

**DECLARATION OF RESPONSIBILITY ON THE CONTENT OF THE
ANNUAL FINANCIAL REPORT FOR THE YEAR CLOSED AT
30 SEPTEMBER 2023
(Translation for information purposes)**

Members of Board of Directors of Compañía de 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 2023 (1 October 2022 - 30 September 2023), formulated by the Board of Directors at its meeting of November 7th, 2023, 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 the Management individual and consolidated reports, 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
Chairman

Mr. Luis Isasi Fernández de Bobadilla
Vice Chairman

Mr. Íñigo Meirás Amusco
CEO

Ms. Cristina Garmendia Mendizábal
Director

Mr. Richard G. Hathaway
Director

Ms. Julia Lefèvre
Director

Mr. Murray H. McGowan
Director

Ms. Pilar Platero Sanz
Director

Ms. Jennifer Susan Ramsey
Director

Mr. David M. Tillekeratne
Director (sings on his behalf, by delagation,
Mr. Murray McGowan)

Ms. María Echenique Moscoso del Prado
Secretary Director

Leganés, November 7th, 2023

**Audit Report on 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, 2023**

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 30)

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 at September 30, 2023, the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement, and the notes thereto, for the year then ended (“2023”).

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 at September 30, 2023 and of its 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 2023, the Group recognized, on the heading "Revenue" in the consolidated income statement, 11,613 million euros corresponding to sales of tobacco and related products, representing 93% 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 23, 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 2023, the Group recognized property, plant, and equipment under non-current assets in the amount of 443 million euros, intangible assets totalling 319 million euros, mainly related to distribution contracts with manufacturers, and goodwill amounting to 1.010 million euros.

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

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

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

**Our
response**

Our audit procedures include, among others, the following:

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

Legal proceedings

Description At year-end 2023, the Group is involved in certain legal proceedings, as detailed in Note 21 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 21 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 2023 consolidated management report, the preparation of which is the responsibility of the Parent Company's directors and is not an integral part of the consolidated financial statements.

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

- a. Checking only that the consolidated non-financial statement and certain information included in the Corporate Governance Report and in the Board Remuneration Report, to which the Audit Law refers, was provided as stipulated by applicable regulations and, if not, disclose this fact.
- b. Assessing and reporting on the consistency of the remaining information included in the consolidated management report with the consolidated financial statements, based on the knowledge of the Group obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the consolidated management report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to disclose this fact.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the consolidated management report is consistent with that provided in the 2023 consolidated financial statements and its content and presentation are in conformity with applicable regulations.

Responsibilities of the Parent Company's directors and the Audit, Control and Sustainability 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 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 directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit, Control and Sustainability Committee 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 judgement 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 management.
- ▶ Conclude on the appropriateness of the directors' 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 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, Control and Sustainability 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, Control and Sustainability 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, Control and Sustainability Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

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

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital files of the European single electronic format (ESEF) of COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A. and subsidiaries for the 2023 financial year, which include the XHTML file containing the consolidated financial statements for the year, and the XBRL files as labeled by the entity, which will form part of the annual financial report.

The directors of COMPAÑÍA DE DISTRIBUCIÓN INTEGRAL LOGISTA HOLDINGS, S.A. are responsible for submitting the annual financial report for the 2023 financial year, in accordance with the formatting and mark-up requirements set out in Delegated Regulation EU 2019/815 of 17 December 2018 of the European Commission (hereinafter referred to as the ESEF Regulation). In this regard, the Corporate Governance Report and the Board remuneration report have been incorporated by reference in the consolidated management report.

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

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

Additional report to the Audit, Control and Sustainability Committee

The opinion expressed in this audit report is consistent with the additional report we issued to the Audit, Control and Sustainability Committee on November 7, 2023.

Term of engagement

The ordinary general shareholders' meeting held on February 7, 2023 appointed us as auditors for 3 years, commencing on September 30, 2023.

Previously, we were appointed as auditors by the shareholders for 3 year and we have been carrying out the audit of the consolidated financial statements continuously since 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 7, 2023

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

Consolidated financial statements for
the year ended 30 September 2023
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 30). 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 2023 AND 2022

(Thousands of Euros)

ASSETS	Notes	30-09-2023	30-09-2022	EQUITY AND LIABILITIES	Notes	30-09-2023	30-09-2022
NON-CURRENT ASSETS:		1,815,503	1,599,322	EQUITY:		595,311	566,695
Property, plant and equipment	Note 6	443,189	315,265	Share capital	Note 13	26,550	26,550
Investment property	Note 4.2	6,553	6,816	Share premium	Note 14	867,808	867,808
Goodwill	Note 7	1,010,147	932,375	Reserves of the Parent Company	Note 14	358,830	403,573
Other intangible assets	Note 8	318,902	312,757	Reorganisation reserves	Note 14	(753,349)	(753,349)
Investments in associates		7,193	4,599	Reserves at consolidated companies	Note 15	(115,108)	(127,639)
Other non-current financial assets	Note 10	17,694	16,422	Translation differences		(344)	(451)
Deferred tax assets	Note 19	11,825	11,088	Reserve for first-time application of IFRSs	Note 14	19,950	19,950
				Consolidated profit for the period		272,254	198,848
				Interim dividend	Note 14	(64,619)	(56,714)
				Treasury shares	Note 14	(21,265)	(16,600)
				Equity attributable to shareholders of the Parent		590,707	561,976
				Minority interests	Note 16	4,604	4,719
CURRENT ASSETS:		6,242,414	6,094,368	NON-CURRENT LIABILITIES:		482,482	364,517
Inventories	Note 11	1,780,515	1,529,163	Other financial non-current liabilities	Note 20.1	219,182	103,800
Trade and other receivables	Note 10	1,922,968	1,900,663	Long-term provisions	Note 18	27,717	29,043
Tax receivables	Note 19	44,294	9,840	Deferred tax liabilities	Note 19	235,583	231,674
Other current financial assets	Note 10	2,290,864	2,429,616			6,984,070	6,762,770
Cash and cash equivalents	Note 12	192,960	218,733	CURRENT LIABILITIES:		96,110	40,849
Other current assets		10,813	6,353	Other current financial liabilities	Note 20.1	1,584,398	1,454,965
				Trade and other payables	Note 20.2	5,199,512	5,182,620
				Tax payables	Note 19	16,451	6,650
				Short-term provisions	Note 18	87,599	77,686
				Other current liabilities		-	-
NON-CURRENT ASSETS HELD FOR SALE	Note 9	3,946	292	LIABILITIES ASSOCIATED WITH THE ASSETS HELD FOR SALE		-	-
TOTAL ASSETS		8,061,863	7,693,982	TOTAL EQUITY AND LIABILITIES		8,061,863	7,693,982

The accompanying Notes 1 to 30 and Appendices I and II are an integral part of the consolidated balance sheet at 30 September 2023.

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 30). 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 2023 AND 2022

(Thousands of Euros)

	Notes	2023	2022
Revenue	Note 22.a	12,427,536	11,463,646
Purchases	Note 23	(10,743,409)	(10,228,404)
GROSS PROFIT		1,684,127	1,235,242
Cost of logistics networks:		(1,232,762)	(843,042)
Staff costs	Note 22.b	(264,007)	(190,483)
Transport costs		(485,495)	(278,721)
Provincial sales office expenses		(93,161)	(80,219)
Depreciation and amortization expense	Notes 4.2, 6 and 8	(150,503)	(116,602)
Other operating expenses	Note 22.c	(239,596)	(177,017)
Commercial expenses:		(64,500)	(54,558)
Staff costs	Note 22.b	(35,101)	(31,083)
Other operating expenses	Note 22.c	(29,399)	(23,475)
Research expenses		(2,088)	(1,874)
Headquarters expenses:		(93,372)	(85,991)
Staff costs	Note 22.b	(73,178)	(64,891)
Depreciation and amortization expense	Notes 4.2, 6 and 8	(5,042)	(4,957)
Other operating expenses	Note 22.c	(15,152)	(16,143)
Share of results of companies		2,595	2,797
Net gain on disposal and impairment of non-current assets	Notes 6 and 8	(686)	13,872
Other expenses		(55)	(40)
PROFIT FROM OPERATIONS		293,259	266,406
Finance income	Note 22.e	84,313	21,587
Finance costs	Note 22.f	(8,072)	(2,419)
PROFIT BEFORE TAX		369,500	285,574
Income tax	Note 19	(95,741)	(74,954)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		273,759	210,620
Net income from discontinued operations	Note 9	-	(11,473)
PROFIT FOR THE PERIOD		273,759	199,147
Attributable to:			
Shareholders of the Parent-Company		272,254	198,848
Minority interests	Note 16	1,505	299
BASIC EARNINGS PER SHARE	Note 5	2.07	1.51

The accompanying Notes 1 to 30 and Appendices I and II are an integral part of the consolidated income statement for the fiscal year 2023.

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 30). 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
AND CORRESPONDING INCURRED COSTS
FOR THE FISCAL YEARS ENDED ON 30 SEPTEMBER 2023 AND 2022**
(Thousands of Euros)

	Notes	2023	2022
PROFIT FOR THE YEAR		273,759	199,147
Items that will not be reclassified to income statement			
Net actuarial gain (loss) recognised directly in equity	Note 18	2,530	6,778
Items that may be reclassified to income statement			
Foreign exchange rate changes		107	(354)
TOTAL NET GAIN (LOSS) REGISTERED DIRECTLY IN EQUITY		2,637	6,424
TOTAL NET GAIN (LOSS) CONSOLIDATED REGISTERED DURING THE YEAR		276,396	205,571
Attributable to:			
Shareholders of the Parent Company		274,891	205,272
Minority interests		1,505	299
TOTAL ATTRIBUTABLE		276,396	205,571

The accompanying Notes 1 to 30 and Appendix I and II are an integral part of the consolidated income statement for the fiscal year 2023.

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 30).

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 2023 AND 2022

(Thousand of euros)

	Share Capital	Share Premium	Reserves of the Parent	Reorganisation Reserves	Reserves at Consolidated Companies	Exchange Rate Changes	Reserve for First-Time Application of IFRSs	Consolidated Profit for the Year	Interim Dividend	Treasury Shares	Equity Attributable to Shareholders of the Parent	Minority Interests	Total Equity
BALANCE AS OF SEPTEMBER 30, 2021	26,550	867,808	289,014	(753,349)	(31,735)	(97)	19,950	173,961	(54,116)	(14,346)	523,640	834	524,474
Net profit attributable to the Parent	-	-	-	-	-	-	-	198,848	-	-	198,848	-	198,848
Exchange Rates Changes	-	-	-	-	-	(354)	-	-	-	-	(354)	-	(354)
Loss attributable to minority interests	-	-	-	-	-	-	-	-	-	-	-	299	299
Actuarial gains/losses	-	-	-	-	6,778	-	-	-	-	-	6,778	-	6,778
Income and expenses recognised in the period	-	-	-	-	6,778	(354)	-	198,848	-	-	205,272	299	205,571
Transactions with Shareholders:													
Distribution of profit:													
To reserves	-	-	113,073	-	(102,684)	-	-	(10,389)	-	-	-	-	-
To dividends (Note 14.e)	-	-	-	-	-	-	-	(163,572)	54,116	-	(109,456)	-	(109,456)
Dividends (Note 14.e)	-	-	-	-	-	-	-	-	(56,714)	-	(56,714)	-	(56,714)
On treasury shares operations (Note 14.b and 14.f)	-	-	718	-	-	-	-	-	-	(3,917)	(3,199)	-	(3,199)
Incentive Plan (Note 4.12)	-	-	768	-	-	-	-	-	-	1,663	2,431	-	2,431
Business combinations	-	-	-	-	-	-	-	-	-	-	-	3,691	3,691
Others	-	-	-	-	2	-	-	-	-	-	-	(105)	(105)
BALANCE AS OF SEPTEMBER 30, 2022	26,550	867,808	403,573	(753,349)	(127,639)	(451)	19,950	198,848	(56,714)	(16,600)	561,976	4,719	566,695
Net profit attributable to the Parent	-	-	-	-	-	-	-	272,254	-	-	272,254	-	272,254
Exchange Rates Changes	-	-	-	-	-	107	-	-	-	-	107	-	107
Loss attributable to minority interests	-	-	-	-	-	-	-	-	-	-	-	410	410
Actuarial gains/losses	-	-	-	-	2,530	-	-	-	-	-	2,530	-	2,530
Income and expenses recognised in the period	-	-	-	-	2,530	107	-	272,254	-	-	274,891	410	275,301
Transactions with Shareholders:													
Distribution of profit-													
To reserves	-	-	6,794	-	10,084	-	-	(16,878)	-	-	-	-	-
To dividends (Note 14.e)	-	-	-	-	-	-	-	(181,970)	56,714	-	(125,256)	(36)	(125,292)
Dividends (Note 14.e)	-	-	-	-	-	-	-	-	(64,619)	-	(64,619)	-	(64,619)
On treasury shares operations (Note 14.b and 14.f)	-	-	4,804	-	-	-	-	-	-	(7,332)	(2,528)	-	(2,528)
Incentive Plan (Note 4.12)	-	-	(118)	-	-	-	-	-	-	2,667	2,549	-	2,549
Business combinations (Note 7.2)	-	-	(56,223)	-	-	-	-	-	-	-	(56,223)	(489)	(56,712)
Others	-	-	-	-	(83)	-	-	-	-	-	(83)	-	(83)
BALANCE AS OF SEPTEMBER 30, 2023	26,550	867,808	358,830	(753,349)	(115,108)	(344)	19,950	272,254	(64,619)	(21,265)	590,707	4,604	595,311

The accompanying Notes 1 to 30 and Appendix I and II are an integral part of the consolidated statement of changes in equity for 2023.

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 30). 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 2023 AND 2022

(Thousands of Euros)

	Notes	2023	2022
OPERATING ACTIVITIES:		307,636	642,963
Consolidated profit before tax from continuing operations		369,500	285,574
Net income from discontinued operations		-	(11,473)
Adjustments on Income-		101,504	95,231
Result of companies accounted for using the equity method		(2,595)	(2,797)
Depreciation and amortization	Notes 4.2, 6 and 8	157,653	123,019
Impairment		-	(2,991)
Provisions recognised/ (reversed)		20,884	8,783
Proceeds from disposal of non-current assets	Notes 6 and 8	(696)	(14,282)
Other adjustments		2,527	2,667
Financial profit		(82,534)	(20,905)
Financial expenses related to leases (IFRS16)	Nota 22.f	6,265	1,737
Net change in assets / liabilities-		(163,368)	273,631
(Increase)/Decrease in inventories		(259,409)	(60,041)
(Increase)/Decrease in trade and other receivables		45,116	236,836
Increase/(Decrease) in trade payables		70,824	306,162
Increase/(Decrease) in other current and non-current liabilities		12,818	(208,733)
Income tax paid		(115,251)	(19,761)
Finance income and costs		82,534	19,168
		(83,005)	(389,033)
INVESTING ACTIVITIES:		(225,577)	(404,709)
Payment for investment-		(225,577)	(404,709)
Property, plant and equipment	Note 6	(35,709)	(28,798)
Intangible assets	Note 8	(8,473)	(7,967)
Group companies and associates		-	(352,768)
Acquisitions		(181,395)	(15,176)
Proceeds from financial divestments-		142,572	15,676
Property, plant and equipment	Note 6	2,609	15,527
Intangible assets		-	149
Group companies and associates		139,963	-
		(250,404)	(206,957)
FINANCING ACTIVITIES:		(189,911)	(166,166)
Payment of dividends and remuneration of other equity instruments-		(189,911)	(166,166)
Dividends	Note 14	(189,911)	(166,166)
Proceeds and payments of equity instruments-		(2,528)	(4,621)
Acquisition of treasury shares	Note 14	(2,528)	(4,621)
Proceeds and payments for financial liability instruments-		2,390	(2,521)
Repayment and amortization of current borrowings		2,390	(2,521)
Lease payments (IFRS 16)		(60,355)	(33,649)
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS		(25,773)	46,973
Cash and cash equivalents Beginning Balance-		218,733	171,760
Net change in cash and cash equivalents during the year		(25,773)	46,973
Total cash and cash equivalents at end of fiscal year		192,960	218,733

The accompanying Notes 1 to 30 and Appendix I and II are an integral part of the consolidated cash flow statement for 2023.

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 30). 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 fiscal year ended on the 30 September 2023

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 the 13th of May 2014, with its sole shareholder being Altadis, S.A.U., a company belonging to the Imperial Brands PLC Group. On the 4th of 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 Company 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 the 14th of July 2014, and its shares are currently listed for trading on the Madrid, Barcelona, Bilbao and Valencia Stock Exchange Markets.

On July 20th of 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, because 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 the 1st of October of each year and ends on the 30th of September of the following year. The twelve-month period ended 30 September 2022 will hereinafter be referred to as "2022", the period ended the 30 September 2023 as "2023", 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, documents and electronic devices (such as mobile phone and travel card top-ups), drugs, books, newspapers, and lottery tickets. The Group provides these services through a wide infrastructure network which spans the whole value chain, from picking to POS delivery.

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

A detail of the investees included in the scope of consolidation comprising the Logista Group on 30 September 2023 and 2022 is provided in Appendix I, which includes, notably, 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 Company, belongs to the Imperial Brands PLC Group, which is governed by the corporate law in force in the United Kingdom, and whose registered office is at 121 Winterstoke Road, Bristol, BS3 2LL (United Kingdom). The consolidated financial statements of the Imperial Brands PLC Group for 2022 were formally prepared by its Directors at the Board of Directors meeting held on 15 November 2022.

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 laws.
- b. International Financial Reporting Standards (IFRS), as adopted by the European Union, in conformity with Regulation (EC) n°1606/2002 of the European Parliament and of the Law 62/2003, of 30th of 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 during their meeting on the 7th of November 2023. 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 2022 were formally approved by the General Shareholders' Meeting on the 7th of February 2023.

The principal accounting policies and measurement bases applied in preparing the Group's consolidated financial statements for 2023 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 2022, with the exception of the standards and amendments adopted by the European Union and mandatory for fiscal years starting on 1st of January 2022.

In the year ended 30 September 2023 the following standards, amendments to standards and interpretations came into force:

Regulations and Modifications of Regulations	Content	Compulsory Application of Exercises starting on
Modification 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.	Modification of the mentioned regulations and changes in the IFRS 9 and IAS 41 as part of the annual improvements de 2018-2022 in the IFRS.	January 1st 2022

The application of the above Standards, interpretations and amendments has not had a significant effect on the consolidated financial statements as of September 30th, 2023.

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:

Regulations and Modifications of Regulations	Content	Compulsory Application of Exercises starting on
Modification to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"	Definition in Reporting Estimations.	January 1st 2023
Information to be revealed on Reporting Policies (Changes in IAS 1 and in the Document on the IFRS Practices N°2)	The IASB has included a guideline and examples to apply in court to identify the material reporting policies. These changes replace the break down criteria of significant reporting policies to material reporting policies.	January 1st 2023
Changes in the IAS 12 "Income taxes"	Deferred taxes related with Assets and Liabilities that arise from a once-for-all transaction.	January 1st 2023

The Group's Management is evaluating the impact of the application of these amendments. At the date of preparation of these Consolidated Annual Accounts, this analysis has not been completed.

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:

Regulations and Modifications of Regulations	Content	Compulsory Application of Exercises starting on
Changes in the IAS 1 Presentation of financial statements: classification of financial liabilities as current or non-current	In January 2020 and October 2022, the IASB made changes in the paragraphs 69 to 76 of the IAS 1 Presentation of Financial Statements to detail and precise the requirements which must be applied in the classification of liabilities as current or non-current.	Pending
Changes in the IFRS 16 "Leases"	In September 2022, the IASB made a change in the IFRS 16 Leases to detail and precise the requirements which need to be used by a seller-leaser to quantify the leasing liabilities which arise from a sale or lease.	Pending
Changes in the IAS 7 "Statements of Cashflows" y IFRS 7 "Financial Instruments Information to be Revealed"	In May 2023, the IASB made a change in the IAS 7 Statement of Cashflows and IFRS 7 Financial Instruments: Information to be Revealed to precise the characteristics of the financment agreements and introduce new breakdowns to help users of financial statements understand the effects of those agreements on liabilities, cashflows and exposure to liquidity risks.	Pending
Changes in the IAS 12 "Income taxes"	In May of 2023, the IASB made changes in the IAS 12 Taxes on Earnings for the new fiscal regulation of the Pillar Two Model for Inclusive Framework of the OCDE. These changes introduce provisionally a temporary compulsory extension for the reporting of deferred taxes which could arise from previously mentioned legislation. This modification also requires additional breakdowns to ensure the understanding of the exposure to such fiscal regulation.	Pending

2.4 Information relating to 2022

As required by IAS 1, the information related to 2022 contained in these notes to the consolidated financial statements is presented with the information relating to 2023 for comparison purposes and, accordingly, it does not constitute the Group's consolidated financial statements for 2022.

2.5 Discontinued operations

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

The reclassification as a discontinued activity leads the following impacts on the consolidated financial statements for 2022:

- The result after tax generated by Supergroup, S.A.S. until the date of its sale, was not reported in each of the lines of the consolidated income statement but was reported in a single line called "Net income from discontinued operations", in the year 2022. Note 9 presents the breakdowns required in relation to the result of discontinued activities, including a breakdown of the main lines that compose it.
- For cash flow purposes, note 9 presents the portion of the cash flow from operations, investment and financing of discontinued activities, included in the total amount reported for these items for the year 2022.

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

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 2023, 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.

Climate change risks have been considered in the estimates made. The costs derived from the Sustainability strategy are incorporated into the Group's budgets and business plans, which generally cover a period of three years, which are used for the analysis of impairment of the group's non-financial assets (Notes 4.3 and 4.5). However, given the nature of the Group's assets as well as the mitigation measures the Group is implementing as part of its sustainability strategy, the risk derived from climate change is not considered to have a relevant impact on the estimates of the useful life of the assets, the realizable value of the inventories, nor in the analysis of the impairment test of non-financial assets (Note 28).

Although these estimates have been made based on the best information available at the end of 2023, it is possible that events that may take place in the future will force modify them (upward or downward) in the coming years, which would be done prospectively, in accordance with IAS 8, recognizing the effects of the change in estimate in the corresponding future consolidated accounts.

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 (equity method).

In addition, a joint operation (unincorporated joint venture or "UJV") 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 Conversion 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 - Exchange Rate 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 2023 and 2022 all the Logista Group companies presented their financial statements in euros, except for Compañía de Distribución Integral Logista Polska, Sp. Z.o.o. and Logista Freight Polska S.p., z.o.o. (formerly Logesta Polska S.p., z.o.o.) (both located in Poland) and Mosca China Logistics, Ltd. in 2023.

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

In fiscal year 2023, the only significant variations in the scope of consolidation include the following:

- On October 28, 2022 the Group materialized the acquisition of a 60% stake in Herinvemol. S.L. (Transportes El Mosca) (see Note 7.2), which in turn is the controlling company with control over the following companies: Transportes el Mosca, S.A., Mosca Marítimo, S.L., Ordimur, S.L., Transportes el Mosca Murcia, S.L., Innoreste, S.L., Mosca Marítimo Baleares, S.L., Mosca Portugal, Lda. Mosca China Logistics, Ltd. and Albacetrans, S.L. These companies are fully consolidated since the Logista Group has control over these companies. On August 3, 2023, the Group announced the acquisition of an additional 13.33% , increasing its shareholding to 73.33%.

During 2023, the company Mosca Italia, S.r.L., wholly owned by Herinvemol, S.L., was incorporated.

- In October 2022, the Group acquired a 100% interest in the Spanish company Carbó Collbatallé S. L. (see Note 7.2). This company is fully consolidated as the Group has control over it.
- On July 18, 2023, the Group acquired a 100% interest in Gramma Farmaceutici, S.R.L., a company specialized in logistics services for the pharmaceutical industry in Italy. This company is fully consolidated since the Group has control over it (see Note 7.2).

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

- In December 2021 the Group liquidated the joint venture Logista - IGT Spain Lottery.
- In February 2022 the Group acquired a 70% interest in the Dutch companies Speedlink Worldwide Express B.V., 24 Hours B.V. and German-Ex B.V. (see Note 7.2). These companies are fully consolidated as the Group has control over these companies.
- In February 2022, the Group closed the sale of 100% of the French company Supergroup, S.A.S., so that since that date this company has not been part of the Logista Group, and the results generated by this company since October 1, 2021 have been included under "Net income from discontinued operations" until February 2022 (Note 9).

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 2023, amounting to 266,900 thousand of euros, 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	21,741
To dividends	180,540
Interim dividend	64,619
	266,900

In accordance with current regulations, the Company evaluated, on July 20, 2023, the liquidity sufficiency on the date of approval of the interim dividend. The positive reciprocal credit line position with Imperial Brands for 2,410 million euros, and the recorded net profit of 119.4 million euros, both as of June 30, 2023, were considered sufficient for the payment of the approved interim dividend, taking into account the existing treasury stock.

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 2023 in accordance with the IFRS-UE 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 properties correspond to investments in land and buildings held to generate capital gains. They are valued at the lower of acquisition cost less accumulated depreciation or market value. Depreciation is recorded following the same criteria as for items of the same class classified under "Property, plant and equipment".

During 2023, depreciation has been provided for the investment properties included in the accompanying consolidated balance sheet in the amount of 263 thousand euros (263 thousand euros in 2022).

The Group periodically determines the market value of investment property using as reference values the prices of comparable transactions, internal studies, external appraisals, etc.

4.3 Goodwill

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

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

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

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

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

The recoverable amount of each cash-generating unit is the higher of value in use and the net selling price of the assets associated with the cash-generating unit. Value in use is calculated on the basis of

the estimated future cash flows, discounted using a pre-tax discount rate that reflects market assessments of the time value of money and the risks specific to the business.

The Group has defined as cash-generating units, based on the actual management of the Group's operations, each of the relevant business operations carried out in the main geographical areas (see Note 23).

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 7.3).

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

The discount rate applied is usually a pre-tax measurement based on the risk-free rate for 10-year bonds issued by the governments in the relevant markets, adjusted by a risk premium to reflect the increase in the risk of the investment based on the country in question and the systematic risk of the Group. The discount rates applied by the Group in the different markets to calculate the present value of the estimated cash flows ranged from 7.8%% to 10.6%% in 2023 (2022: from 7,8% to 10,8%) (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 include:

Concessions, rights and licenses

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

Additionally, as a consequence of the allocation of the acquisition price of the company Altadis Distribution France, S.A.S., later called Logista France, S.A.S., to the assets and liabilities identifiable in said company in 2013, the Group recognized the contracts in its consolidated balance sheet. signed by said subsidiary with the main tobacco manufacturers for the distribution of their products in French territory. The amortization of these distribution contracts is carried out linearly over a period of 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.

In 2023, as indicated in Note 7.2, as a consequence of the allocation of the acquisition price of the Spanish companies Herinvemol. S.L., which in turn is the controlling company with control over the following companies: Transportes El Mosca, S.A., Mosca Marítimo, S.L., Ordimur, S.L., Transportes El Mosca Murcia, S.L., Innoeste, S.L., Mosca Marítimo Baleares, S.L., Mosca Portugal, Lda, Mosca Portugal, Lda. Mosca China Logistics, Ltd., Mosca Italia, S.r.L. and Albacetrans, S.L., intangible assets supported by customer relations (customer portfolio) and brand, whose useful life has been estimated at 8.8 years and 3 years, respectively, have been disclosed.

In 2023, as indicated in note 7.2, as a result of the allocation of the acquisition price of the Spanish company Carbó Collbatallé S.L., intangible assets supported by customer relations (customer portfolio) and brand name, whose useful life has been estimated at 14.1 years and 2 years, respectively, have become evident.

In 2022, as indicated in note 7.2, as a result of the allocation of the acquisition price of the Dutch companies Speedlink Worldwide Express B.V., 24 Hours B.V. and German-Ex B.V., intangible assets supported by customer relationships (customer portfolio), whose useful life has been estimated at 20 years, became apparent.

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 its 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 recognized at the beginning of the contract by recognizing 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.

The criteria are based on the nature of the leased asset and the entity's three-year operating plan in the use of the assets, taking into account that there are no lease contracts with other incentives to maintain a term. However, in certain contracts a longer term (up to 15 years) has been included due to the nature of the asset. In this way, renewal assumptions have been made, according to the terms of the contract, for those assets whose contract expires before three years and which are expected to remain in use in the next three years according to the Group's plan. On the other hand, the renewal of assets that are not expected to remain in use after the end of the contract has not been considered,

as historically happens with transportation elements, in which new and different assets are leased at the end of the contract.

After the initial recognition, the Group values the right-of-use asset at cost less accumulated amortization 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 5,75% 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.

The entity is not exposed to material amounts related to variable payments or additional extension costs, termination of options or guaranteed residual values, or future lease commitments.

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 recognized as an expense and allocated to income over the lease term.

The lease liability should 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 revaluation of the lease liability should be recognized as an adjustment to the right-of-use asset.

The Group has elected not to apply the above requirements to short-term leases and leases where the underlying asset is of low value (less than 5,000 euros). For these cases, the accrued amounts are recognized as an expense on a straight-line basis over the lease term. The amount of these leases is included under "Leases" in note 22.

Depreciation and amortization expense related to the right-of-use asset is included under "Depreciation and amortization" in the consolidated income statement. Financial expenses related to the lease liability are included in "Financial expenses" in the consolidated income statement. The financial expenses related to leasing that are included in the Statement of Cash Flows as operating activities correspond to financial expenses.

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 amortization of non-current assets held for sale is discontinued at the time they are classified as such. At each consolidated balance sheet date, the corresponding valuation adjustments are made so that the carrying amount does not exceed the fair value less costs to sell.

An entity that is engaged in a sale plan involving the loss of control of a subsidiary shall classify all assets and liabilities of that subsidiary as held for sale when the criteria set out above are met, regardless of whether the entity retains after the sale a non-controlling interest in its former subsidiary.

In fiscal year 2023, the Group reclassified to "Assets classified as held for sale" the assets associated with a warehouse in Toulouse owned by Logista France S.a.S., having implemented a plan to sell these facilities in the short term, following the cessation of operations during the year. The total net book value of these assets subject to reclassification amounted to 3,354 thousand euros at September 30, 2023.

In turn, in 2021, the Group reclassified to "Assets classified as held for sale" a piece of land in Cadiz owned by Compañía de Distribución Integral Logista, S.A.U. as it had implemented a plan to sell the land in the short term. The net book value of this land subject to reclassification amounted to 6,661 thousand euros on September 30, 2021. In fiscal year 2022 this asset was sold, generating a total impact on the consolidated income statement of 4,205 thousand, which is included in "Net gain or loss on disposal and impairment of non-current assets" in the consolidated income statement of 2022.

4.8 Financial instruments

4.8.1 Financial assets

Classification and valuation

On initial recognition, the Group classifies all financial assets into one of the categories listed below, which determines the initial and subsequent valuation method applicable:

- Financial assets at fair value through profit or loss.
- Financial assets at amortized cost
- Financial assets at fair value with changes in equity
- Financial assets at cost

Financial assets at fair value through profit or loss

The Group classifies a financial asset in this category unless it should be classified in any of the other categories.

In any case, financial assets held for trading are included in this category. The Group considers that a financial asset is held for trading when at least one of the following three circumstances is met:

- a) It is originated or acquired for the purpose of selling it in the short term.
- b) It is part, at the time of initial recognition, of a portfolio of identified financial instruments that are managed together and for which there is evidence of recent actions to obtain gains in the short term.
- c) It is a derivative financial instrument, provided that it is not a financial guarantee contract and has not been designated as a hedging instrument.

In addition to the above, the Company has the option, at initial recognition, to designate a financial asset irrevocably as measured at fair value through profit or loss, and which would otherwise have been included in another category (usually referred to as a "fair value option"). This option may be elected if it eliminates or significantly reduces a valuation inconsistency or accounting asymmetry that would otherwise arise from valuing assets or liabilities on different bases.

Financial assets classified in this category are initially measured at fair value which, unless there is evidence to the contrary, is assumed to be the transaction price, which is equivalent to the fair value of the consideration given. Directly attributable transaction costs are recognized in the income statement for the year (i.e., they are not capitalized).

After initial recognition, the Company measures the financial assets included in this category at fair value through profit or loss (financial result).

Financial assets at amortized cost

The Group classifies a financial asset in this category, even when it is admitted to trading on an organized market, if the following conditions are met:

- The Group holds the investment under a management model whose objective is to receive the cash flows derived from the execution of the contract.
- The management of a portfolio of financial assets to obtain its contractual cash flows does not imply that all instruments must necessarily be held to maturity; financial assets may be considered to be managed for this purpose even if sales have occurred or are expected to occur in the future. For this purpose, the Group considers the frequency, amount, and timing of sales in prior periods, the reasons for those sales and expectations regarding future sales activity.
- The contractual characteristics of the financial asset give rise, at specified dates, to cash flows that are solely collections of principal and interest on the principal amount outstanding. That is, the cash flows are inherent to an agreement that is an ordinary or common loan, notwithstanding that the transaction is agreed at a zero or below-market interest rate.
- This condition is assumed to be met in the case of a bond or a simple loan with a specified maturity date and for which the Group charges a variable market interest rate and may be subject to a cap. Conversely, it is assumed that this condition is not met in the case of instruments convertible into equity instruments of the issuer, loans with inverse floating interest rates (i.e., a rate that has an inverse relationship with market interest rates) or those in which the issuer may defer the payment of interest, if such payment would affect its solvency, without the deferred interest accruing additional interest.

In general, this category includes trade receivables ("trade receivables") and non-trade receivables ("other receivables").

Financial assets classified in this category are initially measured at fair value, which, unless there is evidence to the contrary, is assumed to be the transaction price, which is equivalent to the fair value of the consideration given, plus directly attributable transaction costs. That is, the inherent transaction costs are capitalized.

However, trade receivables maturing in less than one year and which do not have an explicit contractual interest rate, as well as receivables from personnel, dividends receivable and disbursements required on equity instruments, the amount of which is expected to be received in the short term, are valued at their nominal value when the effect of not discounting cash flows is not significant.

The amortized cost method is used for subsequent valuation. Accrued interest is recorded in the income statement (financial income), applying the effective interest rate method.

Receivables maturing in less than one year which, as described above, are initially valued at their nominal value, continue to be valued at that amount, unless they are impaired.

In general, when the contractual cash flows of a financial asset at amortized cost change due to the issuer's financial difficulties, the Group analyzes whether an impairment loss should be recognized.

Derecognition of financial assets

The Group derecognizes a financial asset from the balance sheet when:

- The contractual rights to the cash flows from the asset expire. In this sense, a financial asset is derecognized when it has expired, and the Company has received the corresponding amount.
- The contractual rights to the cash flows of the financial asset have been assigned. In this case, the financial asset is derecognized when the risks and rewards of ownership have been substantially transferred.

After analyzing the risks and rewards, the Group records the derecognition of financial assets in accordance with the following situations:

- a) The risks and rewards of ownership of the asset have been substantially transferred. The transferred asset is derecognized, and the Company recognizes the result of the transaction: the difference between the consideration received net of attributable transaction costs (considering any new asset obtained less any liability assumed) and the carrying amount of the financial asset, plus any cumulative amount recognized directly in equity.
- b) The risks and rewards of ownership of the asset have been substantially retained by the Company. The financial asset is not derecognized, and a financial liability is recognized for the same amount as the consideration received.
- c) The risks and rewards of ownership of the asset have not been substantially transferred or retained. In this case there are, in turn, two possible situations:
 - Control is relinquished (the transferee has the practical ability to retransfer the asset to a third party): the asset is derecognized.
 - Control is not transferred (the transferee does not have the practical ability to retransfer the asset to a third party): the Company continues to recognize the asset for the amount at which it is exposed to changes in the value of the transferred asset, i.e. for its continuing involvement, and must recognize an associated liability.

Impairment of financial assets

Debt instruments at amortized cost or fair value through equity

At least at year-end, the Group analyzes whether there is objective evidence that the value of a financial asset, or a group of financial assets with similar risk characteristics valued collectively, has been impaired as a result of one or more events that have occurred after initial recognition and that cause a reduction or delay in the estimated future cash flows, which may be caused by the debtor's insolvency.

If such evidence exists, the impairment loss is calculated as the difference between the carrying amount and the present value of future cash flows, including, if applicable, those from the execution of real and personal guarantees, estimated to be generated, discounted at the effective interest rate calculated at the time of initial recognition. For financial assets at variable interest rates, the effective interest rate corresponding to the closing date of the financial statements is used in accordance with the contractual conditions. In calculating impairment losses on a group of financial assets, the Group uses models based on formulas or statistical methods.

Impairment losses, as well as their reversal when the amount of such loss decreases due to a subsequent event, are recognized as an expense or income, respectively, in the income statement. The reversal of impairment is limited to the carrying amount of the asset that would have been recognized at the date of reversal had no impairment loss been recognized.

As a substitute for the present value of future cash flows, the Group uses the market value of the instrument, if it is sufficiently reliable to be considered representative of the value that could be recovered by the company.

In the case of assets at fair value through equity, accumulated losses recognized in equity due to a decrease in fair value, if there is objective evidence of impairment in the value of the asset, are recognized in the income statement.

Interest and dividends received from financial assets

Interest and dividends on financial assets accrued after the time of acquisition are recorded as income in the income statement. Interest is recognized using the effective interest rate method and dividends are recognized when the right to receive them is declared.

If the dividends distributed unequivocally derive from results generated prior to the date of acquisition because amounts more than the profits generated by the investee since acquisition have been distributed, they are not recognized as income and are deducted from the carrying amount of the investment. The judgment as to whether profits have been generated by the investee shall be made solely based on the profits recorded in the individual profit and loss account since the date of acquisition, unless it is undoubtedly clear that the distribution out of those profits should be considered as a recovery of the investment from the perspective of the entity receiving the dividend.

4.8.2 Financial liabilities

Classification and measurement

On initial recognition, the Group classifies all financial liabilities in one of the categories listed below:

- Financial liabilities at amortized cost
- Financial liabilities at fair value through profit or loss

Financial liabilities at amortized cost

The Group classifies all financial liabilities in this category except when they must be measured at fair value through profit or loss.

In general, this category includes trade payables ("trade payables") and non-trade payables ("other payables").

Participating loans that have the characteristics of an ordinary or common loan are also included in this category without prejudice to the fact that the transaction is agreed at a zero or below market interest rate.

Financial liabilities included in this category are initially measured at fair value, which, unless there is evidence to the contrary, is considered to be the transaction price, which is equivalent to the fair value of the consideration received adjusted for directly attributable transaction costs. That is, the inherent transaction costs are capitalized.

However, trade payables maturing in less than one year and which do not have a contractual interest rate, as well as disbursements required by third parties on participations, the amount of which is expected to be paid in the short term, are valued at their nominal value, when the effect of not discounting cash flows is not significant.

The amortized cost method is used for subsequent valuation. Accrued interest is recorded in the profit and loss account (financial expense), applying the effective interest rate method.

However, debts maturing in less than one year which, in accordance with the above, are initially valued at their nominal value, continue to be valued at that amount.

Contributions received as a result of joint ventures and similar contracts are valued at cost, increased or decreased by the profit or loss, respectively, to be attributed to the non-managing participants.

The same criterion is applied to participating loans whose interest is contingent, either because a fixed or variable interest rate is agreed upon, conditioned to the fulfillment of a milestone in the borrower company (for example, the achievement of profits), or because it is calculated exclusively by reference to the evolution of the borrower company's activity. Finance costs are recognized in the income statement on an accrual basis, and transaction costs are recognized in the income statement on a straight-line basis over the life of the participating loan, if not applicable.

Financial liabilities at fair value through profit or loss

In this category the Group includes financial liabilities that meet one of the following conditions:

- These are liabilities held for trading. A financial liability is considered to be held for trading when it meets one of the following conditions:
 - o It is issued or assumed principally for the purpose of repurchase in the short term (e.g., debentures and other marketable securities issued quoted that the company can purchase in the short term based on changes in value).
 - o It is an obligation that a short seller must deliver financial assets that have been lent to it ("short sale").
 - o At initial recognition, it is part of a portfolio of identified and jointly managed financial instruments for which there is evidence of recent actions to obtain gains in the short term.
 - o It is a derivative financial instrument, if it is not a financial guarantee contract and has not been designated as a hedging instrument.
- Since initial recognition, it has been irrevocably designated to be accounted for at fair value through profit or loss ("fair value option"), because:
 - o An inconsistency or "accounting asymmetry" with other instruments at fair value through profit or loss is eliminated or significantly reduced; or
 - o A group of financial liabilities or financial assets and liabilities is managed, and its performance is evaluated on a fair value basis in accordance with a documented risk management or investment strategy and information on the group is also provided on a fair value basis to key management personnel.
- Optionally and irrevocably, hybrid financial liabilities with a separable embedded derivative may be included in their entirety in this category.

Financial liabilities included in this category are initially measured at fair value, which, unless there is evidence to the contrary, is assumed to be the transaction price, which is equivalent to the fair value of the consideration received. Transaction costs directly attributable to them are recognized directly in the income statement for the year.

After initial recognition, the company measures the financial liabilities in this category at fair value through changes in the income statement.

Derecognition of financial liabilities

The Group derecognizes a previously recognized financial liability when one of the following circumstances occurs:

- The obligation has been extinguished because payment has been made to the creditor to cancel the debt (through payments in cash or other goods or services), or because the debtor is legally released from any responsibility for the liability.
- Own financial liabilities are acquired, even with the intention of repositioning them in the future.
- There is an exchange of debt instruments between a lender and a borrower, provided that they have substantially different terms, and the new financial liability that arises is recognized; in the same way, a substantial modification of the current terms of a financial liability is recorded, as indicated for debt restructurings.

The accounting for the derecognition of a financial liability is as follows: the difference between the carrying amount of the financial liability (or of the part of it that has been derecognized) and the

consideration paid, including attributable transaction costs, and which also includes any asset transferred other than cash or liability assumed, is recognized in the income statement for the year in which it occurs.

After initial recognition, the company measures the financial liabilities included in this category at fair value through profit or loss.

4.9 Inventories

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

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

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

4.10 Current/Non-current classification

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

4.11 Termination benefits

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

The accompanying consolidated balance sheet on 30 September 2023 and 2022 includes the provisions that the Parent's Directors consider necessary to cover the restructuring plans in progress at year-end (see Note 18).

4.12 Pension commitments and other commitments to personnel

Certain Group companies have the commitment to supplement the social security benefits for retirement, disability or death of those employees who reach these situations and have met certain conditions. In general, the commitments corresponding to the active and retired employees of these groups are defined contribution and are externalized. The annual contributions made by the Group to meet these commitments are recorded under "Personnel Expenses" in the consolidated income statement and amounted to 3,432 thousand euros and 4,140 thousand euros in 2023 and 2022, respectively (see Note 22.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.

Regarding Logista, S.A.U., the company has pension commitments with its employees for which it has established provisions calculated based on actuarial studies using the projected credit unit method and the PER2020 1^o collective order mortality tables, an update rate of 3.72% (2.40% in 2022) and a growth in the cost of preparing tasks of 1.5% for all employees while the growth of tobacco taxes is 4% for the group of Pensioners and 2.5% for Assets and Beneficiaries as the main hypotheses.

Logista France, S.A.S. has retirement commitments to its employees for which it has recorded provisions calculated based on actuarial studies using the projected unit credit method and TF/TH 2000-2002 mortality tables, inflation of 2.52% and a discount rate of 3.72% per annum (2.40% in 2022), as the main assumptions (see Note 18).

The Group maintains share plans for employees, by virtue of which certain employees of the Group are granted the right to receive a certain number of shares in the Parent Company, at the end of the third year from the beginning of each of the blocks into which the plan is divided, and taking into account the degree to which certain internal criteria, of a financial or operational nature, have been met, as well as the total return to shareholders and the comparative profitability with other companies. For each of the aforementioned blocks, the estimated amount for this concept and accrued annually is shown recorded in the "Net Assets" of the consolidated balance sheet and its annual provision is incorporated in the "Personnel Expenses" heading of the consolidated income statement.

All existing stock-based payment plans include three-year consolidation periods. The conditions for their consolidation are:

1. Fulfilment of the objectives set in each period.
2. That the achievement of these is approved by the board of directors at the end of each consolidation period.
3. That the employee has not voluntarily left the employee or has been duly dismissed for disciplinary reasons during the consolidation period.

The method of settlement is always by means of equity instruments delivered free of charge, although some beneficiaries receive them net of personal income tax.

On December 20, 2016, the Board of Directors of Logista Holdings S.A. approved the long-term incentive plan (the General Plan and the Special Plan), for the period between 2017 and 2022, being implemented in three blocks of 3 years each, with the beginning of the first block being the October 1, 2017. During the years 2020 and 2021, the First and Second Consolidation Periods of the General and Special Plans 2017 are consolidated, respectively.

On January 28, 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 estimated total cost of the third block of the plan amounted to 3,023 thousand euros. This third Consolidation Period closed on September 30, 2022, with a total of 85,095 shares delivered, for a total cost of 1,787 thousand euros. In some cases, these shares were delivered net of personal income tax. The consolidation took place after the approval of the Board of Directors on November 3, 2022, where the percentages of achievement were determined, which were 70% for the General Plan and 60% for the special plan, depending on the fulfillment of its objectives: financial target (EBIT) and Comparative shareholder profitability.

On 26 November 2019, the Board of Directors of Logista Holdings S.A. approved the Logista Group's Long-Term Incentive Plan 2020-2025 (the General Plan and the Special Plan), accruing from 1 October 2020 and maturing on 30 September 2025, being implemented in three blocks of 3 years, with settlements taking place at the end of each block. On 26 November 2019, the Board of Directors of Logista Holdings S.A. approved the Logista Group's Long-Term Incentive Plan 2020-2025 (the General Plan and the Special Plan), accruing from 1 October 2020 and maturing on 30 September 2025, being implemented in three blocks of 3 years, with settlements taking place at the end of each block. This Plan was launched at the Board of Directors meeting on 27 October 2020, with a single consolidation period ending on 30 September 2023, with a list of beneficiaries 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. This unique Consolidation Period of the 2020 General and Special Plans has been consolidated at the end of FY23 with a target achievement of 98.33% for both Plans, based on the fulfillment of their objectives, which are: EBIT financial target, comparative shareholder profitability and Sustainability objectives (emission reduction and CDP-List score). On 7 November 2023, the Board of Directors validated this achievement, with which a total of 263,287 shares will be delivered free of charge.

On 4 February 2021, the Board of Directors of Logista Holdings S.A. approved the Long-Term Incentive Plan structured in three overlapping cycles of three years each. On November 4, 2021, the Board of Directors of the Company approved the list of beneficiaries of the first block, with 62 beneficiaries and an estimated total cost of 3,275 thousand euros.

On 3 November 2022, the Board of Directors of Logista Holdings S.A. approved the list of beneficiaries of the second block, with 62 beneficiaries and an estimated total cost of 3,163 thousand euros.

The Company has treasury stock of 751,989 shares to cover the current incentive plans.

On September 27, 2022, the Board of Directors of Logista Holdings S.A. approved the purchase of treasury shares up to a maximum of 141,000 shares and until October 1, 2023, to cover the new incentive plan that was approved in November 2022.

Finally, on September 27, 2023, the Board of Directors of Logista Holdings S.A. It has approved the purchase of treasury shares up to a maximum of 118,000 shares and until October 1, 2024 to cover the new incentive plan that will be approved in November 2023.

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

The Logista Group's revenues fundamentally include tobacco distribution services and related products (see Note 22) due to the high purchase value of these products.

The Group acts, fundamentally, as the principal, controlling the goods and services before they are delivered to the customer, since:

- The entity is primarily responsible for fulfilling the promise to provide the specified good or service, a circumstance that occurs in the Logista Group, insofar as it is directly responsible for the supply to the end customer.

- The entity is exposed to inventory risk before the specified good or service has been transferred to the customer or after control is transferred to the customer. The Group buys its products in advance of demand, assuming inventory risk. In other words, the goods are purchased mainly from four large tobacco manufacturers with whom the corresponding contracts are formalized, and then distributed to their customers. In addition, once the goods are purchased from the manufacturer, the Group assumes all risks (deterioration, shrinkage, theft, returns, etc.) and enjoys the benefits associated with them.

Revenue represents the amounts receivable for goods delivered. The Group recognizes proceeds from tobacco sales at the time of the transfer of control. Control is transferred upon delivery of the product to the end customer (in the case of tobacco, tobacconists). At that point, the transfer of ownership, physical possession, the right to invoice and the transfer of risks and benefits occurs. The calculation of income is determined by the sale price at the point of sale, calculated as the retail price minus the discounts at the point of sale and taxes set in the tobacco regulation.

The treatment described above for the distribution of tobacco is also similar in other cases of consumer products, which are served to points of sale under similar conditions.

In addition, the Logista Group provides other logistics services such as distribution of products for which it does not act as the main ingredient, storage, order preparation, long-distance transport, transport to the point of sale and other similar services.

In logistics service contracts, the economic conditions are determined through the corresponding service contracts associated with the performance obligations: kilometers travelled, order lines prepared, pallets stored, etc. In these cases, related revenue is recognized to the extent that the service is provided, based on the time elapsed and/or the volume executed.

The Group's main customers are retail establishments licensed to sell tobacco (tobacconists), which account for more than 85% of accounts receivable. Contracts are based on purchase orders that are received from customers and the duration corresponds to the delivery itself. There are no considerations not included in the agreed price. The conditions of collection are regulated by regulatory bodies of the tobacco market in each country and the frequency of deliveries to the retail establishment. The general deadlines are 5, 7, 10 and 15 days. To a lesser extent, charges are made upon delivery or, for retail establishments with low volume, a collection period of 30 days is established. Additionally, other clients of the group are service stations, tobacco manufacturers, pharmaceutical laboratories, pharmacies, hospitals, convenience stores, as well as any company that contracts transportation services with any of the group's subsidiaries. In general, there are commercial agreements or short-term contracts. There are no other significant payment conditions, guarantees or related obligations or consideration not included in the price agreed between the parties.

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 18).

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

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

The Group recognizes the deferred tax arising from the deductibility of the amortization, for tax purposes, of certain items of goodwill generated on the acquisition of companies (see Note 19).

The deferred tax asset recognized 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, unrecognized deferred tax asset is reassessed at the end of each reporting period and are recognized 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 recognizing deferred tax assets and liabilities (see Note 19).

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.

4.19 Transactions with affiliates

The Group carries out all its transactions with linked market securities. The prices of transactions carried out with related parties are adequately supported, so the Directors of the Parent Company consider that there are no risks that could give rise to significant tax liabilities.

4.20 Cash and other equivalent liquid assets

This heading includes cash on hand, bank checking accounts and deposits and temporary acquisitions of assets that meet all of the following requirements:

- They are convertible into cash.
- At the time of its acquisition, its maturity was not more than three months.
- They are not subject to a significant risk of change in value.
- They are part of the Group's normal treasury management policy.

For the purposes of the statement of cash flows, occasional overdrafts that form part of the Group's cash management are included as less cash and other equivalent liquid assets.

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	
	2023	2022
Net profit for the year (thousands of euros)	272,254	198,848
Weighted average number of shares issued (thousands of shares) (*)	131,841	131,855
Earnings per share (euros)	2.07	1.51

(*) On 30 September 2023, the Parent Company holds 883,955 own shares (877,739 own shares on 30 September 2022)

On 30 September 2023, taking into consideration treasury shares, which are related to the long-term incentive plans (Note 4.12), the calculation of the diluted earnings per share would give a result of EUR 2.07 per share (EUR 1.51 on 30 September 2022).

6. Property, plant and equipment

6.1 Property, plant and equipment

The changes in "Property, Plant and Equipment" in the consolidated balance sheets in 2023 and 2022 were as follows:

Fiscal Year 2023

	Thousands of Euros					
	Balance at 30/09/22	Additions or Charge for the Year	Disposals or Reductions	Transfers	Business combinations (Note 7.2)	Balance at 30/09/23
Cost:						
Land and buildings	398,935	62,189	(1,390)	(6,560)	58,029	511,203
Plant and machinery	241,728	12,577	(31,306)	12,010	3,289	238,298
Other fixtures, tools and furniture	174,692	13,408	(6,464)	8,419	52,100	242,155
Other items of property, plant and equipment	27,334	371	(217)	1,276	40	29,052
Property, plant and equipment in the course of construction	24,933	23,777	-	(28,140)	120	20,442
	867,622	112,322	(39,377)	(12,995)	113,578	1,041,150

Accumulated depreciation:						
Buildings	(197,568)	(40,457)	1,083	7,191	-	(229,751)
Plant and machinery	(189,923)	(14,679)	23,699	(6)	-	(180,909)
Other fixtures, tools and furniture	(138,620)	(28,853)	4,438	2,673	-	(160,362)
Other items of property, plant and equipment	(22,286)	(909)	216	-	-	(22,979)
	(548,397)	(84,898)	29,436	9,858	-	(594,001)
Impairment losses	(3,960)	-	-	-	-	(3,960)
	315,265	27,424	(9,941)	(3,137)	113,578	443,189

Fiscal Year 2022

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

Additions

In 2023 and 2022, the main additions are related, mainly, to ongoing projects about the development of equipment and information systems and warehouse control systems. The additions to fixed assets in progress correspond to the improvements that the company makes to its facilities.

Disposals

In 2023, the main disposals were related to derecognition of assets in France because of reduction of its facilities.

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

Transfers

In 2023 and 2022 items of plant, machinery and other fixtures were mainly transferred within this line item from "Property, Plant and Equipment in the Course of Construction". In addition, during 2023, certain assets with their corresponding depreciation were reclassified to "available-for-sale assets" (Note 4.7 and Note 9).

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

6.2 Rights of use

As of 30 September 2023, the heading "Property, plant and equipment" of the Consolidated Balance Sheet amounts 234,588 thousand of euros corresponding to the carrying amount of assets that are object of lease contracts (121,080 on 30 September 2022).

The movement of the accounts under this heading during the fiscal years 2023 and 2022 are as follows:

Fiscal Year 2023

	Thousands of Euros					
	Balance at 30/09/22	Additions or Charge for the Year	Disposals or Reductions	Transfers	Business combinations	Balance at 30/09/23
Cost:						
Land and buildings	191,777	62,100	(730)	(425)	57,859	310,581
Plant and machinery	9,574	2,732	(24)	-	35	12,317
Other fixtures, tools, and furniture	13,235	7,354	(312)	(73)	39,874	60,078
	214,586	72,186	(1,066)	(498)	97,768	382,976
Accumulated depreciation:						
Land and buildings	(79,786)	(36,311)	-	376	-	(115,721)
Plant and machinery	(5,892)	(2,347)	-	-	-	(8,239)
Other fixtures, tools, and furniture	(7,828)	(16,941)	268	73	-	(24,428)
	(93,506)	(55,599)	268	449	-	(148,388)
	121,080	16,587	(798)	(49)	97,768	234,588

Fiscal Year 2022

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

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

Likewise, as of September 30, 2023, the headings "Other non-current financial liabilities" and "Other current financial liabilities" of the consolidated balance sheet include EUR 189,242 thousand and EUR 53,253 thousand, respectively (EUR 94,947 thousand and EUR 28,910 thousand, respectively on 30 September 2022), corresponding to financial liabilities for rights of use of lease contracts (see Note 20.1).

6.3 Other disclosures

Fully depreciated items of property, plant, and equipment in use on 30 September 2023 amounted to EUR 347,538 thousand (EUR 329,503 thousand on 30 September 2022).

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.

As of September 30, 2023, and 2022, the items of property, plant and equipment located abroad, mainly in Portugal, France, Italy and Poland, amounted to EUR130,132 thousand and EUR 120,759 thousand, respectively.

7. Goodwill

7.1 Breakdown and significant changes

The breakdown, by identified cash-generating unit, of "Goodwill" on 30 September 2023 and 2022 is as follows:

	Thousands of Euros	
	30-09-2023	30-09-2022
Italy, tobacco, and related products	665,569	662,922
France, tobacco, and related products	237,106	237,106
Iberia, transport	104,969	18,269
Iberia, other business: Pharma	486	486
Iberia, tobacco, and related products	2,017	2,017
Netherlands, transport (Note 7.2)	-	11,575
	1,010,147	932,375

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.

The increase in goodwill associated with the CGU "Italy, tobacco and related products" amounting to 2,647 thousand euros corresponds to the goodwill generated by the acquisition of Gramma Farmaceutici S.R.L. carried out during the 2023 financial year (see note 7.2).

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.

Netherlands, transport

The goodwill associated with the Netherlands in 2022 is reported in this year under the heading of Iberia, transport, as operations and management have been integrated into Iberia.

Iberia, transport

The goodwill associated with Dronas 2002, S.L.U, arose when this company merged in 2002 with the Bungal 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.

The increase in the goodwill associated with the "Iberia, transport" CGU in the amount of 86,700 thousand euros corresponds to the goodwill generated by the acquisitions of Herinvemol, S.L. (Transportes El Mosca) and Carbó Collbatallé S. L. carried out during the 2023 financial year (see note 7.2) and for the integration of Holland into the Iberia CGU, transport.

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 Distribuição, S.A. of all the shares representing the share capital of the acquired company. In 2017 the Group provisionally recognized EUR 6,575 thousand as goodwill, the full amount of which was allocated to the vending channel of José Costa & Rodrigues, Lda. in 2018 under "Other Intangible Assets" in the accompanying consolidated balance sheet as on 30 September 2018.

7.2 Business combinations

Acquisition Herinvemol, S.L. (Transportes El Mosca)

In June 2022, the agreement for the acquisition of 60% of the shares of the company Herinvemol S.L., which is also the head company of a group of companies over which it has control, as detailed in Note 2.8.5 (Transportes El Mosca), was announced. This acquisition was finally completed on October 28, 2022.

Transportes El Mosca offers national and international intermodal transport services by road, sea, and air, as well as refrigerated, frozen or refrigerated transport. The main destination markets for international road transport activity are the United Kingdom, Germany, Portugal, France, the Netherlands, and Italy, and its customers are mainly producers and large distribution chains in the food sector.

The total purchase price of this 60% amounted to 98,980 thousand euros, with 750 thousand euros remaining to be settled under the heading of "Other current financial liabilities" as of September 30, 2023.

The agreement contemplates cross-call and call options for the remaining 40% exercisable over a 3-year time horizon.

On August 3, 2023, the Group announced the execution of the purchase option for an additional 13.33% for an amount of 23 million euros, expanding its participation to 73.33%.

As of September 30, 2023, the company held a call option for the remaining 26.67%, which is recorded at fair value, under the headings "Other financial liabilities" of non-current and current liabilities for respective and equivalent amounts of 25,092 thousand euros (50.2 million euros in total - Note 20.1) and which have been classified according to the date on which they are expected to be executed. The movement recorded under the heading "Reserves of the Parent Company" amounting to 56,223 thousand euros corresponds mainly to the initial valuation of the call options at fair value ((75.3 million euros), reduced by the minority interests arising from the purchase transaction (16.5 million euros) and those arising from the profit for the year generated by the acquired company.

As of September 30, 2023, the company has recorded goodwill for an amount that amounts to 39,001 thousand euros, which has been assigned to the Iberia, transportation segment. The valuation of the assets at fair value has been carried out by an independent expert. This valuation includes, as intangible assets, Customer Relationships for 41,700 thousand euros and Trademarks for 5,200 thousand euros.

Ordinary income and net profits contributed to the consolidated income statement for the period ended September 30, 2023, were 260,197 thousand euros and 4,104 thousand euros, respectively, corresponding to the 11-month period since its integration.

The ordinary income and net profits that they would have contributed to the consolidated income statement if they had been acquired on October 1, 2022, would not differ significantly from those indicated in the previous paragraph.

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

	Thousands of euros	
	Carrying Amount of Acquired Companies	Fair Value
Property, plant, and equipment (Note 6)	78,065	78,065
Other intangible assets	1,310	48,210
Other non-current assets	712	712
Trade and other receivables	86,723	86,723
Cash and cash equivalents	12,300	12,300
Other current assets	2,529	2,529
Deferred tax assets	51	51
Deferred tax liabilities	(32)	(11,757)
Trade and other payables	(63,402)	(63,402)
Provisions	(245)	(245)
Other financial current liabilities	(49,690)	(49,690)
Other financial non-current liabilities	(26,981)	(26,981)
Total	41,340	76,515
Consideration for the acquisition		98,230
Other current financial liabilities		750
Reserves of the parent company (Minority Interests)		16,536
Goodwill		39,001

Acquisition Carbó Collbatallé S. L.

In April 2022, the Group reached an agreement to acquire 100% of the shares in Carbó Collbatallé (Note 2.8.5), a company that offers transport and logistics services for refrigerated and frozen food, which carries out its commercial activity mainly in the Spanish market. This acquisition was finally concluded in October 2022.

The purchase price of these shares amounted to 54,990 thousand euros, of which 50,700 thousand euros, were paid, with 4,290 thousand euros outstanding as of September 30, 2023.

As a result of this acquisition, the Group has recorded goodwill for an amount that amounts to 36,048 thousand euros, which has been assigned to the Iberia transportation segment. The valuation of the assets at fair value has been carried out by an independent expert. This valuation includes, as intangible assets, Customer Relationships for 19,700 thousand euros and Trademarks for 900 thousand euros.

Ordinary income and net profits contributed to the consolidated income statement for the period ended September 30, 2023, were 63,112 thousand euros and 4,621 thousand euros, respectively.

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

	Thousands of euros	
	Carrying Amount of Acquired Companies	Fair Value
Property, Plant, and Equipment (Note 6)	33,841	33,841
Other intangible assets	-	20,600
Other non-current assets	259	259
Trade and other receivables	11,786	11,786
Cash and cash equivalents	3,353	3,353
Other current assets	893	893
Deferred tax assets	8	8
Deferred tax liabilities	(320)	(5,470)
Trade and other payables	(17,870)	(17,870)
Other financial non-current liabilities	(28,452)	(28,452)
Total	3,498	18,948
Consideration for the acquisition		54,990
Goodwill		36,042

Acquisition Gramma Farmaceutici, S.R.L.,

In July 2023, the Group acquired 100% of the shares of Gramma Farmaceutici, S.R.L., (Note 2.8.5), a company specializing in logistics services for the pharmaceutical industry in Italy.

The total purchase price of these shares amounted to 2,943 thousand euros, paid in cash at the time of purchase. As of September 30, 2023, the company had a provisional goodwill of 2,647 thousand euros in the Italy, tobacco, and related products segment.

Ordinary income and net profits contributed to the consolidated income statement for the period ended September 30, 2023, were 1,804 thousand euros and 18 thousand euros, respectively.

The estimated ordinary income and net benefits that would have been contributed to the consolidated income statement if they had been acquired on October 1, 2022, would amount to 8,657 thousand euros and 334 thousand euros respectively.

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

	Thousands of euros	
	Carrying Amount of Acquired Companies	Fair Value (Provisional)
Property, plant, and equipment (Note 6)	1,671	1,671
Other intangible assets	272	272
Trade and other receivables	3,577	3,577
Cash and cash equivalents	226	226
Other current assets	255	255
Provisions	(310)	(310)
Trade and other payables	(5,395)	(5,395)
Total	296	296
Consideration for the acquisition		2,943
	Goodwill	2,647

These calculations are provisional and subject to adjustment up to one year after the date of acquisition. Considering the dates of the transaction, the Group is currently carrying out the analysis of the price allocation of the assets and liabilities acquired.

Acquisition of Dutch companies Speedlink Worldwide Express B.V., 24 Hours B.V. y German-Ex B.V.

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

The total purchase price of this 70% amounted to 20 million euros, paid against cash. Ordinary income and net profit contributed to the condensed consolidated income statement of year ended 2022 amounted to 7,417 thousand euros and 1,009 thousand euros, respectively.

The estimated ordinary income and net profit that would have been contributed to the consolidated income statement in they have been acquired on 1 October 2021 would have been 12,260 thousand euros and 878 thousand euros, respectively.

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

	Thousand of euros	
	Carrying Amount of Acquired Companies	Fair Value
Property, plant, and equipment (Note 6)	141	141
Other intangible assets	85	14,958
Trade and other receivables	3,171	3,171
Cash and cash equivalents	336	336
Other current assets	59	59
Deferred tax liabilities	-	(3,525)
Trade and other payables	(1,505)	(1,505)
Other financial non-current liabilities	(1,330)	(1,330)
Total	957	12,305
	Consideration for the acquisition	20,270
	Reserves of the parent company (Minority Interests)	3,691
	Goodwill	11,656

The goodwill amounting to 11,656 thousand euros has been allocated in its entirety to the Iberia, Transportation segment, and is mainly attributable to the expected profitability of the business and the important synergies it generates in medical/health distribution, expanding its once the Group's catalog of services outside the Iberian Peninsula. See note 7.1.

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

7.3 Goodwill impairment analysis

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

Discount and residual growth rates

	2023		2022	
	Discount Rate	Growth Rate	Discount Rate	Growth Rate
Italy, tobacco, and related products	9.89%	0.00%	10.65%	0.00%
France, tobacco, and related products	7.78%	0.00%	7.86%	0.00%
Iberia, transport	10.61%	0.00%	10.84%	0.00%
Iberia, other business: Pharma	8.48%	0.00%	8.29%	0.00%
Iberia, tobacco, and related products	9.47%	0.00%	9.68%	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 2023-2027	
	Sales	Sales
Italy, tobacco, and related products	2.6%	2.6%
France, tobacco, and related products	-3.2%	-3.5%

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

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

Based on the methods used and the estimates, projections, and valuations available to the Parent's directors, no impairment losses were recognized in relation to these assets in 2023 and 2022.

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

8. Other intangible assets

The changes in "Other Intangible Assets" in 2023 and 2022 were as follows:

Fiscal Year 2023

	Thousands of Euros					
	Balance at 30/09/2022	Additions or Charge for the Year	Disposals or Reductions	Transfer (Note 6)	Business combinations (Note 7.2)	Balance at 30/09/2023
Cost:						
I+D expenses	2,223	-	-	-	-	2,223
Computer software	223,067	704	(196)	9,595	1,123	234,293
Concessions, rights, and licenses	798,661	770	(26)	-	67,501	866,906
Advances and intangible assets in progress	6,586	7,340	(21)	(8,773)	458	5,590
	1,030,537	8,814	(243)	822	69,082	1,109,012
Accumulated amortization:						
I+D expenses	(2,192)	-	-	-	-	(2,192)
Computer software	(193,931)	(11,678)	187	(26)	-	(205,448)
Concessions, rights, and licenses	(521,034)	(60,814)	1	-	-	(581,847)
	(717,157)	(72,492)	188	(26)	-	(789,487)
Impairment losses	(623)	-	-	-	-	(623)
	312,757	(63,678)	(55)	796	69,082	318,902

Fiscal Year 2022

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

Additions

The additions to "Other intangible assets" in 2023 and 2022 relate mainly to functional development projects for the Logista Group's existing applications to improve or increase the services provided to its customers and the implementation of new modules and functionalities in the management systems in certain business segments.

Transfers

The transfers to "Computer Software" in 2023 and 2022 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 2023 and 2022 the Group did not recognize any impairment losses on items classified as "Other Intangible Assets".

Other information

On 30 September 2023 and 2022, the intangible assets in use that were completely depreciated amounted to EUR 177,478 thousand and EUR 165,240 thousand, respectively.

9. Non-Current assets as held for sale

The movements produced in the year under this heading correspond to transfers of fixed assets associated with a warehouse in Toulouse owned by the French subsidiary Logista France S.A.S. for an amount of 3,654 thousand euros.

No indications of impairment have been identified for these assets as of September 30, 2023, and the conditions required by IFRS 5 for their classification as non-current assets held for sale have been met.

As detailed in Note 2.5, in February 2022 the Group closed the agreement for the sale of Supergroup, S.A.S for an amount of 1 euro. The result derived from the sale, net of tax impacts, due to the derecognition of the assets and liabilities of the Company, and considering in turn the result generated by the Company in the year up to the time of its sale, amounted to negative 11,473 thousand euros, of which 1,356 thousand euros correspond to the negative result generated by the Company in the year up to the

time of its sale and 10,117 thousand euros correspond to the loss, net of taxes, of the derecognition of the Company's assets and liabilities under the terms finally agreed with the seller.

9.1 Net income from discontinued operations

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

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

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

	Fiscal Year 2022
Total operating Income	55,331
Total operating Expenses	(40,571)
GROSS OPERATING PROFIT	14,760
<i>Cost of logistic networks:</i>	
Staff costs	(1,431)
Transport	(4,643)
Cost of local delegations	-
Depreciation	(896)
Other operating expenses	(1,896)
Total Cost of Logistic Networks	(8,866)
<i>Commercial expenses:</i>	
Staff costs	(4,622)
Other operating expenses	(1,426)
Total Commercial Expenses:	(6,048)
<i>Head Office costs:</i>	
Staff costs	(82)
Depreciation	(8)
Other operating expenses	(878)
Total Head Office Costs:	(968)
Net result of the disposal and impairment of non-current assets	(10,117)
Other results	(148)
OPERATING PROFIT/(LOSS)	(11,387)
Finance income	27
Finance expenses	(63)
PROFIT/(LOSS) BEFORE TAX	(11,423)
Income Tax	(50)
PROFIT/(LOSS) FOR THE YEAR	(11,473)

9.2 Cash Flows from discontinued

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

(Thousand euro)	2022
Operating activities	81
Investment activities	(51)
Financing activities	20,475
Net increase / decrease in cash and cash equivalents	20,505

In the 2023 financial year, the Group has reclassified the assets associated with a warehouse in Toulouse owned by Logista France S.a.S. to the heading "Assets classified as held for sale" as it has implemented a plan to proceed with the sale of these facilities in the short term, after the cessation of operations during

the year. The total net book value of these assets subject to reclassification amounted to 3,654 thousand euros as of September 30, 2023.

10. Financial assets

The breakdown of financial assets as of September 30, 2023, and 2022 is as follows:

(Thousand euro)	Equity instruments		Credits, derivatives and others		Total	
	2023	2022	2023	2022	2023	2022
Non-current financial assets						
Financial assets at fair value through equity	905	766	-	-	905	766
Financial assets at amortized cost	-	-	16,789	15,656	16,789	15,656
	905	766	16,789	15,656	17,694	16,422
Current financial assets						
Financial assets at amortized cost	-	-	4,213,832	4,330,279	4,213,832	4,330,279
	-	-	4,213,832	4,330,279	4,213,832	4,330,279
	905	766	4,230,621	4,345,935	4,231,526	4,346,701

(Thousand euro)	Equity instruments		Credits, derivatives and others		Total	
	2023	2022	2023	2022	2023	2022
Non-current financial assets						
Other non-current financial assets						
Deposits and bonds	-	-	6,616	5,518	6,616	5,518
Others	905	766	10,173	10,138	11,078	10,904
	905	766	16,789	15,656	17,694	16,422
Current financial assets						
Trade receivables and other accounts receivable						
Customers for short-term sales and services	-	-	1,953,788	1,920,838	1,953,788	1,920,838
Customers, group companies and associates	-	-	10,537	10,193	10,537	10,193
Miscellaneous debtors	-	-	8,730	15,093	8,730	15,093
Personal	-	-	266	314	266	314
Provisions for insolvencies	-	-	(50,353)	(45,775)	(50,353)	(45,775)
	-	-	1,922,968	1,900,663	1,922,968	1,900,663
Other current financial assets						
Loans granted to third parties	-	-	1,318	78	1,318	78
Loans granted to related companies	-	-	2,289,657	2,429,620	2,289,657	2,429,620
Valuation adjustments for impairment	-	-	(111)	(82)	(111)	(82)
	-	-	2,290,864	2,429,616	2,290,864	2,429,616
	-	-	4,213,832	4,330,279	4,213,832	4,330,279
	905	766	4,230,621	4,345,935	4,231,526	4,346,701

10.1 Financial assets at amortized cost

(Thousand euro)	2023	2022
Non-current financial assets		
Bonds Delivered and Advance Payments	6,616	5,518
Others	10,173	10,138
	16,789	15,656
Current financial assets		
Trade receivables and other accounts receivable	1,922,968	1,900,663
Third-party receivables	1,318	78
Loans granted to related companies	2,289,546	2,429,538
	4,213,832	4,330,279
	4,230,621	4,345,935

Other non-current financial assets

In previous years, Compañía de Distribución Integral Logista, S.A.U. was subject to proceedings corresponding to the settlements of foreign trade activities for the years 2012 to 2018, both inclusive, amounting to 13,670 thousand euros, which have been appealed. Of this amount, 10,065 have been paid to avoid the possible accrual of late payment interest.

The Group, in accordance with the assessment carried out and corroborated by its external advisors, considers that the existing arguments to defend the company's actions in this regard are solid and should prevail before the courts; this is the reason why the outflow of financial resources is not considered likely and consequently, it has recorded the payment as an asset included under the heading "Other non-current financial assets" of the accompanying balance sheet as of September 30, 2023, as it considers its recovery probable.

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 draws 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.

By virtue of this agreement, the Parent Company has undertaken not to obtain financing from third parties and not to provide any type of security over its assets unless such transaction is approved by a qualified majority of the Board of Directors.

As of 30 September 2023, the outstanding balance amounts to EUR 2,290 million euros (30 September 2022: EUR 2,429 million).

The interest accrued on this credit line on 30 September 2023 amounted to EUR 82,885 thousand euros (30 September 2022: EUR 20,444 thousand) (see Note 25).

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.

On August 3, 2023, the reciprocal credit line agreement was renewed and will enter into force on June 12, 2024.

The conditions of the loan facility mentioned in the preceding paragraphs remain in force until June 12, 2024. From that date, new conditions have been agreed for this loan, which consist of an extension of the maximum drawdown limit to 3,000 million euros, and a remuneration based on Euribor for 6 months plus 75 basis points. These new conditions will remain in force for at least three years, after which date, they will be considered renewed unless one of the parties expresses its wish not to do so at least 6 months in advance.

Through this credit facility, the Logista Group will lend its surplus cash to Imperial Brands Finance PLC on a daily basis or receive the cash necessary to meet its payment obligations.

Trade receivables and other accounts receivable

The composition of this heading as of 30 September is as follows:

(Thousands of euros)	2023	2022
Sales and service customers	1,903,435	1,875,063
Customers, group companies and associates (Note 25)	10,537	10,193
Miscellaneous debtors	8,730	15,093
Staff	266	314
	1,922,968	1,900,663

The fair value of these financial assets, calculated on the basis of the discounted cash flow method, did not differ materially from their book value.

Customers for sales and service provision

This account includes, mainly, the balances receivable on sales of tobacco, stamps and franking notes relating, basically, to the last delivery of each financial year, payable in the first days of the following year, including the excise duties and VAT associated with the sale of tobacco that are not part of the turnover (see Note 4.15).

The credit period for the sale of goods and services ranges from 10 to 30 days from the invoice date.

There is no concentration of customers in accounts receivable, as no customer accounts for more than 5% of them.

The breakdown of accounts receivable from customers that are overdue and non-provisioned as of September 30, 2023, and 2022 is as follows:

Period	Thousands of Euros	
	2023	2022
0-30 days	58,060	51,046
30-90 days	22,493	11,832
90-180 days	9,203	2,861
180-360 days	1,907	1,490
más de 360 days	2,146	1,945

The Group follows the criterion of provisioning for those debts that are delinquent based on the age of the debt and the expected loss on such receivables, unless there are additional collection guarantees.

Valuation adjustments

The balance of the item "Customers for sales and services" is shown net of impairment adjustments. The movements in these corrections have been as follows:

(Thousands of euros)	2023	2022
Initial Amount	45,775	53,026
Endowments	1,698	477
Reversals	(850)	(3,502)
Provisions applied to purpose	3,730	(4,226)
Final balance	50,353	45,775

The additions and reversals of 2023 and 2022 to the provision for insolvency are mainly recorded under the heading "Cost of logistics networks - Other operating expenses" of the accompanying consolidated income statement.

As of September 30, 2023, and 2022, all provisioned balances are more than 90 days old.

11. Inventories

The detail of the Group's inventories on 30 September 2023 and 2022 is as follows:

	Thousands of Euros	
	2023	2022
Tobacco	1,581,520	1,360,046
Published materials	10,046	8,673
Other merchandise	204,524	169,271
Write-downs	(15,575)	(8,827)
	1,780,515	1,529,163

Part of the tobacco stocks includes the excise duties on tobacco products accrued on them. Specifically, the amount of Excise Duties included in the stock balance as of September 30, 2023, amounts to 530,835 thousand euros (514,892 thousand euros as of September 30, 2022).

The impairment allowance for 2023 and 2022 mainly covers the value of tobacco stocks that are defective or cannot be sold at closing. The movement in the impairment allowances under the heading "Inventories" in the accompanying consolidated balance sheet was as follows:

	Thousands of Euros
Accumulated write-down at 30 September 2021	9,438
Period write-downs	165
Reversals	(2,140)
Amounts derecognized	1,364
Accumulated write-down at 30 September 2022	8,827
Period write-downs	9,882
Reversals	(119)
Amounts derecognized	(3,015)
Accumulated write-down at 30 September 2023	15,575

At 30 September 2023 and 2022, the Group had arranged insurance policies to cover the value of its inventories.

12. Cash and cash equivalents

"Cash and Cash Equivalents" in the consolidated balance sheets as of September 30, 2023 and 2022 includes mainly the Group's cash deposited in current accounts at banks. There are no restrictions on the availability of these balances.

The average interest rate obtained by the Group on its cash and cash equivalent balances has been 1.68% in 2023 (0.07% in 2022).

13. Equity

At the end of 2023 and 2022 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 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 2023 and 2022 is Imperial Tobacco LTD with an ownership interest of 50.01%.

At 30 September 2023 and 2022, 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 2023 the Group had a net cash position amounting to EUR 2,388,209 thousand (30 September 2022: EUR 2,607,500 thousand), the detail being as follows:

	Thousands of Euros	
	2023	2022
Other current financial liabilities (Note 20)	(96,110)	(40,849)
Gross debt	(96,110)	(40,849)
Other Current financial assets (Note 10)	2,290,864	2,429,616
Cash and cash equivalents	192,960	218,733
Financial assets and cash	2,483,824	2,648,349
Total net financial position	2,387,714	2,607,500

14. Reserves

a) Share premium

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

b) Reserves of the Parent

Legal reserve

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

On 30 September 2023 the Parent's legal reserve has reached the legally required minimum.

Other reserves

The capital increase expenses incurred by the Parent in 2014 in the transaction described in the "Share Capital" section, which were charged to reserves, amounted to EUR 176 thousand, net of the related tax effect. This line item also includes the annual charges for 2022 and 2021 relating to the Share Plan tranches, amounting to EUR 2,628 thousand and EUR 2,391 thousand, respectively (see Note 4.12).

In addition, this heading includes the annual allocation for 2023 and 2022 to the blocks of the Action Plan, amounting to 2,867 thousand euros and 2,628 thousand euros, respectively (see Notes 4.4 and 5.1). In addition, in the current financial year, an application amounting to 2,251 thousand euros is included for the settlement of the different blocks corresponding to the company's Incentive Plans in force (see Notes 4.12 and 5).

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 July 20, 2023, the Company's Board of Directors approved the distribution of an interim dividend of 64,619 thousand euros on 2023 profit, which was already paid on August 28, 2023 (56,711 thousand euros in 2022) (see Note 3).

On February 7, 2023, the General Shareholders' Meeting of the Parent Company approved the distribution of the results for fiscal year 2022, which included an interim dividend on the results of said fiscal year that was approved by the Board of Directors and settled previously, by amount of 56,714 thousand euros and a complementary dividend in the amount of 181,970 thousand euros, which was paid on February 23, 2023.

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

f) Treasury shares

The Group has 883,955 treasury shares amounting to 21,265 thousand euros, of which 751,989 shares are earmarked to cover the long-term incentive plan that can be settled in treasury shares for a total amount of 18,091 thousand euros (877,939 treasury shares amounting to 13,437 thousand euros as of September 30, 2022).

On January 20, 2021, the Company entered into a liquidity agreement with Banco Santander, S.A. the objective of which is to promote liquidity and regularity in the listing of the Company's shares. This contract is in accordance with the liquidity contract model incorporated in Circular 1/2017 of 26 April of the National Securities Market Commission on liquidity contracts. The total number of shares allocated to the securities account associated with the Liquidity Contract is 120,000 shares and the term of the contract is 12 months from that date, which can be extended for successive years.

15. Reserves at consolidated companies

The detail of "Reserves of Group Companies and Associates" in the consolidated balance sheets at 30 September 2023 and 2022 is as follows:

	Thousands of Euros	
	2023	2022
Reserves in fully consolidated companies	(117,221)	(126,954)
Reserves in companies consolidated by the equity method	2,113	(685)
	(115,108)	(127,639)

The reserves at consolidated companies include the retained earnings not appropriated at the beginning of the period relating to the consolidated companies and considering 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.

16. Minority interests

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

Entity	Thousands of euros			
	2023		2022	
	Minority Interests	Result Attributed to Minorities	Minority Interests	Result Attributed to Minorities
Distribuidora Valenciana de Ediciones, S.A.	-	-	489	96
Distribución de Publicaciones Siglo XXI Guadalajara, S.L.	18	(7)	25	(1)
Distribuidora de Ediciones, S.A.	54	(3)	93	43
Distribuidora de Publicaciones del Sur, S.L.	36	(27)	63	(38)
Sociedades Holandesas	4,338	447	3.890	199
Otras sociedades	158	-	158	-
	4,604	410	4,719	299

17. 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 2023 the level of credit risk is not significant, given the solvency of the counterparties.

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 2,1 million euros (2022: 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 24).

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 2023, the Group had a working capital deficiency amounting to EUR 741,163 thousand euros (September 2022: EUR 668,402 thousand). However, because of the difference between the average collection and payment, the Group generates sufficient liquidity to meet these payments.

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

Macroeconomic environment

The social, political and/or macroeconomic conditions on a global scale, which affect Europe and particularly Spain, Portugal, France, Italy and, to a lesser extent, Poland, may condition Logista in the different areas in which it operates.

Fiscal year 2023 has taken place in a complex macroeconomic and geopolitical environment that has led to an inflationary environment with high interest rates. Throughout the period, inflation has evolved affecting different services and products, starting the year with very high electricity prices at European level followed by a sharp increase in fuel prices. Electricity costs have moderated towards the second half of the year, but on the other hand, basic necessities, mainly food products, have registered significant increases in price. This complex environment has led to a reduction in the growth expectations of the different countries of the European Union for the coming years.

As for the geopolitical situation, the conflict between Russia and Ukraine celebrated its first anniversary in February and continues to affect the inflationary pressure of many raw materials and energy prices.

Given the persistence of inflationary pressures, and the monetary policy adopted by the Federal Reserve in the United States to tackle inflation, the European Central Bank has decided to continue raising interest rates, announcing the latest interest rate hike in September 2023, to reach a benchmark rate of 4.50%.

All of this continues to create uncertainty about the pace of recovery of economies in the coming months.

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

18. Provisions

The detail of the balance of short and long-term provisions in the accompanying consolidated balance sheets on 30 September 2023 and 2022 and of the main changes therein in the periods is as follows:

Fiscal Year 2023

	Thousands of Euros					
	Balance at 30/09/2022	Additions	Reversions	Provisions Used	Transfers	Balance at 30/09/2023
Excise duty and other assessments	7,179	-	-	-	-	7,179
Obligations to employees	13,873	2,508	(2,459)	(1,418)	157	12,661
Provision for contingencies and charges	6,124	1,399	(326)	(1)	(1,500)	5,696
Other	1,867	314	-	-	-	2,181
Non-current provisions	29,043	4,221	(2,785)	(1,419)	(1,343)	27,717
Provision for restructuring costs	2,814	11,392	(31)	(3,418)	(107)	10,650
Customer Refunds	1,256	326	-	-	-	1,582
Other	2,580	2,232	(280)	(1,843)	1,530	4,219
Current provisions	6,650	13,950	(311)	(5,261)	1,423	16,451

Fiscal Year 2022

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

Provision for excise duty on tobacco products and for other assessments

Compañía de Distribución Integral Logista, S.A.U. has provisions, mainly, for assessments as a result of tax audits from the Spanish tax authorities of the corporate income tax from 2012 to 2016 for an amount of 3,064 thousand euros. This decision was appealed, and is currently before the National Appellate Court, with a contentious-administrative appeal filed on July 24, 2023.

At 30 September 2023, Logista Italia, S.p.A. has recognized a provision amounting to EUR 2,100 thousand euros (EUR 2,100 thousand on 30 September 2022) as a result of the Italian tax authorities' open inspection.

In 2022, the amounts of the provisions for these items were adjusted according to 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 addition, there are provisions to cover risks arising from other non-significant amounts of non-significant amounts initiated against the Group.

In previous years, Compañía de Distribución Integral Logista, S.A.U. was subject to proceedings corresponding to the settlements of foreign trade activities for the years 2012 to 2018, both inclusive, amounting to 13,670 thousand euros, which have been appealed. Of this amount, 3,605 thousand euros,

corresponding to the 2012 financial year, have been guaranteed. The remaining amount, 10,065 thousand euros, has been paid to avoid the possible accrual of interest for late payment and which corresponds mainly to the 2013 financial year minutes (9,295 thousand euros, since for the following years the amounts are less relevant).

The Group, according to the evaluation carried out and corroborated by its external advisors, considers that the existing arguments to defend the company's actions in this regard are solid and should prevail before the courts, which is why the outflow of financial resources is not considered likely and consequently, it has not made any provision for the endorsed minutes and has recorded the payment of the remainder (10,065 thousand euros) as an asset included under the heading "Other non-current financial assets" of the accompanying balance sheet as of September 30, 2023 (see Note 10) as it considers its recovery likely. In this regard, it should be borne in mind that, by virtue of the agreements signed by the company, any impact derived from a possible tariff increase on the goods distributed by the company may be passed on to the supplier of the goods.

The aforementioned claims as of the date of preparation of these consolidated annual accounts are in the Supreme Court, where the appeal filed on September 23, 2022 for an amount of 13,608 thousand euros has been admitted and which set the date of June 27, 2023 for voting and ruling, although the ruling has not yet been notified.

Provisions for employee benefit obligations

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

The present value of these commitments in Compañía de Distribución Integral Logista, S.A.U. has been calculated based on actuarial studies by independent experts, using PER2020 1º collective order mortality tables, an update rate of 3.72% annually (2.40% annually in 2022), as the main hypotheses. The present value of these commitments has been calculated based on actuarial studies by independent experts, using TF/HT mortality tables 2000-2022, inflation of 2.52% and an update rate of 3.72% per year (2.40% per year in 2022), as the main assumptions.

During the 2023 financial year, the Group credited reserves in the amount of 2,530 thousand euros (charges to reserves amounting to 6,778 thousand euros as of September 30, 2022), corresponding to changes in the actuarial assumptions used to calculate the present value of the total commitment acquired by the Group.

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

Provision for restructuring costs

This account mainly includes the estimate in relation to the restructuring plans that the Group is carrying out. During fiscal year 2023, provisions amounting to 11,392 thousand euros have been recorded (4,318 thousand euros in 2022), of which 9,000 thousand euros come from the closure of the Toulouse warehouse. Compensation payments have been made in the amount of 3,418 thousand euros (7,880 thousand euros in the previous year), which have been applied against the provisions set aside for this 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 recognizes 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.

19. Tax matters

Consolidated Tax Group

In 2023 some of the Group companies are taxed under a consolidated tax return with the Parent Company (see Note 4.16). The companies included together with the Parent Company in the consolidated tax return Group, for Corporation Tax purposes, are the following: Compañía de Distribución Integral Logista, SAU, Publicaciones y Libros, SAU, Logista-Dis , SAU, La Mancha 2000, SAU, Dronas, 2002, SLU, Logista Pharma Canarias, SAU, Distribuidora de Publicaciones Siglo XXI Guadalajara, SL, Logista Pharma, SAU, Logista Strator, SLU (previously Cyberpoint), , Compañía de Distribución Integral de Publicaciones Logista, SLU,, Logesta Gestión de Transporte, S.A.U., and Be to Be Pharma, S.L.U, Logista Payments and Logista Regional de Publicaciones, S.A.U.

On the other hand, Logista Holdings France, Logista Promotion et Transport, Logista France, S.A.S., Société Allumetière Française, S.A.S. and Logista Freight S.A.S. (formerly known as Logesta France S.A.S.), are taxed under the consolidated tax regime for corporate income tax purposes in France, with Logista Holdings France, S.A.S. being the head of this group.

Logista Italia, S.p.A. and Logista Retail S.p.A. (formerly known as Terzia, S.p.A.) are taxed under the consolidated tax regime for corporate income tax purposes in Italy, with the head of this group being Logista Italia, S.p.A.

In addition, CDIL-Companhia de Distribuicao Integral Logista Portugal, S.A., Midsid - Sociedade portuguesa de Distribuicao, S.A. and Logista Transportes, Transitarios e Pharma, Lda., are taxed under the consolidated tax regime for corporate income tax purposes in Portugal, the head of which is CDIL-Companhia de Distribuicao Integral Logista, S.A.U.

On the other hand, Herinvemol. S.L. (Parent Company), Transportes el Mosca, S.A., Mosca Marítimo, S.L., Ordimum, S.L., Transportes el Mosca Murcia, S.L., Innoreste, S.L., Mosca Marítimo Baleares, S.L., and Albacetrans, S.L. are taxed under a consolidated tax regime with the Parent Company.

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

Years open for review by the tax authorities

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

Compañía de Distribución Integral Logista, S.A.U. has open for review by the tax authorities the years 2020, 2021 and until September 2023 for excise taxes, and fiscal year 2020 and until September 2023 for foreign trade taxes, as inspections have been closed in previous exercises

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

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

Tax receivables and payables

The detail of the tax receivables on 30 September 2023 and 2022 is as follows:

	Thousands of Euros	
	2023	2022
Deferred tax assets:		
Provision for restructuring costs	1,025	208
Goodwill	912	1,032
Impairment losses and other	1,657	1,488
Provision for third-party liability	6,888	7,228
Other deferred tax assets	1,343	1,132
	11,825	11,088
Tax receivables (current):		
VAT refundable	5,690	1,946
Income tax refundable	28,369	4,099
Other	10,235	3,795
	44,294	9,840

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

The detail of the tax payables at 30 September 2023 and 2022 is as follows:

	Thousands of Euros	
	2023	2022
Deferred tax liabilities:		
Assets contributed by Logista	315	335
Revaluation of land owned by the Parent (Note 15-d)	7,125	7,125
Goodwill	129,034	122,297
Business Combination	95,893	98,262
Other	3,216	3,656
	235,583	231,674
Tax payables (current):		
Excise duty on tobacco products	4,044,231	4,047,366
VAT payable	1,095,945	1,086,666
Customs duty settlements	2,230	2,630
Income tax, net of prepayments	20,826	(615)
Personal income tax withholdings	8,624	7,296
Social security taxes payable	20,294	17,462
Tax retention to tobacconists (France)	5,467	20,141
Other	1,895	1,674
	5,199,512	5,182,620

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

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

Until 2011, each year Compañía de Distribución Integral Logista, S.A.U decreased its taxable profit by one twentieth of the implicit goodwill included in the acquisition price of its subsidiary in Italy. These reductions are considered to be temporary differences. On 30 March 2012, Royal Decree-Law 12/2012 came into

force, introducing various tax and administrative measures aimed at reducing the public deficit. These measures include limiting the tax deductibility of such goodwill to 1% per year. Since 2017, the maximum tax credit is 5% per year. Since the execution of the operation of the spin off-merger carried out at year ended 30 September 2021, by which Compañía de Distribución Integral Logista Holdings S.A., is the first one that reduces its tax base annually in concept of the tax amortization of goodwill that emerged from the purchase of Logista Italia.

Reconciliation of the accounting profit to the taxable profit

The reconciliation of the accounting profit before tax to the aggregate taxable profit and of the accounting profit before tax to the income tax expense resulting from the application of the standard tax rate in force in Spain for the years ended 30 September 2023 and 2022 is as follows:

	Thousands of Euros	
	2023	2022
Accounting profit before tax	369,500	285,574
Permanent differences	16,239	43,166
Tax loss carryforwards compensation	(624)	(474)
Tax charge at 25%	96,279	82,066
Effect of different tax rates and changes thereto	(4,921)	(13,004)
Corporation tax adjustments	(1,800)	(418)
CVAE France and other local tax in Italy and Portugal	6,534	6,813
Deductions	(350)	(503)
Total income tax expense recognized in consolidated profit or loss	95,741	74,954

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 25.83%.
- 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 5%, in this year 2.36%. Additionally, there is an obligation to make pre-payments even if an entity is reporting a loss.
- Poland: the income tax rate is 19%.
- Netherlands: the income tax rate amounts to 15% on the first tranche of the tax base of EUR 245 thousand and 25% on the rest.

The breakdown of the income tax expense is as follows:

	Thousands of Euros	
	2023	2022
Current tax:		
Continuing operations	109,818	82,679
Deferred tax:		
Continuing operations	(14,077)	(7,725)
Tax adjustment and others		
Total tax expense	95,741	74,954

Changes in deferred tax assets and liabilities

The changes in deferred tax assets and liabilities in 2023 and 2022 are as follows:

Fiscal Year 2023

	Thousands of Euros			
	Balance at 30/09/2022	Change in Profit or Loss	Others	Balance at 30/09/2023
Deferred tax assets:				
Provision for restructuring costs	208	817	-	1,025
Goodwill	1,032	(143)	23	912
Impairment losses and other	1,488	119	50	1,657
Provision for third-party liability	7,228	(324)	(17)	6,887
Other deferred tax assets	1,132	198	14	1,344
	11,088	667	70	11,825
Deferred tax liabilities:				
Assets contributed by Logista	(335)	20	-	(315)
Revaluation of land	(7,125)	-	-	(7,125)
Goodwill	(122,297)	(6,737)	-	(129,034)
Business combination	(98,262)	20,096	(17,727)	(95,893)
Other	(3,655)	33	406	(3,216)
	(231,674)	13,412	(17,321)	(235,583)

Fiscal Year 2022

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

The deferred tax liability caption includes mainly the deferrals associate with the business combinations and goodwill recorded by the Group. During fiscal year 2023 there have been variations to the corporate income tax for the year.

Tax credit and tax loss carryforwards

At 30 September 2023 and 2022, the Group does not have any tax credits used by the tax group (which had been earned as part of the previous tax group).

The not capitalized tax loss carryforwards at the end of 2023 were basically as follows:

- Spain: it is expected that the tax loss carryforwards amount to EUR 4,750 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.

Provision for excise duties on tobacco and other acts

Compañía de Distribución Integral Logista, S.A.U. has provisions, mainly, for non-deductible directors' remuneration, as a result of the corporate income tax inspection processes for the years 2012 to 2016 amounting to 3,064 thousand euros. This decision was appealed, and is currently before the National Appellate Court, with a contentious-administrative appeal filed on 24 July 2023.

In previous years, Compañía de Distribución Integral Logista, S.A.U. was subject to proceedings corresponding to the settlements of foreign trade activities for the years 2012 to 2018, both inclusive, amounting to 13,670 thousand euros, which have been appealed. Of this amount, 3,605 thousand euros have been guaranteed and the remaining amount has been paid to avoid the possible accrual of late payment interest.

The Group, in accordance with the evaluation carried out and corroborated by its external advisors, considers that the existing arguments to defend the company's actions in this regard are solid and should prevail before the courts, which is why the outflow of financial resources is not considered likely and consequently, it has not made any provision for the guaranteed minutes and has recorded the payment of the remainder as an asset included in the heading "Other non-current financial assets" in the balance sheet as of September 30, 2022 (see Note 10) as it is considered likely to recover. In this regard, it should be borne in mind that, by virtue of the agreements signed by the company, any impact derived from a possible tariff increase on the goods distributed by the company may be passed on to the supplier of the goods. The aforementioned claims at the date of preparation of these consolidated annual accounts are in the Supreme Court where the filing of an appeal has been admitted, which was filed on September 23 for an amount of 13,608 thousand euros and, on the date of writing this report, the date of June 27, 2023, was set for voting and ruling, although the ruling has not yet been notified. The TEAC issued a resolution deducting the unpaid VAT for 2012, along with the rest of the VAT records for the years 2013 to 2015. The minutes for the years 2016 to 2018, amounting to 63 thousand euros, are being appealed in the National High Court and are suspended until the Supreme Court's decision takes place.

As of September 30, 2023, Logista Italia, S.p.A. had a provision of 2,100 thousand euros (2,100 thousand euros as of September 30, 2022) as a result of the inspection opened by the Italian tax authorities.

In 2022, the amounts of the provisions for these items were adjusted according to 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 addition, there are provisions to cover risks arising from other non-significant amounts of non-significant amounts initiated against the Group.

20. Financial liabilities at amortized cost

20.1. Other current and non-current financial liabilities

The detail of other current and non-current financial liabilities on 30 September 2023 and 2022 is as follows:

	Thousands of Euros	
	2023	2022
Long term financial debt – IFRS 16 (Note 6.2)	189,242	94,947
Other non-current financial liabilities	29,940	8,853
Other non-current financial liabilities	219,182	103,800
Short term financial debt – IFRS 16 (Note 6.2)	53,253	28,910
Other current financial liabilities	29,9261	-
Other current financial liabilities with related parties (Note 25)	12,931	11,939
Other current financial liabilities	96,110	40,849

Other current financial liabilities

As of September 30, 2023, this heading mainly includes the amounts outstanding for business combinations (Note 7.2).

20.2. Trade and other payables

The detail of "Trade and Other Payables" in the accompanying consolidated balance sheet on 30 September 2023 and 2022 is as follows:

	Thousands of Euros	
	2023	2022
Accounts payable for purchases and services	1,398,320	1,280,160
Notes payable	24,561	24,937
Payable to related companies (Note 25)	161,332	149,789
Advances received on orders	185	79
	1,584,398	1,454,965

Trade and Other Payables" includes mainly the amounts outstanding for trade purchases and related costs. The average payment period for trade purchases in 2023 has been 38 days approximately (35 days in 2022).

21. Guarantee commitments to third parties and other information

Guarantees committed to third parties

On 30 September 2023, the Group has been provided with bank guarantees totaling EUR 188,398 thousand (30 September 2022: EUR 182,006 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 2023 that might arise from the aforementioned guarantees would not in any event be material.

On 30 September 2023, 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 behavior 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.

For all these reasons, the Directors of the Parent Company, with the support of their legal advisors, consider that the Resolution, which is not final, is not in accordance with the Law, having filed the corresponding contentious-administrative appeal against it before the National Appellate Court, considering that the final resolution of the same will not reveal any impact on the Group's financial situation. As of the date of preparation of these consolidated financial statements, this contentious-administrative appeal is pending resolution by the National Appellate Court.

On the basis of the information available, the negotiations and communications that have taken place with the manufacturer and also the assessment of its legal advisors, the Directors of the Parent Company consider that there will be no apparent impact on the Group's equity position as a result of this matter.

22. Income and expenses

a) Income

The detail of "Revenue" in the consolidated income statements for 2023 and 2022 is as follows:

	Thousands of Euros	
	2023	2022
Iberia	4,473,266	3,742,947
Italy	4,256,255	4,000,758
France	3,755,471	3,773,683
Adjustment due to inter-segment sales	(57,456)	(53,742)
	12,427,536	11,463,646

b) Staff costs

The detail of the Group's "Staff Costs" in 2023 and 2022 is as follows:

	Thousands of Euros	
	2023	2022
Wages and salaries	(259,424)	(201,853)
Termination benefits	(17,426)	(6,847)
Employer social security costs	(75,733)	(59,416)
Other employee benefit costs (Note 4.12)	(3,432)	(4,140)
Other social costs	(17,303)	(15,515)
	(373,318)	(287,771)

(*) "Research Expenditure" includes EUR 1,032 and EUR 1,314 thousand of staff costs in 2023 and 2022, respectively.

The average number of employees at the Group, by professional category, in 2023 and 2022, as well as the number of employees as of 30 September 2023 and 30 September 2022 was as follows:

Fiscal Year 2023

Category	Number of Persons							
	Headcount at 30/09/23				Average Headcount			
	Permanent Employees		Temporary Employees		Permanent Employees		Temporary Employees	
	Men	Women	Men	Women	Men	Women	Men	Women
Senior Management	35	8	-	-	36	8	-	-
Management	149	48	2	-	152	49	1	-
Senior Professional/Supervisor	222	125	3	1	224	126	2	1
Technicians and administration	1,533	1,314	166	158	1,539	1,300	152	147
Warehouse staff	1,864	512	361	168	582	498	375	195
Drivers	590	16	158	12	1,853	14	141	8
	4,393	2,023	690	339	4,385	1,994	672	351
Total	6,416		1,029		6,379		1,023	

Fiscal Year 2022

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

The average number of disabled employees with a handicap higher than 33% at the Group in 2023 and 2022 was as follows:

Category	Average Number of Employees	
	2023	2022
Senior Management	-	-
Management	2	1
Senior Professional / Supervisor	1	2
Technicians and administration	34	38
Warehouse staff	51	27
	88	68

Remuneration of senior executives

The senior executive functions are discharged by members of the Management Committee, which consists of 9 members on 30 September 2023 (9 members in 2022) and the Internal Audit Director.

The remuneration accrued in 2023 and 2022 for the members of the Group's Management Committee amounts to 6,499 thousand euros and 6,304 thousand euros, respectively, excluding executive directors. The above amounts include the amounts recognized in favor of the members of the Management Committee in 2023 and 2022 corresponding to the incentive plan described in Note 4.12.

The amount of indemnities paid in 2023 and 2022 amounted to 293 thousand euros and 2,150 thousand euros, respectively.

The contributions accrued for savings systems in favor of the members of the aforementioned Management Committee in 2023 and 2022 amounted to EUR 377 thousand and EUR 329 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	
	2023	2022
Leases	(9,869)	(4,297)
Security and cleaning	(17,478)	(16,844)
Utilities	(29,187)	(23,041)
Other operating expenses	(183,062)	(132,835)
	(239,596)	(177,017)

Commercial expenses

	Thousands of Euros	
	2023	2022
Leases	(1,294)	(1,259)
Utilities	(768)	(892)
Other operating expenses	(27,337)	(21,324)
	(29,399)	(23,475)

Head Office costs

	Thousands of Euros	
	2023	2022
Leases	(1,060)	(658)
Security and cleaning	(776)	(941)
Utilities	(440)	(487)
Other operating expenses	(12,876)	(14,057)
	(15,152)	(16,143)

"Other Operating Expenses" mainly includes expenses related to Independent professional services and to various services registered in the consolidated statements for 2023 and 2022.

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	
	2023	2022
Within one year	(57,510)	(30,008)
Between one and five years	(120,301)	(65,703)
More than five years	(103,832)	(51,473)
	(281,643)	(147,184)

e) Finance income

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

	Thousands of Euros	
	2023	2022
Interest income on related entities (Note 25)	82,855	20,444
Other finance income	1,428	1,143
	84,313	21,587

f) Finance expenses

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

	Thousands of Euros	
	2023	2022
Accrual for overdue payment interests and financial update of provisions	(399)	(162)
Financial Leasing Expense	(6,265)	(1,737)
Other financial costs	(1,408)	(520)
	(8,072)	(2,419)

g) Auditor's Fees

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	
	2023	2022	2023	2022
	EY	EY		
Audit services	1,316	744	-	220
Reporting package to Imperial Brands, Plc.	105	96	-	-
Other attest services	-	152	-	15
Total audit and related services	1,421	992	-	235
Transfer pricing counselling services	-	-	-	60
Other services	178	17	-	3
Total other services	178	17	-	63
Total professional services	1,599	1,009	-	298

In fiscal year 2023, from September 30, 2023, 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 178 thousand.

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

23. Segment reporting

Segmentation criteria

The information by segments is structured according to a geographical distribution. The Group's activities are mainly located in Iberia (Spain, Portugal, Poland, and the Netherlands), France and Italy. As of 2021, the Group eliminated the "Corporate and others" section to give a more adequate view of its structure and organization, assigning the activities in Poland to the Iberia segment, taking into account that this country for organizational and management purposes is the responsibility of Iberia's Management and that these are not relevant figures; while the amounts of a corporate nature have been assigned to the different segments according to their representativeness in the non-relevant figures; while the amounts of a corporate nature have been allocated to the different segments according to their representativeness in the Group's sales figures. In addition, with the recent acquisition of the business in the Netherlands (see Note 7.2), the Netherlands is assigned to the Iberia segment for the same reason as Poland.

Basis and methodology of information by business segments

The information by segment set out below is based on the monthly reports prepared by the Logista Group's Management. The highest operational decision-making body for defining the operating segments is the CEO of the Parent Company.

The segment's revenue corresponds to the revenue directly attributable to the segment plus the relevant proportion of the Group's overall revenue that can be distributed to the segment on a reasonable distribution basis. Revenue for each segment does not include interest income and dividends or proceeds from the sale of investments.

The expenses of each segment are determined by the expenses arising from the operating activities of the segment that are directly attributable to it plus the corresponding proportion of the expenses that can be distributed to the segment using a reasonable distribution basis. These apportioned expenses do not include interest or losses arising from the sale of investments; They also do not include the expense of income tax.

The assets and liabilities of the segments are those directly related to the operation of the segment plus those that may be directly attributable to it according to the distribution criteria mentioned above and include the corresponding proportional share of the joint ventures. Liabilities do not include income tax liabilities.

Primary segment reporting

	Thousands of Euros							
	Iberia		Italy		France		Total Group	
	2023	2022	2023	2022	2023	2022	2023	2022
Revenue:								
External sales	4,473,266	3,742,947	4,256,255	4,000,758	3,755,471	3,773,683	12,484,992	11,517,388
Tobacco and related products	3,600,859	3,251,007	4,256,255	4,000,758	3,755,471	3,773,683	11,612,585	11,025,518
Transport	836,898	457,497	-	-	-	-	836,898	457,497
Pharmaceutical Distribution	233,895	206,481	-	-	-	-	233,895	206,481
Other businesses	17,985	18,400	-	-	-	-	17,985	18,400
Other adjustments	(216,371)	(190,508)	-	-	-	-	(216,371)	(190,508)
Inter-segment sales							(57,456)	(53,742)
Total revenue	4,473,266	3,742,947	4,256,255	4,000,758	3,755,471	3,773,683	12,427,536	11,463,646
Procurements:								
External procurements	(3,380,448)	(3,050,862)	(3,886,105)	(3,670,119)	(3,529,500)	(3,557,159)	(10,796,053)	(10,278,140)
Inter-segment procurements	-	-	-	-	-	-	52,644	49,736
Total procurements	(3,380,448)	(3,050,862)	(3,886,105)	(3,670,119)	(3,529,500)	(3,557,159)	(10,743,409)	(10,228,404)
Gross profit:								
External gross profit-	1,092,818	692,085	370,150	330,639	225,972	216,524	1,688,940	1,239,248
Tobacco and related products	382,005	331,991	370,150	330,639	225,972	216,524	978,127	879,154
Transport	678,658	318,076	-	-	-	-	678,658	318,076
Pharmaceutical Distribution	92,775	90,284	-	-	-	-	92,775	90,284
Other businesses	17,352	17,635	-	-	-	-	17,352	17,635
Other and adjustments	(77,972)	(65,901)	-	-	-	-	(77,972)	(65,901)
Inter-segment gross profit							(4,813)	(4,006)
Total gross profit	1,092,818	692,085	370,150	330,639	225,972	216,524	1,684,127	1,235,242
Profit (Loss):								
Segment result	186,631	165,199	105,331	95,229	(1,298)	3,181	290,664	263,609
Share of results of associates							2,595	2,797
Profit (Loss) from operations	186,631	165,199	105,331	95,229	(1,298)	3,181	293,259	266,406

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	
	2023	2022	2023	2022	2023	2022	2023	2022
Other disclosures:								
Additions to non-current assets	196,974	51,603	19,870	27,675	19,286	22,845	236,130	102,123
Depreciation and amortization charge	(77,460)	(42,173)	(17,919)	(18,330)	(62,273)	(62,517)	(157,652)	(123,019)
Balance sheet:								
Assets-								
Property, plant and equipment, investment properties and non-currents assets held for sale	320,916	198,864	80,050	75,271	52,722	48,239	453,688	322,374
Other non-current assets	241,921	98,079	669,986	670,950	453,855	508,210	1,365,761	1,277,239
Inventories	617,949	526,034	593,593	555,245	568,973	447,884	1,780,515	1,529,163
Trade receivables	734,532	639,280	428,212	411,801	760,224	849,583	1,922,968	1,900,663
Other current assets							2,538,931	2,664,542
Total consolidated assets							8,061,863	7,693,982
Liabilities-								
Non-current liabilities	307,113	176,701	77,477	76,279	97,892	111,537	482,482	364,517
Current liabilities	1,967,305	1,717,694	2,196,272	2,163,560	2,820,493	2,881,515	6,984,070	6,762,770
Equity							595,311	566,694
Total consolidated liabilities							8,061,863	7,693,982

24. Foreign currency transactions

The Logista Group's foreign currency transactions in 2023 and 2022, measured in euros at the average exchange rate for the year, were as follows:

	Thousands of Euros	
	2023	2022
Sales	21,210	18,823
Purchases	14,654	13,136
Services received	6,002	5,353

25. Balances and transactions with related parties

The balances on 30 September 2023 and 2022 with related companies were as follows:

Fiscal Year 2023

	Thousands of Euros			
	Receivables		Payables	
	Credit Facilities (Note 10)	Accounts Receivable (Note 10)	Accounts Payable (Note 20.2)	Loans (Note 20)
Altadis, S.A.U.	-	2,120	32,043	-
Altadis Canarias, S.A.	-	3,193	18,224	-
Imperial Brands Finance PLC	2,289,587	-	-	-
Seita, S.A.S.	-	883	35,140	-
Imperial tobacco Italia, Srl	-	1,148	57,574	12,931
Logista Libros, SL	70	843	55	-
Imperial Tobacco International Limited	-	1,078	10,180	-
MyBlu Spain, S.L.	-	560	5,773	-
Tabacalera, SL Central Overheads	-	-	2,343	-
Otros	-	712	-	-
	2,289,657	10,537	161,332	12,931

(*) Company integrated under the equity method.

Fiscal Year 2022

	Thousands of Euros			
	Receivables		Payables	
	Credit Facilities (Note 10)	Accounts Receivable (Note 10)	Accounts Payable (Note 20.2)	Loans (Note 20)
Altadis, S.A.U.	-	3,502	29,633	-
Altadis Canarias, S.A.	-	2,966	17,527	-
Imperial Brands Finance PLC	2,429,502	-	-	-
Seita, S.A.S.	-	934	30,836	-
Imperial tobacco Italia, Srl	-	859	43,955	-
Logista Libros, SL	36	817	36	11,939
Imperial Tobacco International Limited	-	430	21,960	-
MyBlu Spain, S.L.	-	187	4,296	-
Tabacalera, SL Central Overheads	-	-	-	-
Otros	-	498	1,546	-
	2,429,538	10,193	149,789	11,939

(*) Company formed by the equity method (equity method).

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 2023 and 2022 were as follows:

Fiscal Year 2023

	Thousands of Euros			
	Operating Income	Finance Results (Note 22-e)	Purchases	Other Operating Expenses
Altadis, S.A.U.	9,503	-	375,141	-
Altadis Canarias, S.A	20,857	-	63,241	-
Imperial Tobacco Italy, s.r.l.	4,659	-	112,846	-
Imperial Tobacco Polska, S.A.	3,543	-	-	-
Imperial Tobacco Manufacturing Polska, S.A.	-	-	-	-
Imperial Brands Finance PLC	-	82,885	-	-
Imperial Tobacco International Limited	3,216	-	43,516	-
Imperial Tobacco Portugal SPPLC	1,857	-	-	-
Logista Libros, S.L.	5,166	(559)	(2)	-
SEITA, S.A.	4,943	-	180,957	-
Fontem Ventures BV	648	-	10,818	-
MyBlu Spain, S.L.	2,649	-	34,118	-
Otros	324	-	-	-
	57,375	82,326	820,635	-

Fiscal Year 2022

	Thousands of Euros			
	Operating Income	Finance Results (Note 22-e)	Purchases	Other Operating Expenses
Altadis, S.A.U.	11,849	-	340,671	-
Altadis Canarias, S.A.	16,881	-	56,633	-
Imperial Tobacco Italy, s.r.l.	3,700	-	91,520	-
Imperial Tobacco Polska, S.A.	3,191	-	-	-
Imperial Tobacco Manufacturing Polska, S.A.	453	-	-	-
Imperial Brands Finance PLC	-	20,444	-	-
Imperial Tobacco International Limited	2,291	-	43,701	-
Imperial Tobacco Portugal SPPLC	2,887	-	-	-
Logista Libros, S.L.	5,056	(152)	245	102
SEITA, S.A.	3,241	-	178,264	-
Fontem Ventures BV	446	-	7,420	-
MyBlu Spain, S.L.	488	-	19,067	-
Otros	35	-	-	485
	50,518	20,292	737,521	587

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.

26. Remuneration of directors

Remuneration of the Parent's directors

In the 2023 financial year, the remuneration accrued by the members of the Board of Directors by reason of their membership of the Board of Directors or any of its delegated committees for all concepts, including the remuneration accrued by the members of the Board who in turn have the status of executives, amounted to 7,208 thousand euros (4,966 thousand euros in the 2022 financial year).

In 2023 and 2022, the company's contributions to savings systems for executive directors amounted to 445 thousand euros and 251 thousand euros, respectively.

The amount of the life insurance premium corresponding to executive directors amounted to 6 thousand euros and 6 thousand euros in 2023 and 2022, respectively.

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

On the other hand, in 2023 and 2022, the Parent Company did not carry out transactions with the members of the Board of Directors outside the ordinary course of its activity or transactions under conditions other than those usual.

The amount of the directors' civil liability premium amounts to 138 thousand euros and 139 thousand euros in 2023 and 2022, respectively.

As of September 30, 2023, and 2022, the members of the Board of Directors are 7 men and 5 women.

Information in relation to situations of conflict of interest on the part of 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.

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

The information regarding the average payment period is as follows:

	2022-2023 (*)	2022-2021 (*)
	Days	Days
Average period of payment suppliers	38	29
Ratio of transactions settled	38	29
Ratio of transactions not yet settled	34	28
	Amount (euros)	Amount (euros)
Total payments made	3,800,384,100	3,400,369,374
Total payments outstanding	403,727,796	324,528,248
Monetary volume of invoices paid in a period less than the maximum established in the late payment regulations	2,865,057,987	n/a
Percentage that payments less than said maximum represent over the total payments made	75%	n/a
	Number of invoices	Number of invoices

Invoices paid in a period less than the maximum established in the late payment regulations	241,393	n/a
Percentage of total invoices	73%	n/a

(*) This information refers to suppliers of Group companies domiciled in Spain.

28. Environmental aspects and risks related to climate change

Logista's risk management system includes climate change among its environmental risk, and no relevant environmental risks have been identified as of the date of this report, excluding the climatic risks detailed in the tables below:

Type of physical risk	Climate hazard category	Description of the potential impact of the physical climate risk hazard
Acute	Heavy rainfall (rain, hail, snow or ice)	Damage to assets (warehouses or vehicles in use)
Type of transition risk	Description of the transition risk	Description of the potential impact of the physical climate risk hazard
Current and emerging regulations	Increase in costs of GHG emissions	Increase in carbon pricing in the supply chain which is passed on to the end consumer
Technological	Cost of transitioning to lower-emission technology	Higher cost of decarbonising our fleet of vehicles by replacing them with electric substitutes, intermodal transport options and vehicles that run on biodiesel.

As detailed above, Logista is potentially exposed to the consequences derived from climate change. On the one hand, there are physical risks, such as extreme weather events, that could affect the infrastructure and transportation and, on the other, transition risks, given that global trends to reduce the causes and consequences of climate change can entail economic, regulatory and, technological and/or reputational.

The process of prioritizing climate-related risks follows the same phases as the Group's risk management process, although considering the casuistry and particularities of the recommendations. After examining physical risks and climate-related transition risks, a total of 25 physical inherent risks and 15 transition inherent risks were identified with a possible impact for Logista, of which only those detailed in the table above were considered relevant. Once their evaluation has been completed, no residual physical or transition risk has turned out to be significant.

The initiatives carried out by the Group regarding climate change have not entailed an accounting impact in the year or a significant change in the estimates made by Management.

The current environmental regulations do not significantly affect the activities carried out by the Group, and for this reason there are no responsibilities, expenses, income, subsidies, assets, provisions, or contingencies of an environmental nature that could be significant in relation to the assets, the situation financial and its results. Consequently, no specific breakdowns are included in these consolidated annual accounts regarding information on environmental aspects.

29. Events after the reporting period

No additional significant events have occurred subsequent since the end of the year ended 30 September 2023 with a significant impact on the consolidated financial statements.

30. 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:

Fiscal Year 2023

Company	Audit Firm	Location	% of Ownership By the Parent Company	
			Direct	Direct
Compañía de Distribución Integral Logista, S.A.U. (a)	EY	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés	100	-
Compañía de Distribución Integral de Publicaciones Logista, S.L.U. (a)	EY	Avenida de Europa, 2 Edificio Alcor Plaza, Ala Este, Planta 4ª, Modulo 3, Alcorcón	100	-
Publicaciones y Libros, S.A.U. (a)	EY	Avenida de Europa, 2 Edificio Alcor Plaza, Ala Este, Planta 4ª, Modulo 3, Alcorcón	-	100
Distribución de Publicaciones Siglo XXI Guadalajara, S.L. (a)	Non audited	C/ Francisco Medina y Mendoza 2. Cabanillas del Campo (Guadalajara)	-	80
Distribuidora de Publicaciones del Sur, S.L. (a)	EY	Polígono Ind. ZAL, Ctra. De las Esclusas/n, Parcela 2, Módulo 4 (Sevilla)	-	50
Distribuidora Valenciana de Ediciones, S.A. (a)	EY	Polígono Industrial Vara de Quart. c/ Pedrapiguera, 5. Valencia	-	50
Logista Strator, S.L.U. (anteriormente denominada Cyberpoint, S.L.U.) (e)	EY	Avenida de Europa, 2 Edificio Alcor Plaza, Ala Este, Planta 4ª, Modulo 3, Alcorcón	-	100
S.A.U. Distribuidora de Ediciones (a)	EY	C/ B, Sector B Polígono Zona Franca. Barcelona	-	70
La Mancha 2000, S.A.U. (a)	EY	Avda. de la Veguilla, 12-A. Cabanillas del Campo	100	-
Midsid - Sociedade Portuguesa de Distribuição, S.A. (a)	EY	Expansao del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)	-	100
Logista Retail, S.A.U (anteriormente denominada Logista-Dis, S.A.U.) (b)	EY	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés	100	-
Logista Freight, S.A.U (anteriormente denominada Logesta Gestión de Transporte, S.A.U.) (d)	EY	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés	100	-
Logista Freight Italia, S.r.l (anteriormente denominada Logesta Italia, s.r.l.) (d)	EY	Via Valadier. 37 Roma (Italia)	-	100
Logesta Lusa Lda (d)	Non audited	Expansao del 67rea ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)	-	100
Logista Freight 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
Logista Freight France, s.a.r.l (anteriormente denominada 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/ Entrerriós, 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	Via Valadier, 37. Roma (Italia)	100	-
Logista Retail Italia, S.p.a (anteriormente denominada Terzia, S.p.A.) (b)	EY	Via Valadier, 37. Roma (Italia)	-	100
Logista Transportes, Transitarios e Pharma, Lda. (d)	EY	Praceta do Vale da Fonte Coberta, 153 e 167 2894-002 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)	EY	27 avenue des Murs du Parc, 94300 Vincennes – Francia	100	-
Logista Retail France, S.A.S (anteriormente denominada Sociéti Allumetiére Française, S.A.S.) (b)	EY	27 avenue des Murs du Parc, 94300 Vincennes – Francia	-	100
Speedlink Worldwide Express B.V.	Non audited	The Hub, Fowler Avenue Farnborough, GU14 7JF	-	70
24 Hours B.V.	Non audited	The Hub, Fowler Avenue Farnborough, GU14 7J	-	70
German-Ex B.V.	Non audited	The Hub, Fowler Avenue Farnborough, GU14 7J	-	70
Logista Payments, S.L.U. (g)	Non audited	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés	100	-
Logista Regional de Publicaciones, S.A.U. (a)	EY	Avenida de Europa, 2 Edificio Alcor Plaza, Ala Este, Planta 4ª, Modulo 3, Alcorcón	-	100
CDIL - Companhia de Distribuição Integral Logista Portugal, S.A.	Non audited	Praceta do Vale da Fonte Coberta, 153 e 167 2894-002 Alcochete (Portugal)	100	-
Logista Transport Europe BV	Non audited	Wijkmeerstraat 31, Hoofddorp	100	-
Logista Holdings France, S.A.	EY	27 avenue des Murs du Parc, 94300 Vincennes – Francia	100	-
Logista Promotion et Transport S.A.S.	EY	27 avenue des Murs du Parc, 94300 Vincennes – Francia	-	100

Company	Audit Firm	Location	% of Ownership By the Parent Company	
			Direct	Direct
Herinvemol, S.L.	EY	Ctra. De Madrid km 276, Molina de Segura (Murcia)	73	-
Transportes El Mosca, S.A.U. (d)	EY	Ctra. De Madrid km 376, Molina de Segura (Murcia)	-	73
Mosca Portugal Lda. (d)	EY	Casal Da Serra, 9, Póvoa da Santa Iria	-	73
Mosca Marítimo, S.L.U. (d)	EY	Ctra. De Madrid km 376, Molina de Segura (Murcia)	-	73
Mosca China Logistics, Ltd. (d)	EY	Room B-210, Fenghe Plaza, 12 Hong Kong Middle Road, Shinan District. Qingdao City. Shandong Province, China	-	73
Mosca Marítimo Balear, S.L. (d)	EY	Ctra. De Madrid km 376, Molina de Segura (Murcia)	-	73
Innoeste, S.L.U. (d)	EY	Ctra. De Madrid km 376, Molina de Segura (Murcia)	-	73
Ordimur, S.L.U. (d)	EY	C/ Argentina, Molina de Segura (Murcia)	-	73
Transportes El Mosca Murcia, S.A.U. (d)	EY	Ctra. De Madrid km 376, Molina de Segura (Murcia)	-	73
Mosca Italia, Srl (d)	EY	Via Luigi Canepa 13, Genova.	-	73
Carbó Collabatallé, S.L.U.	EY	C/ L, número 6-8, Zona Franca, Sector E, Barcelona	100	-
Transportes J. Carbó Guijuelo, S.L.U. (d)	Non audited	C/ Sierra Ventosa 38, Polígono Industrial Agroalimentarios, Guijuelo	-	100
Gamma Farmaceutici S.r.l. (f)	KPMG	Via della Mola Saracena snc 00065 - Fiano Romano (RM)	-	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 specialized in software development for the management of points of sale for publications.
- (f) Companies specializing in the distribution of products from pharmacies and related.
- (g) Company created in 2020 with the corporate purpose of sending money.

2022

Company	Audit Firm	Location	%of Ownership By the Parent Company	
			Direct	Indirect
Compañía de Distribución Integral Logista, S.A.U. (a)	EY	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés	100	-
Compañía de Distribución Integral de Publicaciones Logista, S.L.U. (a)	EY	Avenida de Europa, 2 Edificio Alcor Plaza, Ala Este, Planta 4ª, Modulo 3, Alcorcón	100	-
Publicaciones y Libros, S.A.U. (a)	EY	Avenida de Europa, 2 Edificio Alcor Plaza, Ala Este, Planta 4ª, Modulo 3, Alcorcón	-	100
Distribución de Publicaciones Siglo XXI Guadalajara, S.L. (a)	Non audited	C/ Francisco Medina y Mendoza 2. Cabanillas del Campo (Guadalajara)	-	80
Distribuidora de Publicaciones del Sur, S.L. (a)	EY	Polígono Ind. ZAL, Ctra. De las Esclusas/n, Parcela 2, Módulo 4 (Sevilla)	-	50
Distribuidora Valenciana de Ediciones, S.A. (a)	EY	Polígono Industrial Vara de Quart. c/ Pedrapiquera, 5. Valencia	-	50
Logista Strator, S.L.U.(anteriormente denominada Cyberpoint, S.L.U.) (e)	EY	Avenida de Europa, 2 Edificio Alcor Plaza, Ala Este, Planta 4ª, Modulo 3, Alcorcón	-	100
S.A.U. Distribuidora de Ediciones (a)	EY	C/ B, Sector B Polígono Zona Franca. Barcelona	-	70
La Mancha 2000, S.A.U. (a)	EY	Avda. de la Veguilla, 12-A. Cabanillas del Campo	100	-
Midsid - Sociedade Portuguesa de Distribuicao, 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 69rea 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/ Energia 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, Transitorios e Pharma, Lda. (d)	EY	Expansao del area ind. Do Pasill, Lote 1-A, Palhava. Alcochete (Portugal)	-	100
Compañía de Distribución Integral Logista Polska, Sp z.o.o. (a)	EY	Al. Jerozolimskie 96. Warszawa. Polonia	100	-
Logista France, S.A.S. (a)	PwC	27 avenue des Murs du Parc, 94300 Vincennes - Francia	100	-
Société Allumetière Française, S.A.S. (b)	Deloitte	27 avenue des Murs du Parc, 94300 Vincennes - Francia	-	100
Speedlink Worldwide Express B.V.	Non audited	The Hub, Fowler Avenue Farnborough, GU14 7JF	-	70
24 Hours B.V.	Non audited	The Hub, Fowler Avenue Farnborough, GU14 7J	-	70
German-Ex B.V.	Non audited	The Hub, Fowler Avenue Farnborough, GU14 7J	-	70
Logista Payments, S.L.U. (g)	Non audited	C/ Trigo, 39. Polígono Industrial Polvoranca. Leganés	100	-
Logista Regional de Publicaciones, S.A.U. (a)	EY	Avenida de Europa, 2 Edificio Alcor Plaza, Ala Este, Planta 4ª, Modulo 3, Alcorcón	-	100

- (a) All these companies engage in the distribution and dissemination of publications or the distribution of tobacco and other consumer products in Spain, Italy, France and Portugal.
- (b) These companies engage in the purchase and sale of consumer products.
- (c) The Dronas Group engages in integrated shipping, express shipping, and pharmaceutical logistics.
- (d) These companies' object is the performance of transport activities.
- (e) This company is specialized in software development for the management of points of sale for publications.
- (f) Companies specializing 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:

2023

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

2022

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

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

Consolidated Directors Report for
financial year ended
on September 30th, 2023

COMPANY'S DESCRIPTION

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

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

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

1. EVOLUTION OF LOGISTA (GROUP) DURING FISCAL YEAR 2023 AND GROUP SITUATION

Logista closes FY2023 with an increase in Net Profit of 37%

Financial highlights

Data in million euros	1 Oct. 2022 – 30 Sept. 2023	1 Oct. 2021 – 30 Sept. 2022	% variation
Revenue	12,428	11,464	8.4%
Economic Sales ¹	1,684	1,235	36.3%
Adjusted EBIT ¹	366	312	17.1%
Economic Sales Margin ¹	21.7%	25.3%	(3.6pp)
Operating Profit	293	266	10.1%

Macroeconomic context for the year

As we have been describing in our quarterly results, fiscal year 2023 has taken place in a complex macroeconomic and geopolitical environment that has resulted in an inflationary environment with high interest rates. Throughout the period, inflation has evolved affecting different services and products, starting the year with very high electricity prices at a European level followed by sharp increases in fuel prices. Electricity costs have moderated towards the second half of the year, but in contrast, staple products, mainly foodstuffs, have recorded significant price increases. This complex

¹ See appendix "Alternative Performance Measures"

environment has led to a reduction in the growth expectations for the different countries of the European Union for the coming years.

Regarding the geopolitical situation, the conflict between Russia and Ukraine reached its first anniversary in February and continues to affect inflationary pressure on many commodity and energy prices.

In the face of persistent inflationary pressures and the monetary policy applied by the US Federal Reserve, the European Central Bank decided to raise interest rates further, announcing the latest rate rise in September 2023, with the base rate reaching 4.50%.

This scenario has generated uncertainty as regards to the pace of economic recovery in the coming months.

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

Business trend and income statement highlights

Integration of acquisitions and new announced transactions:

The integration and consolidation of the three acquisitions announced during the previous fiscal year were particularly significant during this period. We continued to optimize the synergies identified and to consolidate and integrate the various businesses into Logista.

Speedlink's integration with the courier segment began during the 2022 fiscal year. The Speedlink acquisition gives us access to the Dutch market, which is a major logistics hub in Europe for leading multinational enterprises. In addition, through Speedlink, Nacex is signing new agreements to increase its customer portfolio in Spain and Portugal.

As regards to the integration of **Carbó Collbatallé** with the parcel segment, work was carried out to combine several long-distance routes and merge certain delegations having already merged 9 delegations in Spain. We are also creating last-mile synergies in Madrid and Barcelona, and we have extended the Carbó distribution network to Galicia through the Parcel network.

A number of actions were also taken in **Transportes El Mosca** during the period. Security systems continue to be fitted in El Mosca's trucks, so as to be able to carry high-value freight, including tobacco. Several long-haul routes have already been integrated after adapting a part of the fleet. Lastly, the GDP (Good Distribution Practice Certificate) was obtained, enabling the distribution of pharmaceutical products using the El Mosca fleet. In August 2023, the acquisition of an additional 13.33% of Transportes El Mosca for a total of €24M was executed in accordance with the stipulated agreements, closing the year with a 73.33% stake in the company.

In July 2023, we announced the acquisition of Gramma Farmaceutici, a company specialized in logistics services for the pharmaceutical industry in Italy. With this strategic acquisition, Logista begins its expansion in the Italian pharmaceutical market. Gramma Farmaceutici, which had a turnover of €8.5 million in 2022 and has a modern facility of approximately 25,000 square meters, including a main warehouse of 15,000 square meters. The company offers a variety of services tailored to the needs and requirements of customers nationwide, including integrated logistics, order picking and warehousing, outsourced logistics services (3PL) and cold storage of vaccines. The purchase price paid (equity value) for the acquisition of 100% of the Company's share capital amounts to €2.9 million.

Consolidated income statement summary

- **Revenue** rose by +8% on the previous year to €12,428 million, thanks to generalized growth across almost all businesses in Iberia and Italy, as well as in tobacco related product distribution in France.

- **Economic Sales**² of €1,684 million, +36% v. the previous year, in general with improvements in all businesses and geographies.
- **Adjusted EBIT**¹ of €366 million, +17% v. the previous year with improvement across all geographies.
- **Adjusted EBIT margin on Economic Sales**¹ was 21.7% as compared to 25.3% in the period of 2022. This margin reduction is explained primarily by the new acquisitions.
- **Changes in inventory** values due to tax and tobacco price movements in Spain, France and Italy during the period had an estimated positive net impact of +€30 million v. +€8 million in 2022.
- **Restructuring costs**³ of €14 million v. €11 million in the previous year, including a provision of €10 million in France, due primarily to the closure of a regional distribution center as part of the business optimization strategy.
- **Profit/(loss) from disposal** of -€0.7million on the sale of sundry assets, as compared to +€15 million in 2022 due to the sale of three warehouses in Spain.
- **EBIT** of €293 million vs. €266 million during the previous year.
- **Net financial income** of €76 million v. €19 million in the previous year, thanks to the interest rate hike during the period.
- The **tax rate** fell to 25.9% v. 26.2% in 2022.
- **Net Profit** climbed 37% up to €272 million.

² See appendix “Alternative Performance Measures”

³ See appendix “Alternative Performance Measures”

Revenue trend (by segment and business)

Data in million euros	1 Oct. 2022 – 30 Sept. 2023	1 Oct. 2021 – 30 Sept. 2022	% variation
Iberia	4,473.3	3,742.9	19.5%
Tobacco and Related Products	3,600.9	3,251.1	10.8%
Transport	836.9	457.5	82.9%
Pharmaceutical distribution	233.9	206.5	13.3%
Other businesses	18.0	18.4	(2.3%)
Adjustments	(216.4)	(190.5)	(13.6%)
Italy	4,256.3	4,000.8	6.4%
Tobacco and Others ²	4,256.3	4,000.8	6.4%
France	3,755.5	3,773.7	(0.5%)
Tobacco and Related Products	3,755.5	3,773.7	(0.5%)
Adjustments	(57.5)	(53.7)	6.9%
Total Revenue	12,427.5	11,463.6	8.4%

Economic Sales⁴ (by segment and business)

Data in million euros	1 Oct. 2022 – 30 Sept. 2023	1 Oct. 2021 – 30 Sept. 2022	% variation
Iberia	1,092.8	692.1	57.9%
Tobacco and Related Products	382.0	332.0	15.1%
Transport	678.7	318.1	113.4%
Pharmaceutical distribution	92.8	90.3	2.8%
Other businesses	17.4	17.6	(1.6%)
Adjustments	(78.0)	(65.9)	(18.3%)
Italy	370.1	330.6	11.9%
Tobacco and Others ²	370.1	330.6	11.9%
France	226.0	216.5	4.4%
Tobacco and Related Products	226.0	216.5	4.4%
Adjustments	(4.8)	(4.0)	(20.1%)
Total Economic Sales¹	1,684.1	1,235.2	36.3%

⁴ See appendix "Alternative Performance Measures" ² Includes new segment of pharmaceutical distribution.

Adjusted EBIT¹ and EBIT trends

Data in million euros	1 Oct. 2022 – 30 Sept. 2023	1 Oct. 2021 – 30 Sept. 2022	% variation
Iberia	198.5	153.9	29.0%
Italy	106.1	101.2	4.8%
France	61.3	57.4	6.8%
Adjusted EBIT¹	365.8	312.4	17.1%
(-) Restructuring costs ⁵	(13.7)	(10.9)	(25.6%)
(-) Depreciation of assets acquired	(60.7)	(52.7)	(15.4%)
(+/-) Profit/(loss) on disposal and impairment	(0.7)	14.8	(104.6%)
(+/-) Equity-accounted profit/(loss) and other	2.5	2.8	(7.8%)
EBIT	293.3	266.4	10.1%

Adjusted Operating Profit¹ (or, interchangeably, Adjusted EBIT¹) is the main indicator employed by Group Management to analyze and measure business performance. This indicator is essentially calculated by discounting from EBIT costs that are not directly related to the Group's revenue in each period, which facilitates the analysis of trends in operating costs¹ and in the Group's margins. The table above sets out the reconciliation of Adjusted EBIT¹ and EBIT for FY-2023 and FY-2022.

Depreciation charges on assets acquired includes those of Logista France, Speedlink, Transportes El Mosca and Carbó Collbatallé.

1.1 Segment performance

A. Iberia: Spain, Portugal, Poland and The Netherlands

Data in million euros	1 Oct. 2022 – 30 Sept. 2023	1 Oct. 2021 – 30 Sept. 2022	% variation
Revenue	4,473.3	3,742.9	19.5%
Tobacco and Related Products	3,600.9	3,251.1	10.8%
Transport	836.9	457.5	82.9%
Pharmaceutical distribution	233.9	206.5	13.3%
Other businesses	18.0	18.4	(2.3%)
Adjustments	(216.4)	(190.5)	(13.6%)
Economic Sales¹	1,092.8	692.1	57.9%
Tobacco and Related Products	382.0	332.0	15.1%
Transport	678.7	318.1	113.4%
Pharmaceutical distribution	92.8	90.3	2.8%
Other businesses	17.4	17.6	(1.6%)
Adjustments	(78.0)	(65.9)	18.3%

¹ See appendix "Alternative Performance Measures"

Revenue of €4,473million was up +20% compared to 2022. **Economic Sales**¹ of €1,093 million grew by +58% on 2022.

Tobacco and Related Products

- Increase of 11% in **Revenue** and 15% in **Economic Sales**¹ due essentially to higher tobacco prices, the rate increase, growth in value-added services provided to tobacco manufacturers and the rise in convenience products distributed in Iberia.
- **Volumes distributed** of cigarettes plus RYO and other² in Iberia fell by -1,8% on 2022 period. This reduction is explained primarily by the decline in the volume of traditional cigarettes in Spain (-3,3%), which was partially offset by a slight improvement in traditional tobacco volumes in Portugal and the increase in RYO and other² in both countries. Electronic cigarette distribution grew significantly in both countries, nearly doubling the volumes distributed compared to the previous year.
- During the year, the selling price charged by some tobacco manufacturers rose by between €0.30 and €0.35 in Spain, though excise duties on tobacco remained unchanged. Consequently, there was an estimated positive impact on results of c. €27 million due to changes in the **value of inventories** (as compared to €8 million in 2022).
- **Revenue** from the distribution of **convenience products** grew double-digit. **Logista Retail** expanded into new channels (restaurants) and new products by including frozen goods in the commercial offering thanks to winning new customers while achieving further growth in the main channels (tobacconists and service stations) and reaching new points of sale while enhancing the most significant product categories.

Transport Services

- Revenue of €837 million, +83% v. the previous year, and **Economic Sales**¹ of €679 million, +113% v. 2022, were mainly due to the inclusion of the new acquisitions.
- **Economic Sales**⁶ in long-distance transport (**Logista Freight**) grew single-digit thanks to the increase in activities and to a higher share of high-value businesses. The segment's organic growth was supplemented by the acquisition stake in Transportes El Mosca.
- The **parcel** segment's **Economic Sales**¹ grew significantly thanks to the inclusion of Carbó Collbatallé and to a double-digit organic growth attributable to the industrial parcel business, as well as rate updates reflecting fuel price trends. Deliveries performed well in both the pharmaceutical and food industries.
- **Economic Sales**¹ relating to the **courier** segment reflects the inclusion of Speedlink in the consolidation scope and a single-digit organic growth. Rate rises in the B2B business line offset the impact of the reduction in B2C e-commerce deliveries following the significant increase in the previous year.

Pharmaceutical Distribution

- **Revenue** of €234 million, +13% v. the previous year and **Economic Sales**¹ of €93 million +3% thanks to winning new customers and increasing services offered to existing customers, despite the considerable fall in COVID-19-related activities, primarily the distribution of vaccines and medical supplies. The double-digit growth in revenue due

¹ See appendix "Alternative Performance Measures". ² Includes heated tobacco units

to the new services provided to existing customers, particularly in distribution to pharmacies, is especially significant.

- In June 2023, Spain's Ministry of Health awarded the management of logistics services for the future strategic stockpile of healthcare materials and pharmaceutical products for the Spanish government to Logista. This strategic reserve arose from the Spanish Government's Early Response Plan to guarantee a swift reaction to any health emergencies. The contract will run for one year, with an option to extend for a further year.

Publications – Other Businesses

- **Revenues** and **Economic Sales**¹ declined by -2% v. the previous year.
- Logista Publicaciones entered into a new agreement to distribute the RBA Group's publications in Spain, RBA being a leading player in the periodicals (non-daily press) sector. This agreement was initiated during the fourth quarter of fiscal 2023.

Adjusted EBIT¹ of €198 million, up +29% on the same period of the previous year thanks to double-digit organic growth, including profit on inventory.

Restructuring costs¹ amounted to €2.8 million v. €3.1 million in the previous year. **Capital gains or losses on asset sales** amounted to -€0.4 million v. +€15 million in the previous year. An asset **depreciation** charge of €8.6 million was recognized in the current year due to the acquisition of Speedlink, Transportes El Mosca and Carbó. **Equity-accounted profits** totaled €2.6 million (book distribution) v. €2.8 million in the previous year.

EBIT of €189 million, up +13% on FY 2022.

B. Italy

Data in million euros	1 Oct. 2022 – 30 Sept. 2023	1 Oct. 2021 – 30 Sept. 2022	% variation
Revenue	4,256.3	4,000.8	6.4%
Tobacco and Others ²	4,256.3	4,000.8	6.4%
Economic Sales ¹	370.1	330.6	11.9%
Tobacco and Others ²	370.1	330.6	11.9%

Revenue of €4,256 million and **Economic Sales**¹ of €370 million rose by +6% and +12% on the previous year, respectively, thanks to price changes and the growth in revenue from the marketing of convenience products and next-generation products with respect to 2022.

Tobacco and Related Products

- **Volumes** distributed of cigarettes plus RYO and other³ remained stable as compared with the previous year, with sharp growth in the new product categories, which offset the decline in traditional cigarette volumes (-2,9%). Volumes distributed of next-generation products are still performing well, having achieved double-digit growth. In particular, electronic cigarette volumes distributed more than doubled compared to the previous year.

¹ See appendix "Alternative Performance Measures". ² Includes new pharmaceutical distribution line. ³ Includes heated tobacco units

- Italy saw an increase in **excise duties** on traditional tobacco with effect as from 1 January 2023. These new hikes are part of a package of government measures that includes annual increases to 2025. As a result of the tax hike, tobacco manufacturers recognized various **movements in tobacco prices**, both upwards and downwards, between December and June.
- The change in the **value of inventories** as a result of tax increases and tobacco price changes had an estimated net adverse impact of c. -€3.5 million v. +€0.1 million in the same period of the previous year.
- Significant double-digit rise in **Economic Sales¹** from the distribution of **convenience products**, which was more than 1.4x higher than the previous-year figure. This growth reflects the addition of new products for sale (e.g., disposable electronic cigarettes or beverages, by marketing new leading brands).

Adjusted EBIT¹ of €106 million, +5% up vs. 2022.

Restructuring costs¹ amounted to €0.8 million v. €6 million in 2022 when the distribution network reorganization involved the closure of a warehouse in the south of Italy.

EBIT of €106 million, +11% up on the previous year.

C. France

Data in million euros	1 Oct. 2022 – 30 Sept. 2023	1 Oct. 2021 – 30 Sept. 2022	% variation
Revenue	3,755.5	3,773.7	(0.5%)
Tobacco and Related Products	3,755.5	3,773.7	(0.5%)
Economic Sales¹	226.0	216.5	4.4%
Tobacco and Related Products	226.0	216.5	4.4%

Revenue fell by 0.5% year on year to €3,755 million, primarily due to a decline in tobacco distribution revenue.

Economic Sales⁷ of €226 million were +4% v. the previous year thanks to the rise in the value of inventories caused by price and tax increases, higher rates and sales of convenience and next-generation products.

Tobacco and Related Products

- The decrease in tobacco **volumes** distributed in relation to the previous year amounted to (-7,4%) in cigarettes plus RYO and other². The double-digit growth in the distribution of electronic cigarettes is especially significant.

⁷ See appendix "Alternative Performance Measures". ² Includes heated tobacco units

- With effect as from 1st March, **excise duties** rose by c. €0.50/packet, which was subsequently offset by an **increase in selling prices** of between €0.50 and €1.00/packet published by several tobacco manufacturers.
- Movements in **taxes** and **tobacco prices** had an estimated positive impact on the value of the stock of €6.7 million during the period, as compared with a negative impact of €0.1 million during 2022.

Adjusted EBIT¹ of €61 million, +7% up vs. 2022.

Restructuring costs¹ amounted to €10 million in 2023, including a provision for the cost of closing a warehouse in the south of France effective as of September 2023. The same amount of **depreciation** was charged on the assets arising from the acquisition of the French business, amounting to €52 million, together with a capital loss of €0.3 million, in both periods.

EBIT of € (1.3) million v. €3.2 million in the previous year.

1.2 Financial trends

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

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

The European Central Bank continued with its strategy of raising interest rates to alleviate the current inflationary environment, having announced the latest rate hike up to 4.50% in September 2023. The average European Central Bank's benchmark rate was 3,12% during the fiscal year 2023, which has to be increased by the 0.75% spread.

The average European Central Bank's benchmark rate stood at 0.12% for previous year, following interest rate hikes in July and September 2022, so balances accrued an interest rate of 0.87% in 2022.

The **average credit line balance** during the year was €2,079 million v. €2,276 million in the previous year.

Financial income amounted to €84 million, well above the figure of €22 million in 2022.

Financial expenses for the period amounted to €8 million, above the €2 million figure recorded in 2022.

Net financial income/(expense) for the period therefore totalled €76 million, quadrupling the €19 million obtained in 2022.

In August, the renewal of the credit line agreement with Imperial Brands was formalized, which establishes the extension of the maximum amount of the credit line to €3,000 million compared to the €2,600 million previously contemplated. In addition, the ECB's reference interest rate was changed to Euribor 6 months, maintaining the spread of 75 basis points. The agreement also contemplates a minimum rate for the Euribor 6-month rate of 0% and a compulsory period of 3 years. The new conditions will be effective as of June 2024.

1.3 Net profit

Restructuring costs⁸ of €13.7 million during the period, including the provision for the closure of a warehouse in France. Capital loss of -€0.7 million was well below the €15 million capital gains

⁸ See appendix "Alternative Performance Measures"

recorded for 2022. Net financial income/(expense) was much higher than the figure for 2022 (€79 million v. €19 million) and pre-tax profit amounted to €370 million, 29% up on the precedent year.

The **tax rate** was 25.9% v. 26.2% in the previous year.

Profit from continuing operations in 2023 increased to reach €274 million, which is 30% higher than 2022 figure of €211 million.

Supergroup (the Group subsidiary engaged in distributing convenience products to points of sale other than tobacconists in France) was sold on 2 February 2022. The effect on profit/(loss) from discontinued operations of 2022 reflects the operating profit/(loss) from this activity. There were no discontinued operations in the period of 2023.

Attributable **Net Profit** amounted to €272 million, having risen by 37% on 2022, when it included continuing and discontinued operations.

Basic earnings per share amounted to €2.07 vs. €1.51 in the previous year, the number of shares remaining the same. As of September 30th, 2023, the Company holds 883,955 treasury shares (0.7% of share capital). Most of these shares were purchased to cover future commitments to deliver shares under long-term executive remuneration plans. The other shares secure the liquidity agreement entered into on January 20th, 2021, with Banco Santander, S.A.

1.4 Cash flows

The positive performance of the activity in the period and the consolidation of acquisitions in the accounts resulted in an increase in EBITDA of 23% compared to the previous year.

The increase in operating and financial results in the period and the lower restructuring expenses more than compensated the higher payments of rents and normalized taxes and the higher outflow of cash from capex in the year, generating a normalized cash creation 58% higher than that achieved in the previous year.

In the previous year, the **variation in working capital** behaved differently from its usual trend, benefiting from the temporary modification in the conditions of payment of excise duties in some countries as a result of the crisis caused by Covid.

In addition, during 2022, the amount paid on account of corporate income tax for the 2020 financial year was refunded, reflecting a positive cash impact of €66.6 million. These peculiarities are reflected in a positive cash generation, which was much higher than at the end of fiscal 2022 compared to fiscal year 2023. Finally, it is worth noting the cash outflow of almost €182m from the acquisitions carried out this year, reducing cash generation at the end of the year.

1.5 Research and development

Logista invested €3.4 million in R&D&I during the financial year 2023 (€3.4 million in 2022), mainly in technological projects and IT developments for integration with clients.

1.6 Treasury shares

At 30 September 2023, Logista had 883,955 treasury shares on its balance sheet – equating to 0.7% of its share capital – to primarily meet the share distribution commitments resulting from the Company's incentives plans and comply with the liquidity agreement entered into on 20 January 2021 with Banco Santander S.A. (at 30 September 2022, Logista had 877,939 treasury shares on its balance sheet, 0.7% of its share capital).

1.7 Average payment period to suppliers

The average payment period for commercial purchases during fiscal year 2023 has been 38 days (in 2022, 29 days). This calculation is only referred to Spanish subsidiaries.

1.8 Dividend policy

The Board of Directors intends to propose to the Annual General Meeting of Shareholders the distribution of a final dividend for the 2023 fiscal year of €180 million (1.36 euros per share), to be paid in the first quarter of the 2024 calendar year.

Furthermore, on July 20th, 2023, the Board of Directors approved the payment of an interim dividend of €65 million (€0.49 per share) for 2023, which was paid on August 28th, entailing an increase of 14% on the interim dividend paid during the previous year.

Therefore, the total dividend for the 2023 fiscal year will amount to 245 million (1.85 euros per share), which represents an increase of 34% compared to the dividend paid out in the previous fiscal year (1.38 euros per share) and a payout of 90%.

1.9 Business outlook

The various price and excise tax movements on tobacco during fiscal year 2023 have resulted in an estimated total positive impact on the value of inventories of €30 million.

Logista will continue to register growth from its businesses but a more moderate pace, expecting to reach mid-single digit compared to fiscal 2023. This expected growth excludes the effect of the impact on the value of inventories recorded in 2023 given its exceptionality, and any potential new acquisition.

In line with Logista's strategic plan, the essential focus of which is additional growth and diversification of the existing businesses, the Group continues to seek out opportunities to acquire complementary companies to leverage synergies. In any event, Logista will continue to prioritize the same dividend policy applied to date.

2. SHARE PRICE EVOLUTION

Logista share price amounted €24.2 at the end of fiscal year 2023 (September 30, 2023), so, Logista's market capitalization reached 3,212.6 million € at closing of fiscal year 2023.

During the fiscal year 2023, 51,944,659 shares were negotiated, reaching a rotation of the 39.1% of the total share capital. The daily average volume negotiated was 202,909 shares.

	1 Oct. 2022 – 30 Sept. 2023	1 Oct. 2021– 30 Sept. 2022
Market capitalization at the end of the period (€mill)	3,212.6	2,475.8
Revaluation (%)	+29.8%	+2.4%
Closing price (€)	24.2	18.7
Maximum price (€)	25.5	20.6
Minimum price (€)	18.8	15.0
Total negotiated volume (shares)	51,944.659	72,300.906
Average daily volume (shares)	202,909	281.326

Rotation (% of share capital)	39.1%	54.5%
-------------------------------	-------	-------

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 2022 Integrated Annual Report, consolidated of Compañía de Distribución Integral Logista Holdings, S.A. and its Subsidiaries corresponding to fiscal year 2022, in which it is expressly indicated that the information contained in said document is a part of Logista's consolidated Management Report.

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

4. RISK EXPOSURE

Logista and its subsidiaries' Corporate Risk Management system is outlined in Logista's General Risk Management Policy, as well as in its procedure. The objective of this Policy is to introduce an integrated risk management system designed to provide the Board of Directors and management teams with a tool that helps them optimise results, with a view to improving their capacity to create, sustain and, ultimately, realise value.

The main non-financial risks and uncertainties which Logista faces, and grouped according to their corresponding category, are as follows:

- Business environment risks: The complex macroeconomic environment, the most visible effect of which is spiralling inflation, and the political and social context globally and locally in the countries where Logista operates, can affect Logista's performance by subjecting the businesses to rising costs, changing consumer habits and patterns, and social events such as industry-specific or general strikes, impacting operations or triggering the need to restructure.
- Business risks: Risks inherent in the successful expansion of Logista's different businesses – to offset a possible faster rate of decline in the tobacco market – together with a misalignment with the market with regard to Environmental, Social and Governance policies (ESG). In addition, the transport sector currently a very competitive environment, one which is being exacerbated by the worsening economic climate and the potential increase in costs (fuel prices, tolls, distribution costs, salaries...), which could push prices up further, affecting the costs structure and as a result the product mix and profitability.
- Operational and technological risks: The growing exposure to cyberattacks, both in frequency and size has increased the likelihood of deliberate third-party attacks. As Logista is exposed to threats due to the day-to-day use of technology and information systems in the course of business, information security and system continuity could be jeopardised, and data privacy may even be compromised.

Logista is also exposed to the risk of tobacco theft at its facilities and freight during transit,.

- Regulatory Compliance Risks: given that Logista's business operations are subject to compliance with numerous laws and regulations, both general and sectoral and with varying scope, this increases exposure to risks arising from potential breaches, associated sanctions or potential legal claims and to increased costs, incurred as a result of both bringing internal policies into line with new regulations and verifying and controlling regulatory compliance. This risk is heightened by the "Regulatory Tsunami" and the growing complexity of regulations especially in "ESG" aspects. This category also includes any risks that could arise as a result of the ordinary course of business, if Logista is engaged in legal disputes, of any nature, either as the claimant or the defendant, with uncertain outcomes.

- Financial and tax risks: The main financial and tax risk to which Logista is exposed is described in detail in the consolidated annual accounts for the 2023 financial year. The main risks are outlined below:
 - Risk of deterioration of the fair value of assets, with respect to the carrying value of goodwill
 - Credit risk
 - Liquidity risk
 - Interest rate risk
 - Exchange rate risk

In discharging its fiscal obligations, Logista 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, should this be necessary. Logista is exposed to the following risks:

- 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.
- In accordance with current legislation, tax assessments are not considered definitive until the filed returns have been inspected by the tax authorities or the relevant inspection period has lapsed. Logista’s returns from a number of financial years are currently subject to inspection with respect to certain taxes.
- Climate change risks: Logista’s risk management system includes climate change among its environmental risk, and no **relevant** environmental risks have been identified as of the date of this report, excluding the climatic risks detailed in the tables below:

Type of physical risk	Climate hazard category	Description of the potential impact of the physical climate risk hazard
Acute	Heavy rainfall (rain, hail, snow or ice)	Damage to assets (warehouses or vehicles in use)
Type of transition risk	Description of the transition risk	Description of the potential impact of the physical climate risk hazard
Current and emerging regulations	Increase in costs of GHG emissions	Increase in carbon pricing in the supply chain which is passed on to the end consumer
Technological	Cost of transitioning to lower-emission technology	Higher cost of decarbonising our fleet of vehicles by replacing them with electric substitutes, intermodal transport options and vehicles that run on biodiesel.

As detailed above, Logista is potentially exposed to the consequences derived from climate change. On the one hand, there are physical risks, such as extreme weather events, that could affect the infrastructure and transportation and, on the other, transition risks, given that global trends to reduce the causes and consequences of climate change can entail economic, regulatory and, technological and/or reputational.

The process of prioritizing climate-related risks follows the same phases as the Group's risk management process, although considering the casuistry and particularities of the recommendations. After examining physical risks and climate-related transition risks, a total of 25 physical inherent risks and 15 transition inherent risks were identified with a possible impact for Logista, of which only those detailed in the table above were considered relevant. Once their evaluation has been completed, no residual physical or transition risk has turned out to be significant.

The initiatives carried out by the Group regarding climate change have not entailed an accounting impact in the year or a significant change in the estimates made by Management.

Regarding the risks to which the Company has been exposed:

- Logista is impacted by the world's current adverse economic, political, and social climate, with spiralling inflation and its consequent contraction of consumption being the most visible consequences. Those factors have a broad-based effect, though partially mitigated by road transport costs in addition to a certain shortage of drivers which, in practice, is another pricing factor.
- Attempted but unsuccessful cyberattacks were detected by existing monitoring processes and systems, subsequently analysed, and finally blocked as appropriate.
- Typical operational risks during the regular course of its businesses, particularly in relation to tobacco theft at its facilities and freight during transit – no impact on results given that the goods are insured.
- Liability for the resolution of tax disputes ruling against Logista – no material impact on results due to prior provisioning, as well as for other non-tax related legal disputes.

The control systems in place have allowed the company to mitigate either the impact of the risk or the probability of the risk occurring. Thanks to Logista's internal control and risk management systems, the company has ensured that several risks maintain a low risk profile and in some cases, it has even avoided them having any negative and/or significant impact at all.

5. USE OF DERIVATIVE FINANCIAL INSTRUMENTS

No Group company uses derivative financial instruments.

6. SIGNIFICANT EVENTS FOR THE GROUP AFTER THE REPORTING PERIOD

On October 2, the acquisition of SGEL Libros by Logista Libros, a 50% subsidiary between Logista and Grupo Planeta, was formalized.

SGEL Libros is a national book distribution and publishing company that stands out for the distribution of general publications and educational books nationwide, and which has a specialized publishing line in the teaching sector. SGEL distributes to more than 8,000 points of sale in different marketing channels including bookstores, kiosks and hypermarkets, as well as online distribution, managing more than 300,000 orders per year. The company has a 14,000m² warehouse in Guadalajara where it houses more than 100,000 references in stock.

In fiscal year 2022, SGEL Libros recorded sales of €50 million and the price paid for the purchase of 100% of the Company's share capital amounts to €6M.

OTHER INFORMATION

The following reports, (i) Annual Corporate Governance Report, (ii) Annual Director's Remuneration Report and (iii) Integrated annual report (which incorporates the Non-Financial Reporting Statement), corresponding to the year 2023, are part of this Consolidated Management Report, are

found fully available on the “National Securities Market Commission” (CNMV) website (www.cnmv.es) and on the Parent Company website (www.logista.com), and are communicated as Other Relevant Information (OIR) to the CNMV.

APPENDIX: ALTERNATIVE PERFORMANCE MEASURES

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

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

€ million	1 Oct. 2022 – 30 Sep. 2023	1 Oct. 2021 – 30 Sep. 2022
Revenue	12,427.5	11,463.6
Raw materials and consumables	(10,743.4)	(10,228.4)
Economic Sales (Gross Profit)	1,684.1	1,235.2

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

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

€ million	1 Oct. 2022 – 30 Sep. 2023	1 Oct. 2021 – 30 Sep. 2022
Adjusted EBIT	365.8	312.4
(-) Restructuring costs	(13.7)	(10.9)
(-) Depreciation of assets acquired	(60.7)	(52.7)
(+/-) Profit/(loss) on disposal and impairment	(0.7)	14.8
(+/-) Equity-accounted profit/(loss) and other	2.5	2.8
EBIT	293.3	266.4

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

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

€ million	1 Oct. 2022 – 30 Sep. 2023	1 Oct. 2021 – 30 Sep. 2022	% variation
Economic sales	1,684.1	1,235.2	36.3%
Adjusted EBIT	365.8	312.4	17.1%
Economic Sales Margin	21.7%	25.3%	(3.6 p.p.)

- **Operating Costs:** this term comprises logistics network costs, commercial expenses, research expenditure and central office expenses that are directly related to the Group's revenue in each period. It is the main figure used by Group management to analyze and measure cost structure trends. It does not include restructuring costs or depreciation

charged on assets derived from the acquisitions, which are not directly related to the Group's revenue in each period.

Each segment's operating costs exclude corporate center expenditure, which is however included in the Group's total operating costs so as to show the operating performance of each geographic area.

€ million	1 Oct. 2022 – 30 2023	1 Oct. 2021 – 30 Sept. 2022
Logistics network costs	1,232.8	843.0
Commercial expenses	64.5	54.6
Research expenditure	2.1	1.9
Central office expenses	93.4	86.0
(-) Restructuring cost in operating expenses	(13.7)	(10.0)
(-) Amortization of assets from acquisitions	(60.7)	(52.7)
Operating costs or expenses in management accounts	1,318.3	922.8

- **Non-Recurring Costs:** This term refers to costs which may be incurred in more than one period but are not continuous over time (unlike operating costs) and only affect the accounts at a given moment.
This figure helps Group Management to analyze and measure the Group's business trends during each period.
- **Recurring Operating Costs:** This term refers to costs incurred on a continuous basis that allow the Group's business to continue and are estimated as total operating costs less the non-recurring costs defined in the previous point.
This figure helps Group Management to analyze and measure the Group's business efficiency.
- **Restructuring Costs:** costs incurred by the Group to enhance operational, administrative or commercial efficiency in the organization, including those related to reorganization, lay-offs and the closure or transfer of warehouses or other facilities.
- **Non-Recurring Results:** this refers to results for the year that are not obtained continuously during the year and affect the accounts at a given time. They are included in EBIT.