects of remuneration analysis and mix, and its comparison with other companies, the Company was advised by Willis Tower Watson, which has advised the Company, taking into account the main market references.

In addition, the remuneration for executive and non-executive functions for the 2021-2022 financial year was approved at the meeting of the Board of Directors of the Company on 4 November 2021, following 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 following year.

- 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 vesting 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.

Only executive directors receive variable remuneration.

The remuneration system for executive Directors established in the Remuneration Policy 2021-2023 has the following characteristics:

- Remuneration is assigned for the performance of executive functions.

- It presents a balanced and efficient relationship between fixed and variable components.

- The variable remuneration has a short-term and long-term component, and is designed to boost the performance of the Directors in strategic and sustainability terms. The long-term, multi-year variable remuneration is structured around a mechanism for the delivery of shares in the Company itself on a deferred basis over time.

- The remuneration system is compatible with appropriate and effective risk management and with the Company's business strategy, values and long-term interests, and is aimed at promoting the long-term profitability and sustainability of the Company.

- It takes into account market trends and good governance principles and recommendations, with the aim of being effective in attracting and retaining the best professionals.

The Policy is, therefore, oriented towards the generation of value in the Group, seeking alignment with the interests of shareholders, with prudent risk management and in compliance with current regulations on the remuneration of Directors of listed companies.

With regard to the balanced relationship between fixed and variable components, these components have been fixed considering the different executive functions that both directors perform in the Company. That is why the remuneration mix for Executive Directors (fixed remuneration as Director, salary, short- and long-term variable remuneration), in a scenario of standard compliance with objectives, for the Chief Executive Officer approximately 20% of total remuneration is fixed and 80% is variable.

For the Secretary Director, the distribution would be 48% fixed remuneration and 62% variable remuneration.

Likewise, the determination of the variable remuneration objectives for executive Directors has been designed in an attempt to maintain an appropriate balance not only in terms of time (distinguishing between short and long-term variable remuneration) but also from the perspective of the design of the objectives of each of the two types of variable remuneration (annual and multi-year), as explained below. These objectives are identical to those applied to senior management.

Annual variable remuneration is based on short-term operational, economic or financial objectives. However, long-term variable remuneration, which consists of a mechanism for the delivery of shares in the Company, also addresses objectives linked to the creation of shareholder value (comparative share performance) and environmental sustainability, thus specifically considering a long-term approach and linked to the creation of value in the Company.

In any case, it should be noted that the degree of compliance with the operating objectives is determined by the Board of Directors after the Company's annual accounts have been audited, which makes it possible to take into account, where appropriate, any qualifications that may be made to reduce the amount of variable remuneration. Likewise, the sustainability objectives have been linked to compliance with certain environmental sustainability objectives (reduction of quantified CO_2 emissions, inclusion or maintenance of presence in environmental sustainability indexes).

The reduction of exposure to risk has been structured around (i) the establishment of a 3-year remuneration horizon for executive Directors, (ii) the obligation to hold shares and (iii) contractual claw back and malus clauses, in line with that established for the Company's senior management.

With regard to the time horizon, long-term variable remuneration is specifically designed to ensure that the evaluation process considers long-term results, taking into account the underlying economic cycle of the Group. This remuneration, which consists of the delivery of shares, is articulated through share delivery plans that overlap over time. The duration of each of the vesting cycles is 3 years, so that the shares corresponding to Executive Directors are only delivered 3 years after the launch of the corresponding cycle, and once the Board of Directors has determined the objectives achievement degree for each vesting cycle.

Likewise, as an element to minimise exposure to the risk of long-term variable remuneration, the obligation of executive Directors to maintain a package of shares of those delivered in application of the long-term incentives equivalent to 2 years of annual fixed remuneration is foreseen.

Lastly, the contracts of executive Directors have "malus" clauses to cancel the payment of long-term variable remuneration, as well as "clawback" clauses in the terms explained below.

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

The remuneration of the directors in their capacity as such consists of a fixed annual allowance and per diems for attending the corresponding meetings. The Board of Directors held on 4 November 2021, at the proposal of the Appointments and Remuneration Committee, agreed to keep unchanged the Directors remuneration in their capacity as such, in a moderation exercise. This way, the resulting remuneration is as follows:

a) Remuneration, in cash, fixed monthly, in line with market standards, based on the positions held on the Board and its Committees, in accordance with the following detail:

   i) The fixed monthly remuneration of the Chair of the Board, in such capacity amounts to €30,600.

   ii) The fixed monthly remuneration of the Directors as members of the Board of Directors amounts to €5,100.

   iii) The fixed monthly remuneration of the Chair of the Appointments and Remuneration Committee, in such capacity, is €1,700.

   iv) The fixed monthly remuneration of the Chair of the Audit and Control Committee, in his/her capacity of such, is €1,700.

b) Per diem for attendance at meetings:

   i) From the Board of Directors: €2,805 per meeting.

   ii) From the Appointments and Remuneration Committee: €1,020 per meeting.

   iii) From the Audit and Control Committee: €1,632 per meeting.

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

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

The remuneration for the Chairs (of the Board and of the Committees) is additional to the remuneration as Directors.

The fixed remuneration during the current financial year will therefore amount to 836,400 euros. The remuneration accrued as per diems will depend on the number of meetings of the different bodies of the Board that are finally held.

At the time of determining the amounts of these remunerations, the Board has taken into consideration, besides the specific circumstances of the Company, and the need to attract and retain talent, the information contained in the 2020 CNMV Report on remuneration of listed companies' directors.

- Amount and nature of fixed components that are due to be accrued during the year for the performance of senior management functions of executive Directors.

To facilitate the monitoring of this report, it should be noted that the fixed remuneration of executive directors is established by calendar year (from 1 January to 31 December), while the variable remuneration of executive directors is accrued at the close of the Company's fiscal year (30 September), taking into account the fixed remuneration applicable at that time.

The CEO's fixed remuneration has been set on the basis of the remuneration agreed at the time of his incorporation to the Company in 2019. To determine such amount, the report of Willis Towers Watson was used, which advised the Company in relation to its ability to attract talent, professional experience of the candidate and alignment with the market. Since then, in a containment exercise, there have been very moderate increases, aligned with those applied to the remaining management staff of the Group.

With regard to the Secretary Director, her fixed remuneration was determined at the time of her incorporation to the Company in January 2020, taking into account the Remuneration Policy of Senior Management and the salary band of the Group's senior managers. In this sense, it should be noted that in the incorporation of senior managers, the Company works on the design of an attractive remuneration package, which adequately remunerates their experience and capabilities, but allowing growth within these salary bands. Once this initial fixed remuneration was determined, in the closed year a very moderate increase was applied, in line with that of the general update applied to senior management remuneration, without rising in the salary scale.

The Executive Directors shall receive a fixed remuneration, paid in cash, for the performance of their executive duties in the Company. This remuneration was set at the following amounts for the year 2022 (1 January to 31 December):

- Mr. Iñigo Meirás Amusco (Chief Executive Officer): 828,240 euros
- Ms. María Echenique Moscoso del Prado (Secretary Director): 238,119 euros

These amounts were fixed at the Board of Directors' meeting of 4 November 2021 and correspond to a 2% increase versus previous salaries.

In order to determine such increase, the Board considered the data contained in specific reports of independent external advisors (Willis Towers Watson's Salary Budget Planning Report for 3Q 2021). The average increase estimation for Spanish Companies according to such report amounts to c. 2,4%. The Board has taken a prudent approach, and even considering the existing uncertainties with regards to inflation rates, it has decided on the above mentioned increase.

- 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 the executive directors have a remuneration package in kind similar to that of the Company's management team. In particular, executive directors are beneficiaries of life insurance, with an annual premium of 5,152 euros. This package also includes medical assistance insurance and a company car.

The Company has taken out and pays the global premium corresponding to a Directors' and Executives' civil liability insurance policy that covers all Directors, both executive and non-executive. In this policy, the Directors are considered as insured parties for the liabilities that may be demanded of them as a result of the performance of the activities inherent to their functions. In particular, both the contracts of the Chief Executive Officer and the Secretary Director require the Company to take out a civil liability insurance policy. As the civil liability insurance has been taken out globally, it is not possible to calculate the part of the insurance attributable to the Directors as remuneration in kind, but in any case, its individual amount is not significant.

– 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 vesting 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.

Variable remuneration metrics are a set of financial and non-financial criteria aligned with key short- and long-term objectives. The financial metrics are based on relevant indicators of the Company's performance and shareholder return, the latter aspect being considered for the purposes of long-term remuneration. Non-financial metrics are a complement aimed at ensuring the Company’s sustainability and its commitment with key stakeholders, including employees, suppliers and customers.

As indicated above, only executive directors shall receive variable remuneration, in accordance with the following parameters:

i) Short-Term Variable Remuneration (Annual)

The compliance objectives and their weighting for the Chief Executive Officer are as follows:

- Business Objectives: 60% Adjusted EBIT and 15% WC

- Personal Contribution: 25%

The compliance objectives and their weighting for the Secretary Director are as follows:

- Business Objectives: 40% Adjusted EBIT and 10% WC

- Personal Contribution: 50%

Section 3.2.1 of the Remuneration Policy 2021-2023 establishes that the short-term variable remuneration of executive directors may be based on up to 150% of their fixed remuneration, which will be multiplied by the degree of achievement of objectives in the year, with a maximum degree of achievement of up to 120%, although lower percentages may be established depending on the functions performed by the executive directors.

The following criteria, among others, have been used to establish this limit: (i) motivate and reinforce the Company's results, for which it is considered convenient to encourage the over-achievement (ii) promote flexibility, allowing the variable components of remuneration to have space enough for modulation according to the functions carried out by each of the executive directors; and (iii) strengthen competitiveness and attraction. It is important to note that the Company continues to safeguard austerity and risk management, so the limits of short-term variable remuneration have not been extended to 200% of fixed remuneration, a practice that is frequent in the praxis of listed companies.

ii) Long-Term Variable Remuneration (Multi-year)

Due to their overlap in time, the following Long-Term Incentive Plans remain in force during the 2021-2022 financial year:

- 2017 Long-Term Incentive Plans (General and Special Plans): third vesting cycle, launched in 2019 and vesting in September 2022.

- 2020 Long-Term Incentive Plan (General and Special Plan): with single vesting period, vesting in September 2023, the launch of which was agreed in October 2020 (fiscal year expired 2019-2020; see section B.7 below, which reflects its characteristics).

- 2021-2023 Long-Term Incentive Plan: with three vesting cycles, the first of which was launched in October 2021 and vests in September 2024.

Accordingly, during the current financial year 2021-2022:

- Vesting of the third vesting cycle of the 2017 Long-Term Incentive Plans (General and Special Plans), which expires on 30 September 2022, to which both executive Directors were invited, will occur on 30 September 2022.

- In accordance with the provisions of the Remuneration Policy 2021-2023, which envisages the launch of a single Long-Term Incentive Plan, the Board of Directors on 4 November 2021 agreed to launch the first vesting cycle of the aforementioned Incentive Plan with effect from October 2021, vesting in September 2024. Both executive Directors are beneficiaries of the Plan.

The operation of these Long-Term Incentive Plans is based on the initial recognition of a number of shares with potential for consolidation, which are settled over a period of 3 years, depending on the degree of compliance with defined objectives.

The different objectives and related weights of the Long-Term Incentive Plans that are accrued or launched in the current financial year 2021-2022 are described below:

The objectives for the vesting of the Third Vesting Period of the 2017 General Incentive Plan are set out in the Regulations of 26 November 2017 and subsequent amendments,

- EBIT: 50%
- Comparative profitability with other companies: 50%

The objectives for the consolidation of the Third Consolidation Period of the 2017 Special Incentive Plan are set out in the Regulation of 26 November 2017 and subsequent amendments:

- EBIT: 33%
- Comparative profitability with other companies: 67%

The consolidation objectives of the first cycle of the Long-Term Incentive Plan 2021-2023 are as follows:

- EBIT: 65%
- Comparative profitability with other companies: 25%.
- Sustainability objectives: increase in kilometres travelled by the fleet with low-emission vehicles and CDP List maintenance. 10%

When addressing the degree of compliance of the comparative profitability target with other companies, the Board has determined that this comparative has to take into account the evolution of a selected group of companies in the context of the Company's activities, among its main customers and among 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).

It is also taken into account the evolution of the share price against certain relevant stock indexes attending to the characteristics of the Company (IBEX medium cap index, IBEX top dividend total return index).

The maximum number of shares to be received at the end of the Third Consolidation Period of the General Incentive Plan 2017 (that will consolidate on 30th September 2022) is equivalent to 100% of the amount of the annual variable remuneration accrued by each Director during the previous year (or 100% of the amount of the expected annual variable remuneration, in the event that he/she has not been an executive Director in the previous year), divided by the weighted average listed price of the Company's shares in the thirty trading sessions prior to the date of recognition. This value is 75% of the fixed remuneration in relation to the 2017 Special Long-Term Incentive Plan. In accordance to it, the maximum number of shares to be consolidated at the end of the fiscal year, and subject to the achievement of objectives of each Plan, is as follows:

a) Chief Executive Officer:

- 2017 General Plan: 57.971
- 2017 Special Plan: 28.986

b) Secretary Director:

- 2017 General Plan: 4.444
- 2017 Special Plan: 2.222

With regards to the 2021-2023 Long-Term Incentive Plan, the number of shares to be recognized is 225% of the corresponding fixed remuneration, on the basis of which a percentage is applied to incentivise over-compliance up to 125% of the initial incentive.

Long Term Incentive Plan 2021-2023:

a) Chief Executive Officer: 225% of the fixed remuneration, on which targets are applied to encourage over-achievement of up to 125% of the initial incentive.

b) Secretary Director: 65% of the fixed remuneration, on which targets are applied to encourage over-achievement of up to 125% of the initial incentive.

Accordingly, the number of shares potentially recognized in the 2021-2023 Incentive Plan for both Directors was determined at the Board of Directors' meeting held on November 4, 2021 and is as follows:

a) Chief Executive Officer: 98.332 shares

b) Secretary Director: 8.167 shares

As mentioned above, the remuneration parameters have been specifically designed to take into account both the personal performance of the Directors and the short and long-term performance of the Company. As also explained above, the degree of compliance with objectives is not determined until the duly audited annual accounts are available.

Likewise, as an element to minimise exposure to risk, the obligation of Executive Directors to maintain a package of shares of those delivered in application of the long-term incentives equivalent to 2 years' fixed annual remuneration is also envisaged.

In addition, the Remuneration Policy 2021-2023 provides for the possibility, within the framework of the incorporation of executive directors to the Board, of additional payments linked to the achievement of the objectives set out in the long-term remuneration plans. It should be noted that, at the time of the Secretary Director incorporation to the Company (when she did not yet have the status of Director), an extraordinary bonus was included in her contract, which has been maintained, according to these previous contractual commitments and under the aforementioned provisions of the Directors' Remuneration Policy. Such exceptional bonus could reach a maximum of 64,400 euros gross per annum. It will be paid in December 2021 and December 2022, subject to the achievement of the same objectives of the long-term remuneration plans, that will consolidate in September 2021 and September 2022. This extraordinary bonus cannot be consolidated.

– 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 vesting 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 vesting 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 (generally applicable to Group employees). This Plan is a defined 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).

The executive directors also participate in the Directors' Welfare Plan, in which the Group makes contributions calculated on the basis of a percentage of approximately 10% of the salary and short-term variable annual remuneration of each executive Director.

The contingencies covered are those of retirement, permanent disability and death, and, in addition, those of general illness, in the case of the Social Welfare Plan for Executives.

The vested economic rights derived from both Plans are compatible with the indemnity for termination or early retirement or derived from the contractual relationship, since these plans are not compensatory in nature, but are additional benefits that are part of the annual remuneration to which the Executive Directors have a contractual right. In this line, the amounts contributed by the Company to these plans are included in section C of this report.

Plans are not linked to the achievement of certain objectives, although the Directors' Pension Plan takes into account, for the purposes of Logista's contribution, the short-term variable remuneration accrued in the previous year.

- 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 indemnity payments are envisaged for Directors in the event of termination of their functions as such. Compensation payments are only envisaged in the event of termination in the exercise of the executive functions they may perform, if any. In relation to this aspect, the scheme applicable to executive directors is as follows:

a) Change of control clause: in the event of a change of control, the executive Directors shall be entitled to an indemnity equivalent to 1 year's fixed and short-term variable remuneration.

b) Severance payment: the Chief Executive Officer and the Secretary Director are entitled to receive a severance payment, in the event of termination of the relationship by unilateral decision of the Company without just cause, equivalent to one year's fixed and variable remuneration in the short term.

c) Compensation for justified unilateral decision of the Director: in addition to the event of a change of control, the Chief Executive Officer is entitled to compensation equivalent to one year's fixed and variable remuneration in the short term if the company is in serious and culpable breach of its obligations, or if the Chief Executive Officer ceases to be the sole Chief Executive Officer of the Company. 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 to the Board or General Secretary-Legal Director.

d) Non-competition clauses: the Chief Executive Officer's contract includes a 12-month post-contractual non-competition agreement. This agreement is remunerated, and the compensation for the non-competition restriction is an annuity of fixed remuneration and annual variable remuneration in the short term. With regard to the Secretary Director, after joining the disengagement plan launched by the Company ("Plan 60"), to which we will refer below, she assumes a 12 months non-competition obligation, in the event that her exit from the Company occurs within the framework of the said Plan.

e) "Malus" and "claw back" clauses: the contracts of the executive Directors 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 cases during the 2 years following their settlement and payment. These events are defined in the Remuneration Policy 2021-2023 and are as follows:

  - The fact that the settlement and payment of said remuneration has been produced totally or partially on the basis of information whose falsity or serious inaccuracy is clearly proven a posteriori.

  - Material restatement with a material adverse impact on the financial statements when so considered by the external auditors (except for changes in accounting standards).

  - Sanctioning of the executive Director for serious breach of the Law or 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.

Compensation is also provided for in the event of non-compliance with the notice periods under the terms explained in the following section.

The Board of Directors, at its meeting of September 22nd, 2021, agreed, under the current Remuneration Policy, the implementation of a disengagement plan for Company's top managers ("Plan 60"). The main objective of this Plan is to facilitate the planning of the succession of the Company's key positions, promoting at the same time a very long-term relationship with such managers, and also minimising the financial impacts of any departures of senior managers in the fiscal years in which they occur.

For the design of this scheme, which is a common practice in the market, the Company has made a significant effort to ensure its alignment with these practices and for this it has considered necessary to have independent external advice. To this end, it has selected two advisors of recognized prestige who have participated in the design of the mechanism: Mercer Consulting S.L.U. and J&A Garrigues S.L.P.

Plan 60 is addressed to members of the top management, who will be individually invited, considering the already explained objectives. The Board agreed to invite the Board Secretary by virtue of her capacity of General Counsel and top manager, but not the Chief Executive Officer.

To cover this extraordinary remuneration, the Company will annually make contributions to a deferred life insurance policy, of which the Company itself is the policy holder and beneficiary, 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 accumulated contributed amounts until that moment and their financial profitability, arises at the time of her disengagement from the Company by mutual agreement from a certain age or in extraordinary circumstances of disability, permanent disability and similar circumstances. The collection of these amounts will be incompatible with the collection of any compensation that the Director may be entitled to receive as a result of the termination of her relationship with the Company. The collection of these amounts includes the acceptance of a contractual non-compete agreement for 12 months.

In accordance with Recommendation 64 of the CNMV Good Governance Code of Listed companies, and that of proxy advisors, the Secretary Director's contract has also been adjusted to include the provision that the total amount of the extraordinary remuneration insured, will not exceed the equivalent of two years of the total annual remuneration of the Secretary Director at the time of accrual of said remuneration.

With regards to the CEO, it should be noted that the amount of compensation he may receive in the event of termination of his contract is already contractually below such limit (1 year of fix and short them variable remuneration in any case of termination plus 1 year of fix and variable annual remuneration for non-compete agreement.).

The 2021 Company's contribution to cover its potential obligations *vis a vis* the Secretary Director under Plan 60 amounts 68,000 Euros, however this amount will only be vested if the Secretary Director's contract is terminated within the framework of the said Plan 60.

- 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.

In addition to the previous section, the content of the contractual clauses was reviewed by the Board of Directors in the 2019-2020 financial year to bring them into line with best market practices on the occasion of the entry of the new executive directors.

The duration of the contracts of the executive directors is indefinite and does not include permanence clauses.

The notice clauses are as follows:

a) Chief Executive Officer

- 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 non-compliance with this period, an indemnity equivalent to one year's fixed and variable short-term remuneration corresponding to the period of notice not given.

- By unilateral decision without just cause by the Company: at least 12 months' notice, with the obligation to pay the Chief Executive Officer, in the event of non-compliance with this period, an indemnity equivalent to one year's fixed and short-term variable remuneration corresponding to the period of notice not given.

b) Secretary Director:

- By voluntary unilateral decision of the Secretary Director: at least 3 months' notice, with the obligation to pay the Company, in the event of non-compliance with this period, an indemnity equivalent to one year's fixed and variable short-term remuneration corresponding to the period of notice not given.

- By unilateral decision without just cause by the Company: at least 3 months' notice, with the obligation to pay the Chief Executive Officer, in the event of non-compliance with this period, an indemnity equivalent to one year's fixed and short-term variable remuneration corresponding to the period of notice not given.

The contracts of both executive directors include "Garden leave" clauses, by virtue of which, in the event of notification by the director to the Company of the 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 to cease rendering services, in which case he will remain on paid leave until the termination.

– 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.

At the date of issue of this Report, no additional remuneration had accrued to the directors in consideration for services rendered other than those inherent to their position.

– Other items of remuneration such as any deriving from the company's granting the Director advances, loans or guarantees or any other remuneration.

At the date of issue of this Report, no advances, loans or guarantees have been granted to any director.

– 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 supplementary remuneration not included in the above sections.

A.2 Explain any significant change in the remuneration policy applicable in the current year resulting from:

- A new policy or an amendment to the policy already approved by the General Meeting.

- 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.

- 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.

As indicated above, in accordance with Transitional Provision 1 of Law 5/2021, of 12 April, which amends the Consolidated Text of the Capital Companies Act, the Board will submit a new Remuneration Policy adapted to the requirements of the aforementioned Law to the next General Shareholders' Meeting, which is expected to be held in February 2022.

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 2021-2023, in force during the financial year, is the following: Remuneration Policy 2021-2023 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.

The shareholders gave their support to the Remuneration Report for the 2019-2020 financial year with a percentage of 81.13%. In response to that vote and to proxy advisors’ recommendations, in this report, and following a previous analysis of 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 different sections to clearly differentiate the aspects relating to the application of the Remuneration Policy in the current financial year (2021-2022) from its application in the closed financial year (2020-2021), as well as providing additional data and supplementary explanations that allow a better understanding of the application of the Remuneration Policy for the Company's Directors.

In this line, data have been provided on the targets applied for the determination of the amounts to be received by executive directors, under the variable remuneration scheme, in the short and long term, as well as additional explanations on the objectives pursued in the configuration of the limits of the annual variable remuneration,

Likewise, taking into consideration Recommendation 64 of the CNMV Code of Good Governance of listed companies and the reflections of proxy advisors regarding the compensations, the Company has decided to improve the explanations regarding the compensations set for the CEO and the Secretary Director, which in no case may exceed the equivalent of two years of total annual remuneration.

B OVERALL SUMMARY OF HOW REMUNERATION POLICY WAS APPLIED DURING THE YEAR LAST ENDED

B.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 year 2020-2021 the Remuneration Policy 2021-2023 was submitted for approval by the General Shareholders' Meeting, which, while continuing with the previous policy, consolidates the line of simplification initiated with the previous policy, by simplifying the long-term remuneration scheme. In addition, the possibility was introduced of establishing mechanisms for the removal of executive directors to encourage the retention of talent, the configuration of which, within the general framework designed by the Policy, the Board has been working on, taking into account the best corporate governance practices.

In the performance of these tasks, the Company has relied on external advisors, as follows:

(i) In the drafting of the Remuneration Policy 2021 2023, from a legal perspective, Gómez Acebo y Pombo Abogados, as well as Willis Towers Watson, provided advice on package analysis and remuneration mix.

(ii) In preparing the 2021-2023 Long-Term Incentive Plan, external advice was provided by Willis Towers Watson and Garrigues Human Resources (Garrigues).

(iii) Mercer Consulting S.L.U. and J&A Garrigues S.L.P. have advised on the preparation of the Disengagement Plan.

The individual remuneration of the directors in their capacity as such was approved at the Board meeting of 27 October 2020, at which it was agreed to maintain unchanged the amounts that had been received until then. This decision was preceded by the corresponding meeting of the Appointments and Remuneration Committee.

At that same meeting, it was agreed to update the fixed remuneration of the executive Directors for the performance of executive duties, as well as the settlement of their variable remuneration for the previous year. Said settlement therefore took place when the annual accounts for the 2019-2020 financial year were drawn up, which did not contain any qualifications by the external auditor.

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 remuneration scheme applied by the Company configures the remuneration of directors in their capacity as such and that of Directors in the exercise of executive functions differently.

The Appointments and Remuneration Committee has followed a formal and transparent procedure to propose the design of the Remuneration Policy, as well as to propose the remuneration packages of directors. No executive director has participated in decisions concerning his/her own remuneration.

With regard to remuneration for the exercise of non-executive functions, the establishment of fixed remuneration and attendance fees for all directors is considered to be an effective instrument for reducing exposure to excessive risks and the incorporation of the long-term vision.

With regard to the exercise of executive or delegated functions, as explained in section A., the measures adopted to eliminate the assumption of excessive risks are linked to the specific business objectives established, which are only evaluated once the annual accounts have been audited and prepared, as well as the existence of malus and claw back clauses, and the establishment of a long-term remuneration plan, consisting of the delivery of shares, which includes both operational economic objectives and objectives for the creation of value for the shareholder and sustainability with a long-term time horizon adjusted to the economic cycles of the Company. This is complemented by the obligation of the executive directors to maintain a number of shares of the shares delivered under the various remuneration plans equivalent to two years of their annual fixed remuneration.

Thus, the remuneration of executive directors is balanced into 3 main components: (i) a fixed component that accrues in any case, so that it does not involve any exposure to risk (ii) a variable component with a time horizon of one year, fundamentally linked to specific and measurable business objectives which, being recurring, prevents it from encouraging the assumption of excessive risks. This is reinforced by the fact that it is evaluated after the annual accounts have been audited and prepared, and (iii) a long-term (multi-year) variable component, which, in addition to operational objectives, takes into account, as mentioned above, shareholder value creation and sustainability objectives.

The measurement of shareholder value creation and sustainability objectives has been objectified through the reference to shareholder profitability compared to other listed companies and reference to international sustainability indices, as well as quantified targets for the reduction of CO_2 emissions. In addition, this scheme has been complemented by the obligation of executive Directors to retain a significant package of shares during the performance of their duties, equivalent to twice their annual fixed remuneration.

As indicated above, there is a reasonable balance between the variable components not only in terms of the time horizon, but also in material terms, as the annual variable remuneration tends to meet operating objectives that address the performance of the Company's various businesses, while the multi-year variable remuneration also addresses the long-term interests of shareholders and sustainability issues.

The variable remuneration of the current executive directors was determined once the Board of Directors had the audited accounts of the Company. Both the annual variable remuneration and the multi-year variable remuneration have a "malus" and "claw back" clause system during the 2 years following their settlement and payment.

B.3 Explain how the remuneration accruing and vested during the year complies with the provisions of the current remuneration policy.

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.

With regard to 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 2020-2021 does not exceed the maximum figure established in the Remuneration Policy 2021-2023.

As regards the amount of the annual variable remuneration of the executive directors, it has been determined once the Board has had the audited annual accounts and is fundamentally linked to the performance of the Company's main indicators as detailed in this section B and, therefore, is consistent with the current Remuneration Policy 2021-2023. With regard to multi-year variable remuneration, the initial determination of the shares recognized to them, which will be consolidated over the horizon foreseen in the different Plans in which they participate, has been carried out in accordance with the parameters and in the terms established in section B.8 below.

B.4 Report on the result of the consultative vote at the General Shareholders' Meeting on remuneration in the previous year, indicating the number of votes against, if any:

	Number	% of total
Votes cast	108.020.882	81,372

	Number	% of votes cast
Votes against	24.646.290	22,8162
Votes in favour	82.459.258	76,3364
Abstentions	915.334(*)	0,8472

(*) 184 blank votes have been included as abstentions.

B.5 Explain how the fixed components accrued and vested during the year by the Directors in their capacity as such were determined and how they changed with respect to the previous year

As mentioned above, the Board decided to maintain the fixed components of the remuneration of the directors in their capacity as such unchanged.

Accordingly, the remuneration received by the directors in their capacity as such was as follows:

a) Remuneration, in cash, fixed monthly, in line with market standards, based on the positions held on the Board and its Committees, in accordance with the following detail:

   i) The fixed monthly remuneration of the Chair of the Board, in such capacity amounts to €30,600.

   ii) The fixed monthly remuneration of the Directors as members of the Board of Directors amounts to €5,100.

   iii) The fixed monthly remuneration of the Chair of the Appointments and Remuneration Committee, in such capacity, is €1,700.

   iv) The fixed monthly remuneration of the Chair of the Audit and Control Committee, in his/her capacity of such, is €1,700.

b) Per diem for attendance at meetings:

   i) From the Board of Directors: €2,805 per meeting.

   ii) From the Appointments and Remuneration Committee: €1,020 per meeting.

   iii) From the Audit and Control Committee: €1,632 per meeting.

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

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

The remuneration for the Chairs (of the Board and of the Committees) is additional to the remuneration as Directors.

Fixed remuneration over the financial year 2020-2021 therefore amounted to 836,400 euros. The remuneration accrued as per diems amounted to 216,036 euros, so that the total remuneration of the Board for the exercise of non-executive functions remained below the maximum limit for such remuneration established in the Remuneration Policy of 1,600,000 euros.

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.

As indicated above, it should be borne in mind that the fixed remuneration of executive directors is established by calendar year (from 1 January to 31 December), while the variable remuneration of executive directors is accrued and settled at the close of the financial year (30 September of each year), taking into account the fixed remuneration applicable at that time.

For the calendar year 2021, the fixed remuneration of the executive directors was set at 812,000 euros gross per year for the Chief Executive Officer and 233,450 euros gross per year for the Secretary Director, as stated in the Remuneration Policy 2021-2023. Therefore, the accrued amount as fixed salary, for the financial year 21, is of 809,000€, for the CEO, and of 232,587.50€, for the Secretary Director.

In order to determine this remuneration, the remuneration established for executive directors in the 2020-2022 Remuneration Policy was used as a starting point, and was increased very moderately, by 1.5%. This adjustment is the one applicable to the Company's management collective within the range of remuneration adjustment identified by Willis Tower Watson as applicable to similar companies.

For their variable remuneration and other remuneration items, see the following sections.

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:

- 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 vesting 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 vesting of each component of variable remuneration have effectively been met.
- 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 (vesting) of these options or financial instruments and for exercising them, including the exercise price and period.
- 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).
- Information is to be provided on any periods for accrual, vesting or deferment of payment of vested amounts applied and/or the periods for retention/unavailability of shares or other financial instruments, if any.

Explain the short-term variable components of the remuneration systems

With regard to the short-term (annual) variable remuneration for the period 2020-2021, of which only the executive directors are beneficiaries, it should be noted that the Board of Directors carried out a review of these objectives in order to bring them into line with best market practices, a process in which external advice was sought. As a result, no changes were made to the objectives for the annual variable remuneration of the Chief Executive Officer, as it was confirmed that they were in line with these practices. However, in the case of the Secretary Director, in view of the nature of the functions she performs, linked to a more corporate sphere, and in line with the remuneration policy of comparable companies, it was considered appropriate to reduce the weight of business objectives and increase the weight of personal contribution to 50%.

By establishing the objectives and goals of the short-term variable remuneration, the Board of Directors seeks that the incentives encourage the material implementation of the Company's strategy, encouraging the over-achievement of objectives. It also intends that the incentives are compatible with the Company’s culture on Risk Management.

Thus, the annual objectives were set at the Board of Directors' meeting of 18 December 2020, following a favourable report from the Appointments and Remuneration Committee. These objectives were as follows:

a) Chief Executive Officer:

- Business Objectives: total 75%.
    - 60% Adjusted EBIT
    - 15% WC
- Personal Contribution: 25%

b) Secretary Director

- Business Objectives: total 50%.
    - Adjusted Ebit 40%.
    - WC: 10%
- Personal Contribution: 50%

Within the margin set in the Remuneration Policy 2021-2023 in section 3.2.1, the short-term variable remuneration of the Chief Executive Officer takes as a basis up to 150% of the fixed remuneration which is multiplied by the degree of achievement of objectives reached in the year, with a maximum degree of achievement of 120%. In the case of the Secretary Director, the basis is 45% of the fixed remuneration.

The criteria for measuring the Company's variable remuneration were set out in Appendix III of the Logista Group's Variable Remuneration Policy 1/2011, approved by the Board on 28 April 2011, with successive updates These metrics are designed to align the remuneration of executive directors with the Company's results, introducing mechanisms that encourage over-achievement. Thus, the annual variable remuneration only accrues once 95% of the target objective has been met in the case of business objectives. Once 100% of the target business objective is exceeded, the variable remuneration rewards overachievement with a remuneration that can reach up to 120%.

As indicated above, the variable remuneration of the executive directors is settled annually on 30 September, once the audited annual accounts are available, which guarantees the correct application of the business aggregates.

In view of the foregoing, the degree of achievement of objectives in the year expired was estimated as follows:

a) Chief Executive Officer

- Business Objectives:

  - Group's EBIT Objective, with a target of 283 million euros, and an achievement of 301 million euros. This objective has a weight of 65% on variable remuneration, and it will consolidate with an achievement of 112%, as per Group's short-term variable remuneration metrics.

  - Group's Working Capital Objective, with a target of 3,123M€ and an achievement of 3,163M€. This objective has a weight of 15% on the total variable remuneration and it will consolidate as per metrics, with an achievement of 102%.

- Personal goals (including environmental sustainability):

  - CEO Personal objectives have a weight of 25% and its achievement degree, approved by the Company's Board of Directors, has been of 100%.

  According to this objectives achievement, the amount of the CEO's short-term variable remuneration is of € 1,309,350.

b) Secretary Director

- Business Objectives:

  - Group's EBIT Objective, with a target of 283 million euros and an achievement of 301 million euros. This objective has a weight of 40% on variable remuneration, and it will consolidate with an achievement of 112% as per Group's short-term variable remuneration metrics.

  - Group's Working Capital Objective, with a target of 3,123M€ and an achievement of 3,163M€. This objective has a weight of 10% on the total variable remuneration and it will consolidates as per metrics, with an achievement of 102%.

- Personal goals (including environmental sustainability):

  - Secretary Director's personal objectives have a weight of 50% and its achievement degree, approved by the Company's Board of Directors, has been of 97%.

  According to this objectives achievement, the amount of the Secretary Director's short-term variable remuneration is of 108,729.30 €.

Explain the long-term variable components of the remuneration systems

Long-Term Variable Remuneration

During the year ended 2020/2021, the second period of the General and Special Plans of the 2017 Long-Term Incentive Plan in which only the Chief Executive Officer participates was consolidated, and the invitation to participate in the General and Special Plans of the 2020 Long-Term Incentive Plan in which both executive directors participate was also launched.

For the design of the new 2021-2023 Incentives Plan, that was approved by the General Shareholders' Meeting held on February 4th, 2021, the Board has taken into consideration governance international criteria in matters related to remuneration, in particular those of (i) simplicity and (ii) risks management.

- Simplicity: a simple remuneration framework has been chosen, which includes a single long-term Incentive Plan, and simplifies the previous structure of two Plans. The Incentive Plan provides a clear vision for both the Company's executive directors and shareholders on the main goals of the entity.

- Risks management: the incentives structure is aligned with the Company risks management, which includes clawback and malus clauses.

a) Consolidation of the second period of the General and Special Plans 2017.

The Board, at its meeting of November 4, 2021, determined the number of shares vested by the Chief Executive Officer under the second vesting period of the 2017 General and Special Plans, a period in which the Secretary Director does not participate, and whose vesting ended on September 30, 2021. Such shares are as follows:

a) Shares accrued by the Chief Executive Officer under the 2017 General Plan (second vesting period): 22,285 of a maximum of 53,548 shares, which vested 70%.

b) Shares accrued by the Chief Executive Officer under the 2017 Special Plan (second vesting period): 9.551, out of a maximum of 26,774, which vested at 60%.

The criteria used for this consolidation and established by the Board of Directors are as follows:

General Plan 2017:

1. Company's Comparative Shareholder Return (CSR) Criteria (50%): Achievement of 40%.

2. Financial profitability criterion, measured by the Logista group's operating profit (50%): Achievement of 100%.

Special Plan 2017:

1. Company's Comparative Shareholder Return (CSR) Criteria (67%): achievement of 40%.

2. Financial profitability criterion, measured by the Logista group's operating profit (33%): achievement of 100%.

In any case, it should be noted, as mentioned above, that the determination of the degree of compliance with the operating objectives is made by the Board of Directors after the Company's annual accounts have been audited, which makes it possible to take into account, where appropriate, any qualifications that may be made to reduce the amount of variable remuneration.

The transfer of the shares to be consolidated will be free of charge, and will be subject to the maintenance and return clauses indicated in section A.1.2 above

In addition, both directors, as mentioned above, were invited to the 2020 General and Special Shares Plans. These Plans, approved by the General Shareholders Meeting held in 2020, have the particularity of covering a single consolidation period, unlike the other long-term incentive plans implemented by the Company, where there are 3 consolidation periods. These 2020 Incentive Plans were configured as a transition to the new model defined in the 2021-2023 Plan, characterized by greater simplicity.

Under 2020 Plans, the Board of Directors' of December 18, 2020 recognized to both directors the following numbers of shares outstanding to vest:

- Mr Iñigo Meirás Amusco: 80,110 shares initially recognised under the General Plan and 41,294 shares initially recognised under the Special Plan.

- Ms María Echenique Moscoso del Prado: 4,977 shares initially recognised under the General Plan and 3,166 shares under the Special Plan.

Both 2020 Plans have the following objectives:

1.- Comparative Shareholder Return Criteria (CRR) of the Company, which compares the profitability of the Company with the profitability of other companies and general indices that constitute the Reference Group ("CRR"), on which the consolidation, in whole, in part or in no part, of twenty-five percent (25%) of the Number of Recognised Shares will depend.

2.- Financial Profitability Criterion, measured by the Group's Operating Profit, on which the consolidation in whole, in part or in full of sixty-five percent (65%) of the number of conditional shares will depend.

3.- Sustainability Criteria, measured by the reduction of CO2 emissions by the Logista Group fleet, as well as the inclusion in the CDP-List, on which the consolidation of all, part or none of the remaining ten percent (10%) of the number of conditional actions will depend.

Lastly, during the year ended 2020/2021 the vesting of the Third Consolidation Period of the General and Special Plans of the 2017 Long-Term Incentive Plan is maintained, the characteristics of which are reflected in section A.1 of this report.

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.

The executive directors participate in the Group's Employment Pension Plan (generally applicable to Group employees). This Plan is a defined 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).

The executive directors also participate in the directors' Welfare Plan, in which the Group makes contributions calculated on the basis of a percentage of approximately 10% of the salary and short-term variable annual remuneration of each executive director.

The contingencies covered are those of retirement, permanent disability and death, and, in addition, those of general illness, in the case of the Executives Plan.

The vested economic rights derived from both Plans are compatible with the indemnity for termination or early retirement or derived from the contractual relationship, under the terms established between the Company and the Director, and are not linked to the achievement of certain objectives, although the Directors' Pension Plan takes into account, for the purposes of Logista's contribution, the short-term variable remuneration accrued in the previous year.

According to this prevision scheme, the Directors’ accrued contribution of this financial year are of 215,718€, for the CEO, and 62,596€ for the Secretary Director. The amount for the Secretary Director includes an extraordinary contribution of 25,714.28€, established in her contractual agreement framework.

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.

Not applicable

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.

The Board of Directors’ meeting of 22 September 2021 approved the Annex to the contract of the Secretary Director, which regulates her adherence to the Executive Disengagement Plan (Plan 60) with the particularities and main characteristics described in section A of this report.

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 Itemise 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 Executives' civil liability insurance policy that covers all directors, both executive and non-executive. In this policy, the directors are considered as insured parties for the liabilities that may be demanded of them as a result of the performance of the activities inherent to their functions. In particular, both the contracts of the Chief Executive Officer and the Secretary director require the Company to take out a civil liability insurance policy. As the civil liability insurance has been taken out globally, it is not possible to calculate the part of the insurance attributable to the directors as remuneration in kind, but in any case, its individual amount is not significant.

Only the executive directors have a remuneration package in kind similar to that of the Company's management team. In particular, the executive Directors are beneficiaries of life insurance, with an annual premium of 4,677.72 euros. This package also includes medical assistance insurance and company vehicle, amounting to the following amounts:

a) Chief Executive Officer: 40,868.45 euros

b) Secretary Director: 34,995.58 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 any item of remuneration other than the foregoing, whatever its nature or the group company paying it, especially when this is considered a related party transaction or its settlement distort the true and fair picture of the total remuneration accrued by the Director.

As stated in section A, the Board of Directors of September 22, 2021 agreed the inclusion of the Secretary Director in the scheme of the so-called Plan 60, for which coverage the Company has implemented a deferred life insurance. We refer to the explanations given in that section, although it is highlighted that this scheme does not accrue in the year, but when, where appropriate, the termination of the contract takes place by mutual agreement when a certain age is reached, and that the maximum amounts to be received are limited to two years of total fix remuneration. The accrued and non-consolidated amounts, according to the corresponding contribution to the said scheme in the year were of 67,701 euros.

C ITEMISED INDIVIDUAL REMUNERATION ACCRUED BY EACH DIRECTOR

Name	Type	Period of accrual in year 2021
GREGORIO MARAÑÓN Y BERTRÁN DE LIS	Chairman-Independent	From 01/10/2020 to 30/09/2021
ÍÑIGO MEIRÁS AMUSCO	CEO	From 01/10/2020 to 30/09/2021
MARIA ECHENIQUE MOSCOSO DEL PRADO	Secretary Director - Executive	From 01/10/2020 to 30/09/2021
CRISTINA GARMENDIA MENDIZÁBAL	Director - Independent	From 01/10/2020 to 30/09/2021
LUIS ISASI FERNANDEZ DE BOBADILLA	Director - Independent	From 01/10/2020 to 30/09/2021
ALAIN MINC	Director - Independent	From 01/10/2020 to 30/09/2021
PILAR PLATERO SANZ	Director - Independent	From 01/10/2020 to 30/09/2021
LILLIAN ALICE BLOHM	Director - Proprietary	From 06/05/2021 to 30/09/2021
JOHN MATTHEW DOWNING	Director - Proprietary	From 01/10/2020 to 30/09/2021
MARIE D'WITT	Director - Proprietary	From 01/10/2020 to 30/09/2021
LISA ANNE GELPEY	Director – Proprietary	From 01/10/2020 to 01/04/2021
RICHARD GUY HATHAWAY	Director - Proprietary	From 01/10/2020 to 30/09/2021
JOHN MICHAEL JONES	Director – Proprietary	From 01/10/2020 to 22/07/2021
MURRAY HENRY MCGOWAN	Director - Proprietary	From 23/07/2020 to 30/09/2021

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 2021	Total year 2020
GREGORIO MARAÑÓN	428	39	20						487	494
ÍÑIGO MEIRÁS	61	22							83	70
MARIA ECHENIQUE	61	22							83	50
CRISTINA GARMENDIA	61	34							95	99
LUIS ISASI	61	27							88	0
ALAIN MINC	61	38	20						119	128
PILAR PLATERO	61	34							95	86
LILLIAN ALICE BLOHM										
JOHN MATTHEW DOWNING										
MARIE D'WITT										
LISA ANN GELPEY										
RICHARD GUY HATHAWAY										
JOHN MICHAEL JONES										
MURRAY HENRY MCGOWAN										

Remarks
It should be noted that, as already explained in section A, the fixed remuneration of executive Directors is established by calendar year (from 1 January to 31 December), while the variable remuneration of executive Directors is accrued and settled at the close of the Company's fiscal year (30 September), taking into account the fixed remuneration applicable at that time.

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	"2017 Long Term Incentive Plan (General and Special Plans)" 2PC	80.322	80.322			**31.836**	**31.836**	18,21	580			
	"2017 Long Term Incentive Plan" (General and Special Plans)Third Period of consolidation	86.957	86.957								86.957	86.957
	"2020 Long Term Incentive Plan" (General and Special Plans)			**121.404**	**121.404**						121.404	121.404
MARÍA ECHENIQUE	"2017 Long Term Incentive Plan" (General and Special Plans) 2PC											
	"2017 Long Term Incentive Plan" (General and Special Plans)Third Period of consolidation	6.666	6.666								6.666	6.666
	"2020 Long Term Incentive Plan" (General and Special Plans)			**8.143**	**8.143**						8.143	8.143

iii) Long-term savings schemes

NOT APPLICABLE

<table>
<tr><td rowspan="3">Name</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 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 n</td><td rowspan="2">Year n-1</td><td rowspan="2">Year n</td><td rowspan="2">Year n-1</td><td colspan="2">Year n</td><td colspan="2">Year n-1</td></tr>
<tr><td></td><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>Director 1</td><td></td><td></td><td colspan="2"></td><td></td><td></td><td></td><td></td></tr>
</table>

iv) Details of other items

NOT APPLICABLE

Name	Item	Amount of remuneration
Director 1		

b) Remuneration of company directors for seats on the boards of other group companies(*)

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	Indemnification	Other Items	Total year 2021	Total Year 2020
ÍÑIGO MEIRÁS				809	1309				2118	1812
MARIA ECHENIQUE				233	109				342	201

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.

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments

NOT APPLICABLE

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
Director 1	Plan 1											
	Plan 2											

Remarks

iii) Long-term savings schemes

Director	Remuneration for the vested rights of savings schemes
Íñigo Meirás Amusco	216
María Echenique Moscoso del Prado	63

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 non-vested economic rights		Year 2021		Year 2020	
	Year 2021	Year 2020	Year 2021	Year 2020	Schemes with vested economic rights	Schemes with non-vested economic rights	Schemes with vested economic rights	Schemes with non-vested economic rights
Iñigo Meirás	216	181			398		181	
María Echenique	63	92			156		92	

iv) Details of other items

Name	Item	Amount of remuneration
Iñigo Meirás	Social Welfare Systems	41
María Echenique	Social Welfare Systems	35

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 2021, company**	**Total cash remuneration**	**Gross profit from vested shares or financial instruments**	**Remuneration from savings schemes**	**Other items of remuneration**	**Total in year 2021, group**
GREGORIO MARAÑÓN	487				487					0
IÑIGO MEIRÁS	83	580			663	2118		216	41	2375
MARIA ECHENIQUE	83				83	342		63	35	440
CRISTINA GARMENDIA	95				95					0
LUIS ISASI	88				88					0
ALAIN MINC	119				119					0
PILAR PLATERO	95				95					0
LILLIAN ALICE BLOHM										
JOHN MATTHEW DOWNING										
MARIE D'WITT										
LISA ANN GELPEY										
RICHARD GUY HATHAWAY										
JOHN MICHAEL JONES										
MURRAY HENRY MCGOWAN										

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 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 4th, 2021.

Indicate whether any director voted against or abstained from approving this report.

Yes ☐ No ☒