

Q3 Results 2021

October 2020 – June 2021

Logista

The results up to and including the third quarter of this fiscal year can be described as very positive, increases being recorded in the main figures in the Profit & Loss Account, even though, in the previous fiscal year, no impacts resulting from COVID-19 were recorded until the month of March:

- Increase in Economic Sales¹ of 7.2%
- A good performance of the activity, which brought about increases of 29.5% in the Operating Profit and of 22.6% in the Adjusted Operating Profit¹
- An increase of 32.6% in the Net Profit.

Summary of the Main Financial Figures

M€	1 Oct. 2020 – 30 Jun. 2021	1 Oct. 2019 – 30 Jun. 2020	% Change
Revenues	7,997.2	7,661.2	+4.4%
Economic Sales ¹	909.0	847.5	+7.2%
Adjusted Operating Profit ¹	214.9	175.3	+22.6%
Margin over Economic Sales ¹	23.6%	20.7%	+290 b.p.
Operating Profit	173.7	134.1	+29.5%
Net Profit	136.6	103.0	+32.6%

Estimated impact of COVID-19 on business performance and results

There were new waves of the pandemic in the first nine months of the current fiscal year reaching a peak in the first quarter.

The situation in the first six months of the current fiscal year bore no resemblance to that of the previous fiscal year, in which activity in the countries where we operate was not affected by the pandemic either during the first quarter or during almost all of the second quarter. So the third quarter of the two fiscal years is the first one for which activity in a COVID-19 environment can be compared, and the conclusion is that the general financial situation in the current fiscal year is more positive than it was in the same period of 2020.

Over the first nine months of the current fiscal year the governments of Spain, Portugal, France and Italy again took measures including restricting opening hours and people's movements, closing shops and imposing selective confinements, but, in general, those measures were less severe than those of the previous fiscal year. In any case, as happened then, in most of Logista's businesses – which were once again regarded as constituting essential activity – that activity was maintained with almost complete normality.

The adverse effects on results which did occur as a consequence of COVID-19 were offset by cost reduction and the taking of certain strategic decisions which, together, enabled the situation created by the pandemic in certain sectors to convert certain positive trends into increased activity.

Among the positive impacts of the pandemic, which had already been noticed during the previous fiscal year, the following were noteworthy: the increased activity in distribution in the field of e-commerce (the "last mile") and in the distribution of pharmaceutical products, the development of services to

¹ See the appendix "Alternative Performance Measures"

manufacturers, and progress in the volumes of tobacco distributed in France, resulting from the restrictions on movements, especially those across frontiers.

The progress of the business and the main figures of the P&L account in the first nine months of the fiscal year

The Group's **Revenues** increased by 4.4% compared with the same period of the previous year, increases being recorded in Iberia and Italy. There were increases in turnover in most of the principal businesses, and growth in tobacco distribution in Italy and Spain, in distribution of convenience products in all the countries, in Pharma and in all the transport businesses in Spain, including that of long-distance transport.

Economic Sales¹ showed an increase of 7.2%, reaching 909.0 million euros thanks to the improvements recorded in all the geographical areas and activities except tobacco distribution in Portugal. Of note was the double-digit increase in the Economic Sales¹ of Pharma, Parcels and the distribution of convenience products in all the countries.

Total operating costs¹ increased by 3.2%, far less than the increase recorded in Economic Sales¹.

The **Adjusted Operating Profit**¹ reached 214.9 million euros, an increase of 22.6% compared with the first nine months of the previous fiscal year. The Adjusted Operating Profit margin over Economic Sales¹ was 23.6%, against the 20.7% obtained in the same period of the 2020 fiscal year.

The positive impact on results caused by the changes in the valuation of inventories due to the movements in taxes and tobacco prices during the period (about +3 million euros) partly contributed to this progress in the Adjusted Operating Profit¹ compared with the first nine months of the 2020 fiscal year, when there was an adverse impact of about 2 million euros.

It is also estimated that during the same period of the previous fiscal year, negative results extending to about 17 million euros were caused by COVID-19, whereas in the current fiscal year its effect is not considered to have been significant.

The costs of restructuring¹ were higher than those of the previous fiscal year, and reached 5.4 million euros (costs of 3.1 million euros were recorded up to the third quarter of the 2020 fiscal year).

In the current fiscal year, capital gains generated from sales of assets in Spain have been more than those generated in the same period of the 2020 fiscal year (1.2 million euros and 0.3 million euros respectively), as a result of the sale of an asset in Spain.

The **Operating Profit** increased by 29.5% to 173.7 million euros.

The **Financial Results** were very much better than those of the previous fiscal year, and reached 14.3 million euros (compared with 8 million euros). This improvement was mainly due to the interest generated on the excessive advance payments of corporation tax in Spain in fiscal years 2017 and 2018, in accordance with a ruling of the Constitutional Court.

The effective tax rate was 27.3%, which was the same as that recorded in the previous fiscal year.

As a result of all of the foregoing, the **Net Profit** increased by 32.6% to 136.6 million euros.

¹ See the appendix "Alternative Performance Measures"

Changes in Revenues (by segment and activity)

M€	1 Oct. 2020 – 30 Jun. 2021	1 Oct. 2019 – 30 Jun. 2020	% change
Iberia	2,392.8	2,315.9	3.3%
Tobacco and Related Products	2,051.5	2,014.1	1.9%
Transport	309.4	288.8	7.1%
Other Businesses	150.7	121.0	24.5%
Adjustments	(118.8)	(108.1)	(9.9)%
France	3,060.0	3,100.7	(1.3)%
Tobacco and Related Products	2,952.2	2,999.2	(1.6)%
Other Businesses	114.2	108.5	5.3%
Adjustments	(6.4)	(7.0)	8.7%
Italy	2,571.9	2,273.9	13.1%
Tobacco and Related Products	2,571.9	2,273.9	13.1%
Corporate and Others	(27.5)	(29.3)	11.4%
Total Revenues	7,997.2	7,661.2	4.4%

Changes in Economic Sales¹ (by segment and activity)

M€	1 Oct. 2020 – 30 Jun. 2021	1 Oct. 2019 – 30 Jun. 2020	% change
Iberia	466.9	432.9	7.8%
Tobacco and Related Products	215.2	209.2	2.8%
Transport	221.2	203.5	8.7%
Other Businesses	75.6	63.1	19.8%
Adjustments	(45.1)	(43.0)	(4.9)%
France	199.4	189.6	5.2%
Tobacco and Related Products	172.0	166.4	3.4%
Other Businesses	32.0	28.4	12.7%
Adjustments	(4.6)	(5.2)	10.3%
Italy	239.1	222.5	7.4%
Tobacco and Related Products	239.1	222.5	7.4%
Adjustments	3.6	2.5	45.1%
Total Economic Sales¹	909.0	847.5	7.2%

¹ See the appendix "Alternative Performance Measures"

Changes in Adjusted EBIT¹ (by segment)

M€	1 Oct. 2020 – 30 Jun. 2021	1 Oct. 2019 – 30 Jun. 2020	% change
Iberia	101.8	83.7	21.7%
France	48.3	37.6	28.5%
Italy	75.6	65.1	16.2%
Corporate and Others	(10.9)	(11.1)	1.4%
Total Adjusted EBIT¹	214.9	175.3	22.6%

Adjusted Operating Profit¹ (or, without distinction, Adjusted EBIT¹) is the principal indicator used by the Group's Management to analyse and measure the progress of the business. Basically, this indicator is calculated by deducting from the Operating Profit all those expenses that are not directly linked to the revenue obtained by the Group in each period, which facilitates the analysis of the changes in the Group's operating expenses¹ and typical margins. The following table shows the reconciliation between Adjusted Operating Profit¹ and Operating Profit for the periods up to and including the third quarters of fiscal years 2021 and 2020:

M€	1 Oct. 2020 – 30 Jun. 2021	1 Oct. 2019 – 30 Jun. 2020
Adjusted Operating Profit¹	214.9	175.3
(-) Restructuring Costs ¹	(5.4)	(3.1)
(-) Amortisation of Assets Logista France	(39.2)	(39.2)
(+/-)Result of Disposal and Impairment	1.2	0.3
(+/-)Result by Equity Method and Others	2.1	0.8
Operating Profit	173.7	134.1

¹ See the appendix "Alternative Performance Measures"

Changes by segment

A. Iberia: Spain and Portugal

Iberia's revenues amounted to 2,392.8 million euros compared with the 2,315.9 million euros of fiscal year 2020, an increase of 3.3%. Economic Sales¹ reached 466.9 million euros, 7.8% more than the 432.9 million euros recorded for the first nine months of the previous fiscal year.

Revenues in **Tobacco and Related Products** increased by 1.9% despite the reduction in distributed volumes of tobacco.

In the first nine months of the current fiscal year the volumes of cigarettes and RYO and others (including the units of heated tobacco) distributed in Iberia decreased by 1.3% compared with the same period of the 2020 fiscal year. They were smaller in both Spain and Portugal.

The volumes of those product categories that were distributed in Spain decreased by 1.1% compared with the same period of the previous fiscal year, mainly as a consequence of lower sales in tourism and lower cross-border sales due to the restrictions on movements which had been in force since the beginning of the pandemic, and which continue to affect the flow of tourists arriving from other countries.

In general, the tobacco manufacturers kept the retail prices of their products stable both in the current period of the fiscal year and in the previous one, so there were no material impacts resulting from variations in the value of stocks.

Economic Sales¹ of Tobacco and Related Products increased by 2.8% compared with the same period of the previous fiscal year.

The invoicing of added-value services to tobacco manufacturers, combined with the implementation of revised prices for including the tracking service which is provided, compensated for the impact of the slight reduction in the volumes of distributed tobacco on the Economic Sales¹.

Compared with the same period in the 2020 fiscal year, there was a double-digit increase in the Economic Sales¹ from the distribution of convenience products. This positive performance was due to the incorporation of new customers, to a greater number of points-of-sale and to a more dynamic demand for the products of convenience shops.

The situation caused by the pandemic favoured an increase in electronic commerce which in turn resulted in greatly increased activity in the Parcels business (Nacex), whereas the restrictions on movements and the selective confinements were adversely affecting demand in Industrial Parcels. However, it is worth noting that in the first nine months of the current fiscal year, this latter activity has already recorded increases compared with the same period in the previous fiscal year, thanks to the considerable growth achieved during the third quarter.

The recovery of tobacco volumes in long-distance transport, combined with the expansion of transport services and their gradual incorporation into other sectors such as the pharmaceutical industry, 'high tech', high-volume consumer goods and fruit, contributed to a gradual increase in this activity.

Economic Sales¹ in **Transport** increased by 8.7% to 221.2 million euros. The increases in Economic Sales¹ were of double digits in Parcels (Nacex), mid-single digits in Long-Distance Transport, and low-single digits in Industrial Parcels.

¹ See the appendix "Alternative Performance Measures"

Revenues in the **Other Businesses** line (which includes the activities of Pharma and of Periodicals) increased by 24.5% to 150.7 million euros, and the Economic Sales¹ rose by 19.8%, to 75.6 million euros.

Revenues in the Pharma business continued to grow significantly, thanks to the constant incorporation of new customers, and to the development of new services dedicated to the sector, and designed for existing customers as well as for new ones.

The special circumstances that have arisen during the pandemic have brought new needs to the pharmaceutical and healthcare sector, to which Logista has responded swiftly and appropriately. This has resulted in an increase in its activity due to the incorporation of new customers such as public authorities and the hospitals themselves, and also new products against COVID-19, including vaccines and healthcare and protective equipment, and all this has helped to boost the activity of Logista Pharma since the beginning of this fiscal year.

The Revenues and the Economic Sales¹ from the distribution of periodicals in Spain have remained at almost the same levels even though this sector is still facing difficult circumstances.

Total operating expenses¹ in the Iberia segment increased by 4.5% in the period.

It is estimated that in the first nine months of the current fiscal year, COVID-19 had no significant effect on results, whereas in the same period of the previous fiscal year the estimated negative impact was of approximately 11 million euros.

The **Adjusted Operating Profit**¹ was 101.8 million euros, and represented an increase of 21.7% compared with last year's figure.

Restructuring costs¹ were slightly less than those recorded for the first nine months of the 2020 fiscal year (1.5 million euros v.1.8 million euros), and there were also higher capital gains from sales of assets (1.3 million euros compared with 0.5 million euros). All of this resulted in a 23.9% increase in the **Operating Profit**, to 103.7 million euros, compared with the 83.1 million euros recorded in the same period of the previous fiscal year.

B. France

Economic Sales¹ in France increased by 5.2% to 199.4 million euros, but Revenues decreased by 1.3%, to 3,060 million euros.

Revenues in the business line **Tobacco and Related Products** fell by 1.6% to 2,952.2 million euros, due to the reduction in the volumes of tobacco distributed compared with those of the previous fiscal year, which was of 2.8% in cigarettes plus RYO and others (including the units of heated tobacco).

During the period, the last of the French Government's tax increases designed to result in a price of 10 euros for a packet of 20 cigarettes in the year 2020, came into force, and represented, on average, about 40 cents per packet. Most of the tobacco manufacturers added this tax increase to the retail price of their products, but in some cases those price increases did not fully compensate for the effect of the tax increases.

¹ See the appendix "Alternative Performance Measures"

The changes in taxes and prices during the first nine months of the fiscal year had an adverse impact on the value of the stocks amounting to about 2 million euros in this fiscal year, compared with an adverse impact of about 3 million euros in the same period of the previous fiscal year.

The Economic Sales¹ in Tobacco and Related Products increased by 3.4% in these first nine months, reaching 172 million euros. This was thanks to the positive Economic Sales¹ from the distribution of tobacco and to the increases through electronic transactions and convenience products.

The **Other Businesses** activity (the wholesale distribution of convenience products through channels other than tobacconists) improved gradually during the fiscal year, and in the first nine months Revenues increased by 5.3%, and Economic Sales¹ by 12.7%.

It is considered that COVID-19 had no significant net impact on results in France in the first nine months of the current fiscal year, whereas in the same period of the previous fiscal year it had an adverse impact of about 6 million euros.

Total operating costs¹ in France were reduced by 0.6%, which enabled the **Adjusted Operating Profit**¹ to increase by 28.5% to 48.3 million euros, compared with the 37.6 million euros obtained in the first nine months of the previous fiscal year.

The restructuring costs¹ were higher than those of the same period of the 2020 fiscal year (1.2 million euros, against 0.5 million euros), and the amortisation of assets generated from the acquisition of business in France produced the same figure in both periods: 39.2 million euros. The **Operating Profit** was +7.9 million euros, much better than the -2.1 million euros recorded in the same period of the previous fiscal year.

C. Italy

Revenues in Italy increased by 13.1%, to 2,571.9 million euros, thanks to higher revenues both from convenience products and from tobacco, in comparison with the same period of the 2020 fiscal year.

The distributed volumes of cigarettes plus RYO and others (including the units of heated tobacco) were 3.2% greater than those of the first nine months of the previous fiscal year, due to the good performance of the new categories of products, which amply compensated for the fall in volumes of cigarettes (-1.9%).

During the current fiscal year there have been changes in the excise duty on heated tobacco, and the manufacturers of this product have increased their retail prices to an extent that more than compensates for the increase in taxation. The changes in taxes and prices have had a favourable effect on the period's results of between 4 and 5 million euros, compared with about 1 million euros in the first nine months of the previous fiscal year.

The increase in revenues from services to manufacturers and from the distribution of convenience products enabled Italy's Economic Sales¹ to increase by 7.4%, to 239.1 million euros.

With regard to services to manufacturers, it is worth noting the impetus that the new kinds of tobacco products, and the added-value services associated with them, are now experiencing in Italy. Moreover, the marketing efforts made in recent years to speed up the growth of distribution of convenience products through the tobacconist channel continues to produce double-digit increases in the Economic Sales¹ of these products.

It is considered that COVID-19 had no significant net impact on results in these first nine months in Italy, nor on those of the previous fiscal year.

¹ See the appendix "Alternative Performance Measures"

Total operating costs¹ in Italy rose by 3.8% compared with those of the previous fiscal year, resulting in an increase of 16.2% in the **Adjusted Operating Profit**¹ to 75.6 million euros.

The restructuring costs¹ associated with the gradually improving efficiency of the operations have been higher in this fiscal year than in the previous fiscal year (2.4 million euros, compared with 0.3 million euros in 2020), so the **Operating Profit** was 73.2 million euros, 13.0% more than that obtained in the first nine months of the previous fiscal year.

D. Corporate and Others

This segment includes the corporate expenses and the result of the activities in Poland.

The **Adjusted Operating Profit**¹ was -10.9 million euros, compared with the -11.1 million euros recorded for the first nine months of the 2020 fiscal year.

¹ See the appendix "Alternative Performance Measures"

Financial Overview

A. Overview of Financial Results

The Group has a reciprocal credit facility agreement with its majority shareholder (Imperial Brands Plc.) under which it lends its daily cash excess, up to a maximum of 2,600 million euros, or receives the necessary cash to fulfil its payment obligations. The remuneration of the balances is set at the base rate of the European Central Bank, plus a differential of 75 basis points. The base rate of the European Central Bank remained at 0.0% during both fiscal years.

The average cash position during the first nine months of the fiscal year was 2,236 million euros, compared with 1,856 million euros in the same period of the previous fiscal year.

The financial results of the first nine months of the fiscal year amply surpassed those obtained in the same period of the previous fiscal year (14.3 million euros compared with 8 million euros). This was principally due to the interest generated on the excessive advance payments of corporation tax in Spain in fiscal years 2017 and 2018, in accordance with a ruling of the Constitutional Court (3.6 million euros) and also, to a lesser extent, to the larger average cash flow compared with the first nine months of last year.

B. Changes in Net Profit

The restructuring costs¹ recorded during the current fiscal year were higher than those in the same period of the previous fiscal year (5.4 million euros compared with 3.1 million euros), while larger capital gains were recorded (of 1.2 million euros, principally from the sale of an asset in Spain, in Alcalá de Guadaíra) than in the previous fiscal year (0.3 million euros). This, combined with good progress in the businesses and better financial results, led to an increase of 32.2% in the Profit Before Taxes, to 188 million euros.

The effective consolidated tax rate recorded in the period was 27.3%, and was the same as in the previous fiscal year, taking the Net Profit to 136.6 million euros, which represented an increase of 32.6% compared with the 103 million euros obtained during the first nine months of the 2020 fiscal year.

The Earnings per Share were 1.03 euros compared with the 0.78 euros of the first nine months of the previous fiscal year, and there were no changes in the number of shares representing the share capital.

As at 30th June, 2021, the Company possessed 775,493 shares of its own (0.6% of the share capital), mainly to cover undertakings to award shares in the future, under the directors' long-term remuneration schemes, and also in accordance with the liquidity agreement signed with Banco Santander S.A. on 20th January, 2021.

C. Cash Flows

The seasonality of the Group's business results in negative Cash Generation during the first and second quarters of the fiscal year, which is recovered during the second half, and usually reaches its peak towards the end of the fiscal year.

The Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) in the first nine months of the current fiscal year increased by 14.7% compared with the same period in the previous fiscal year, due to the positive performance of the activity. Furthermore, the improvement in the financial results and

¹ See the appendix "Alternative Performance Measures"

the smaller cash outflows for investments in the period financed the larger payments for restructuring¹ and also part of the larger amount of normalized taxes in these months of the fiscal year. As a result of all this, the cash position was 17.4% higher than that achieved in the same period of the previous fiscal year.

The variation in working capital at the close of the third quarter was slightly unusual because the position at the close of that period in the previous fiscal year had been very high, as a result of the temporary modification, in certain countries, to the conditions for the payment of excise duties. The change in that balance resulted in negative cash-flow generation at 30th June, 2021.

D. Dividend Policy

The Board of Directors of 22nd July 2021, approved the distribution of an interim dividend corresponding to fiscal year 2021 of 54.1 million euros (0.41 euros per share), which will be paid on 27th August, 2021.

In view of the good performance of the activity in the first few months of the fiscal year, the Board of Directors decided to increase the amount paid as an interim dividend in 2020 by 5.1% instead of paying one third of the total dividend paid in the previous year as was the customary way of calculation.

The General Shareholders' Meeting of 4th February, 2021, approved the distribution of a final dividend corresponding to fiscal year 2020 of 104.3 million euros (0.79 euros per share), which was paid on 26th February, 2021. The total dividend corresponding to fiscal year 2020 will thus amount to approximately 156 million euros (1.18 euros per share), the same amount that was distributed as the total dividend in the 2019 fiscal year.

The total dividend distributed in the 2020 fiscal year represented almost 99.2% of the Net Profit for that fiscal year.

E. Outlook

The solid performance of our businesses in the first nine months of the fiscal year, together with the current situation in the market, enables us to maintain the forecasts announced at the close of the first half-year.

One can therefore expect the Adjusted Operating Profit¹ in the 2021 fiscal year to show a double-digit increase over that obtained in the 2020 fiscal year.

However, account should be taken of the fact that there are still uncertainties about the impact that successive waves of COVID-19, caused by a rapid propagation of new strains of the virus, could have on the economies of the countries in which Logista operates, and about the measures that governments could take to contain such an expansion. In addition, there are still uncertainties about the impact that this hypothetical situation could have on the Group's activity and on the estimates of growth that are made at the close of the fiscal year.

¹ See the appendix "Alternative Performance Measures"

Appendix

Profit & Loss Account

M€	1 Oct. 2020 – 30 Jun. 2021	1 Oct. 2019 – 30 Jun. 2020	% Change
Revenues	7,977.2	7,661.2	4.4%
Economic Sales¹	909.0	847.5	7.2%
(-) Distribution Operating Costs ¹	(580.9)	(559.4)	(3.8)%
(-) Sales and Marketing Operating Expenses ¹	(49.5)	(49.3)	(0.5)%
(-) Research and G&A Operating Expenses ¹	(63.7)	(63.5)	(0.4)%
Total Operating Costs¹	(694.1)	(672.2)	(3.2)%
Adjusted EBIT¹	214.9	175.3	22.6%
<i>Margin¹ %</i>	23.6%	20.7%	290 b.p.
(-) Restructuring Cost ¹	(5.4)	(3.1)	(74.9)%
(-) Amort. of Assets Logista France	(39.2)	(39.2)	0.0%
(+/-) Disposals and Impairments	1.2	0.3	251.6%
(+/-) Share of Results of Companies and Others	2.1	0.8	169.6%
Operating Profit	173.7	134.1	29.5%
(+) Financial Income	17.0	11.3	51.0%
(-) Financial Expenses	(2.7)	(3.2)	16.3%
Profit before Taxes	188.0	142.2	32.2%
(-) Corporation Tax	(51.2)	(38.8)	(32.0)%
<i>Effective Tax Rate</i>	27.3%	27.3%	0 b.p.
(+/-) Other Income / (Expenditure)	0.0	0.0	n.r.
(-) Minority Interests	(0.2)	(0.3)	52.9%
Net Profit	136.6	103.0	32.6%

¹ See the appendix "Alternative Performance Measures"

Cash Flow Statement

M€	1 Oct. 2020 – 30 Jun. 2021	1 Oct. 2019 – 30 Jun. 2020	Change
EBITDA	270.3	235.6	34.7
Restructuring & Other Payments	(12.8)	(9.4)	(3.3)
Financial Result	15.8	10.2	5.7
Normalised Taxes	(59.7)	(47.2)	(12.4)
Net Investments	(25.7)	(28.8)	3.1
Normalised Cash Flow	188.1	160.3	27.8
Variation in Working Capital	(511.7)	58.8	(570.5)
Effect of cut-off date on taxes	20.3	(53.9)	74.2
Free Cash Flow	(303.3)	165.1	(468.5)

Balance Sheet

M€	30 June 2021	30 September 2020
Tangible Assets and other Fixed Assets	347.7	373.3
Net Long-Term Financial Assets	20.1	19.2
Net Goodwill	920.8	920.8
Other Intangible Assets	367.5	408.1
Deferred Tax Assets	16.1	18.7
Net Inventory	1,566.0	1,294.3
Net Receivables and Others	2,094.9	1,985.7
Cash & Cash Equivalents	2,289.7	2,826.8
Total Assets	7,722.8	7,846.9
Equity	540.9	514.2
Minority interests	0.8	2.1
Non-Current Liabilities	145.1	167.6
Deferred Tax Liabilities	243.4	253.6
Short-Term Financial Debt	76.9	77.4
Short-Term Provisions	8.9	13.5
Trade Debtors and Other Accounts Payable	6,706.8	6,818.6
Total Liabilities	7,722.8	7,846.9

Alternative Performance Measures

- **Economic Sales:** equivalent to Gross Profit, and used without distinction by the Group's Management to refer to the figure resulting from subtracting Procurements from the Revenue figure.

The Group's Management considers that this figure is a meaningful measure of the fee revenue which we generate from performing our distribution services, and provides investors with a useful view of the Group's financial performance.

M€	1 Oct. 2020 – 30 Jun. 2021	1 Oct. 2019 – 30 Jun. 2020
Revenue	7,997.2	7,661.2
Procurements	(7,088.2)	(6,813.7)
Gross Profit	909.0	847.5

- **Adjusted Operating Profit (Adjusted EBIT):** This indicator is calculated, basically, by deducting from the Operating Profit those costs that are not directly related to the revenue obtained by the Group in each period, thus facilitating the analysis of the Group's 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.

M€	1 Oct. 2020 – 30 Jun. 2021	1 Oct. 2019 – 30 Jun. 2020
Adjusted Operating Profit	214.9	175.3
(-) Restructuring Costs	(5.4)	(3.1)
(-) Amortisation of Assets Logista France	(39.2)	(39.2)
(+/-) Disposals and Impairments	1.2	0.0
(+/-) Share of Results of Companies and Others	2.1	0.8
Operating Profit	173.7	134.1

- **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 Management to analyse and measure the profitability obtained by the Group's typical activity in a given period.

M€	1 Oct. 2020 – 30 Jun. 2021	1 Oct. 2019 – 30 Jun. 2020	% Change
Economic Sales	909.0	847.5	7.2%
Adjusted Operating Profit	214.9	175.3	22.6%
Margin over Economic Sales	23.6%	20.7%	+290 b.p.

- **Operating expenses:** these include the costs of logistics networks, commercial expenses, research expenses and head office expenses that are directly related to the revenues obtained by the Group in each period. It is the main figure used by the Group's Management to analyse and measure the performance of the costs structure. It does not include restructuring costs or amortisation of the assets derived from the acquisition of Logista France, because they are not directly related to the revenues obtained by the Group in each period.

- **Non-recurring expenses:** This term refers to those expenses which, although they might occur in more than one period, do not have continuity in time (unlike operating expenses) and only affect the accounts at a specific moment.
This figure 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 which occur continuously and which allow the Group's activity to be sustained. They are calculated from the total operating costs minus the non-recurring costs defined in the previous point.
- This figure helps the Group's Management to analyse and measure efficiency in the activities carried out by the Group.
- **Restructuring costs:** are the costs incurred by the Group to increase the operating, administrative and commercial efficiency in our organisation, including the costs related to re-organisation, dismissals and closures or transfers of warehouses or other installations.
- **Non-recurring results:** this term refers to the year's results that do not have continuity during the year and only affect the accounts at a specific moment. Their amount is included in the operating profit.

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