

# Jerónimo Martins

## CONSOLIDATED REPORT AND ACCOUNTS

FIRST NINE MONTHS

# 2021

Unaudited

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## Message from the Chairman and CEO

**Pedro Soares dos Santos**

*'Our banners ended the first nine months of the year with stronger market positions as a result of consistent work to consolidate leadership in price and quality.'*

*Biedronka maintained strong dynamics, looking for opportunities to deliver more value to its customers, to enhance its offer and its shopping experience. Our main banner further reinforced its online proposition and delivered growth while protecting profitability.*

*In Portugal, Pingo Doce and Recheio grew sales and results despite market circumstances that remained challenging, particularly until July, with the low circulation of people and a still fragile HoReCa sector.*

*In Colombia, the good performance throughout the nine months, at both sales and EBITDA levels, reflected the strength of Ara's competitive positioning as well as the winning potential of the business model, in a country where economic access to quality food is still difficult for most of the population.*

*At two months from year-end, with the Christmas season approaching and despite the uncertainty on the pandemic evolution, the results attained so far reinforce our confidence in achieving the growth targets set for the year.'*

## I - CONSOLIDATED MANAGEMENT REPORT

### Strong Sales Leverage Good Performance

#### 1. Performance Overview & Key Drivers

Our strategic vision of focusing on quality at competitive prices delivered a strong performance in sales and results in the 9M.

**Biedronka** worked with determination to continuously improve its offer, innovate in its commercial campaigns, and uplift the quality of its store network. All this while maintaining clear price leadership. This focus, together with positive consumer demand, drove a LFL growth of 7.8% in 9M (+8.1% in Q3).

Also in Poland, and compared to the same period last year, **Hebe** increased sales, in local currency, by 10.8% and more than doubled online sales in the 9M, keeping EBITDA margin stable.

In Portugal, **Pingo Doce** and **Recheio** grew sales and results, despite restrictions that still hamper the operating environment, particularly in the HoReCa segment. LFL sales in the 9M were at 2.1% and 3.2%, respectively.

**Ara** registered a very good sales performance in Colombia and accelerated its growth in Q3. LFL was 21.5% in the 9M, reaching 39.5% in Q3. The combination of strong sales with an optimized cost structure led EBITDA to improve to €15 mn (from €-23 mn in 9M 20).

**Group EBITDA margin improved from 7.3% to 7.5% in the 9M**, driven by sound Group LFL of 7.1%, a positive margin mix and efficiency gains, which allowed the Group to limit the impact of the retail tax implemented in Poland.

**Strong cash generation in the 9M** resulted in a net cash position of €655 mn by the end of the period (excl. capitalised operating leases).

The 9M performance reflects the flexibility of the banners to pursue their strategic priorities and deliver good results, in circumstances that remain uncertain.

#### 9M | KEY FIGURES

**+7.1% SALES**  
TO €15.2 BN  
(+9.6% excl. FX)

**+11.1% EBITDA**  
TO €1,144 MN  
(+13.9% excl. FX)

**+47.7% NET  
PROFIT**  
TO €324 MN  
EPS AT €0.52

**CASH FLOW**  
AT €339 MN

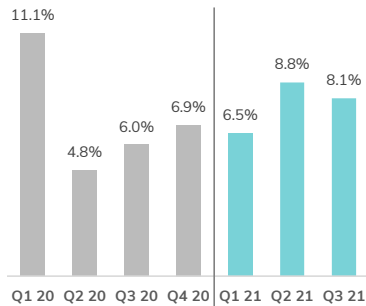
**NET DEBT**  
AT €1.6 BN

## 2. Performance Analysis by Banner

### POLAND

In Poland, the consumer demand remained positive in the first nine months of the year.

#### Biedronka LFL



From the second quarter, the pandemic situation remained under control, and the circulation of people resumed.

Food inflation in the country progressively increased from 0.6% in Q1 and 1.6% in Q2 to 3.8% in Q3, reflecting price increases in several food categories. Biedronka maintained its price leadership and an intense promotional dynamic, resulting, throughout the 9M, in consistently lower basket inflation than the average food inflation in the country.

The banner executed a strong commercial programme, including promotions and innovative in&out campaigns, while continuing to improve its core offer and its store network. Biedronka delivered well on all these fronts and, in local currency, grew sales in the 9M by 10.3%, including a LFL of 7.8%. In euro terms, sales reached €10.6 bn, 7.3% ahead of 9M 20.

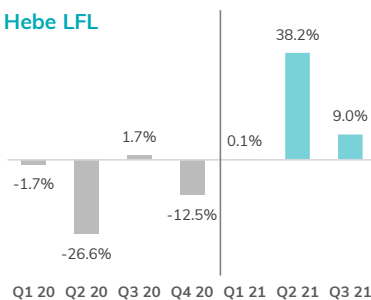
In Q3, sales in local currency increased 11.2% with LFL of 8.1%. In euro terms, sales were €3.6 bn, 8.1% growth over Q3 20.

EBITDA reached €972 mn, an increase of 6.4% vs. 9M 20 (+9.4% at constant exchange rate).

The EBITDA margin was 9.1% versus 9.2% in 9M 20. Strong LFL sales performance, effective margin-mix management, and operational efficiency allowed Biedronka to mitigate the pressure from the retail tax introduced in January 2021.

Biedronka opened 75 stores (59 net additions) and remodelled 232 locations in the first nine months of the year.

#### Hebe LFL



Hebe registered sales growth in the 9M of 10.8% in local currency. Excluding the pharma business closed in July 2020, sales increased 20.3% with a LFL of 14.4% (the LFL includes online sales).

In Q3, Hebe sales increased by 11.6% (+15.4% excluding the pharma business) with a LFL of 9.0%.

In euro terms, 9M sales reached €194 mn, 7.8% ahead of 9M 20. In Q3, sales were €71 mn, 8.5% more than in Q3 20.

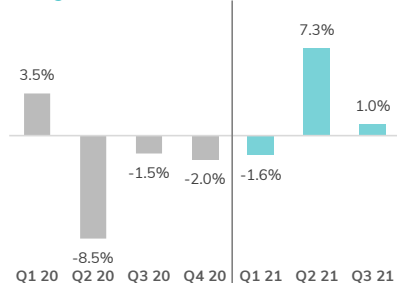
Online sales progressed well throughout the period, reaching 12.5% of sales in the first nine months of the year. Hebe continues to test its presence in new markets through its e-commerce platform.

Hebe's EBITDA was €11 mn versus €10 mn in 9M 20. EBITDA margin was 5.7% in line with the previous year.

## PORTUGAL

In Portugal, the slow economic recovery and recession in touristic activity continued to affect the economy. Food inflation remained low at 0.6% in Q3 (+0.4% in H1).

### Pingo Doce LFL (excl. fuel)



Pingo Doce's performance continued to be negatively impacted by the restrictions imposed on restaurants and coffee shops, which only eased from August, and by low circulation in city centres.

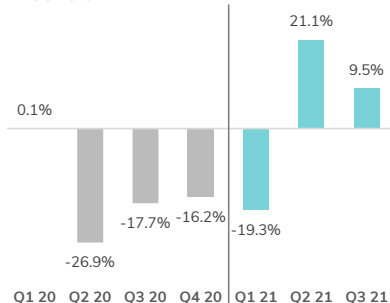
The banner maintained its commercial pressure, creating good commercial opportunities for its customers. To protect its market position and boost sales, Pingo Doce operated with negative basket inflation in the period.

In the 9M, sales reached €3.0 bn, growing 3.9% compared to the same period for the previous year with LFL (excl. fuel) of 2.1%.

In Q3, sales reached €1.0 bn, 2.7% more than in Q3 20 with LFL (excl. fuel) at 1.0%.

The banner opened six new locations (five net) and renovated nine stores.

### Recheio LFL



Recheio's sales increased 3.2% to reach €660 mn with LFL at 3.2%.

In Q3, despite the limitations to the activity of restaurants and the effects of the pandemic on the HoReCa sector, Recheio grew its sales by 9.3% to reach €262 mn.

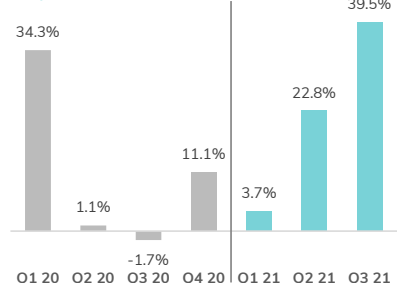
The combined EBITDA for Pingo Doce and Recheio was at €214 mn, 12.6% ahead of 9M 20. Despite the strong commercial investment, the EBITDA margin was at 5.9% (5.5% in 9M 20), benefiting from sales growth.

## COLOMBIA

In Colombia, after a challenging Q2 due to the intensification of the pandemic situation, the operating environment eased in Q3 as daily infections were controlled and social tensions, despite persisting, did not impact the country's supply chain as in Q2.

Food inflation increased through the period, reaching 11.2% in Q3 from 6.1% in H1.

### Ara LFL



Ara registered in the 9M strong sales growth that reached, in local currency, 31.6% including LFL of 21.5%, recovering over Q2 and Q3 in 2020 when the country was under a strict lockdown.

In Q3, in a more normalised operating environment, Ara grew sales in local currency by 53.6% with LFL at 39.5%.

In euro terms, 9M sales reached €758 mn, 23.1% ahead of 9M 20. In Q3 sales were €284 mn, 47.7% ahead of Q3 20.

EBITDA reached €15 mn in 9M 21 versus €-23 mn in 9M 20. This turning point reflects the determination to build a path to profitability on a solid sales base and was also boosted by the cost optimization undertaken in 2020.

To further contribute to this growth, the expansion plan execution added 64 stores to the network in the first nine months. The pipeline for the rest of the year is prepared to continue delivering.

## 3. Consolidated Financial Information Analysis

### Consolidated Results

(Million Euro)	9M 21			9M 20			Δ			Q3 21			Q3 20			Δ		
<b>Net Sales and Services</b>	<b>15,206</b>			<b>14,198</b>			<b>7.1%</b>			<b>5,304</b>			<b>4,881</b>			<b>8.7%</b>		
Gross Profit	3,289	21.6%		3,116	21.9%		5.6%			1,156	21.8%		1,084	22.2%		6.6%		
Operating Costs	-2,145	-14.1%		-2,087	-14.7%		2.8%			-726	-13.7%		-690	-14.1%		5.3%		
<b>EBITDA</b>	<b>1,144</b>			<b>1,029</b>			<b>11.1%</b>			<b>429</b>			<b>395</b>			<b>8.8%</b>		
Depreciation	-556	-3.7%		-545	-3.8%		2.1%			-185	-3.5%		-183	-3.8%		0.9%		
<b>EBIT</b>	<b>588</b>			<b>485</b>			<b>21.3%</b>			<b>244</b>			<b>211</b>			<b>15.6%</b>		
Net Financial Costs	-119	-0.8%		-140	-1.0%		-14.8%			-45	-0.9%		-45	-0.9%		1.2%		
Gains in Joint Ventures and Associates	0	0.0%		0	0.0%		n.a.			0	0.0%		0	0.0%		n.a.		
Other Profits/Losses	-7	0.0%		-21	-0.1%		n.a.			-2	0.0%		-1	0.0%		n.a.		
<b>EBT</b>	<b>461</b>			<b>324</b>			<b>42.6%</b>			<b>198</b>			<b>166</b>			<b>18.8%</b>		
Income Tax	-120	-0.8%		-95	-0.7%		26.1%			-50	-0.9%		-41	-0.8%		22.1%		
<b>Net Profit</b>	<b>341</b>			<b>229</b>			<b>49.4%</b>			<b>147</b>			<b>125</b>			<b>17.7%</b>		
Non-Controlling Interests	-18	-0.1%		-9	-0.1%		87.8%			-10	-0.2%		-10	-0.2%		-2.6%		
<b>Net Profit Attributable to JM</b>	<b>324</b>			<b>219</b>			<b>47.7%</b>			<b>137</b>			<b>115</b>			<b>19.5%</b>		
EPS (€)	0.52			0.35			47.7%			0.22			0.18			19.5%		
EPS without Other Profits/Losses (€)	0.52			0.37			40.1%			0.22			0.18			20.0%		

At the Group level, the top line grew 7.1% (+9.6% excl. FX). The growth registered in all banners contributed to improving operational leverage, driving EBITDA to increase ahead of sales by 11.1% (+13.9% excl. FX). The EBITDA figure includes Covid-19 related costs of €13 mn (€32 mn in 9M 20).

Net financial costs were €-119 mn in 9M 21 (€-140 mn in 9M 20), incorporating an exchange translation loss of €-4 mn related to value adjustments in the lease liabilities in Poland denominated in euros that in 9M 20 were a loss of €-20 mn.

### Balance Sheet

(Million Euro)	9M 21	2020	9M 20
Net Goodwill	616	620	621
Net Fixed Assets	3,951	3,967	3,853
Net Rights of Use (RoU)	2,139	2,154	2,109
Total Working Capital	-2,867	-2,864	-2,573
Others	167	133	140
<b>Invested Capital</b>	<b>4,006</b>	<b>4,010</b>	<b>4,150</b>
Total Borrowings	492	524	548
Financial Leases	20	11	13
Capitalised Operating Leases	2,276	2,262	2,205
Accrued Interest	0	-3	1
Cash and Cash Equivalents	-1,167	-1,041	-872
<b>Net Debt</b>	<b>1,621</b>	<b>1,752</b>	<b>1,894</b>
Non-Controlling Interests	250	249	248
Share Capital	629	629	629
Reserves and Retained Earnings	1,506	1,379	1,379
<b>Shareholders Funds</b>	<b>2,386</b>	<b>2,257</b>	<b>2,256</b>

Net cash position by the end of September stood at €655 mn (excluding capitalised operating leases).

## Cash Flow

(Million Euro)	9M 21	9M 20
EBITDA	1,144	1,029
Capitalised Operating Leases Payment	-208	-203
Interest Payment	-110	-114
Other Financial Items	0	0
Income Tax	-149	-142
<b>Funds From Operations</b>	<b>677</b>	<b>572</b>
Capex Payment	-429	-367
Change in Working Capital	96	18
Others	-6	-17
<b>Cash Flow</b>	<b>339</b>	<b>205</b>

Good operational performance combined with disciplined management of the invested capital resulted in a net cash position.

## Capex

(Million Euro)	9M 21	Weight	9M 20	Weight
Biedronka	239	66%	141	55%
Distribution Portugal	67	18%	71	28%
Ara	33	9%	16	6%
Others	26	7%	30	12%
<b>Total CAPEX</b>	<b>364</b>	<b>100%</b>	<b>258</b>	<b>100%</b>

Our capex programme (excluding the right of use assets acquired in accordance with IFRS16) was €364 mn, 66% of which was allocated to Biedronka.

## 4. Third Quarter 2021 update on Covid-19 Impact

In **Poland**, after the lockdown imposed in Q1, a phased plan to reopen the country was successfully implemented throughout Q2 and maintained in Q3. The limited access to one person per 10 sqm for stores larger than 100 sqm was maintained.

In **Portugal**, the progressive reopening of the country started in April.

At the beginning of Q3, retail store traffic continued to be limited to a maximum of five people per 100 sqm. This limit was relaxed to eight people per 100 sqm at the end of August.

In July, in municipalities with increased risk, there were limits on closing hours of retail stores, restaurants, and coffee shops. Bars and nightclubs remained closed during the quarter.

In **Colombia**, the intermittent restrictions in force during Q2 to control the rising number of infections became less frequent during Q3.



## 5. Outlook for 2021

Despite the prevailing uncertainty about the evolution of the pandemic as we enter autumn and winter, all our banners are prepared to continue to adapt to the circumstances and to find new growth paths to deliver another year of strong performance.

**Biedronka** will remain focused on guaranteeing the preference of consumers, combining price leadership with the evolution of its offer and reinforcement of convenience. To protect profitability, the Company counts on strong sales dynamics, ongoing efficiency projects, and the creativity to continuously improve its offer.

The quality of Biedronka's presence in the market will be reinforced in 2021 with c.100 net new stores and c.300 refurbished locations.

**Hebe** will continue to consolidate its store network and to focus its growth strategy on the development of its online operation to address also new markets.

In **Portugal**, where the restrictions to circulation were lifted in October, **Pingo Doce** will continue investing in the differentiation of its offer, leveraging on key strategic categories of Fresh and Take Away and in the recovery of Restaurants, to drive growth.

**Recheio** will benefit from the slow recovery of the HoReCa channel while working to increase its sales to the Traditional Retail segment.

In **Colombia**, despite a fragile socioeconomic environment, **Ara** has been delivering a promising performance, confirming the strength of its value proposition and the quality of the business model. It is committed to expanding its network and will add more than 100 stores to the network in 2021.

The **capex programme** is expected to reach c.€650 mn of which c.60% will be allocated to Biedronka.

Preserving a strong balance sheet allows us to continue to invest in growth in a context in which the effects of the pandemic diminish but uncertainty remains. Further, we maintain the flexibility to take advantage of growth opportunities consistent with our strategic vision.

Lisbon, 26 October 2021

**The Board of Directors**

## 6. Consolidated Management Report Appendix

### 6.1. The impact of IFRS 16 on Financial Statements

#### Income Statement by Functions

(Million Euro)	IFRS16		Excl. IFRS16	
	9M 21	9M 20	9M 21	9M 20
Net Sales and Services	15,206	14,198	15,206	14,198
Cost of Sales	-11,917	-11,082	-11,917	-11,082
<b>Gross Profit</b>	<b>3,289</b>	<b>3,116</b>	<b>3,289</b>	<b>3,116</b>
Distribution Costs	-2,442	-2,381	-2,509	-2,444
Administrative Costs	-260	-251	-261	-252
Other Operating Profits/Losses	-8	-21	-8	-21
<b>Operating Profit</b>	<b>580</b>	<b>464</b>	<b>512</b>	<b>400</b>
Net Financial Costs	-119	-140	-19	-25
Gains/Losses in Other Investments	0	0	0	0
Gains in Joint Ventures and Associates	0	0	0	0
<b>Profit Before Taxes</b>	<b>461</b>	<b>324</b>	<b>493</b>	<b>375</b>
Income Tax	-120	-95	-125	-103
<b>Profit Before Non Controlling Interests</b>	<b>341</b>	<b>229</b>	<b>369</b>	<b>271</b>
Non-Controlling Interests	-18	-9	-19	-11
<b>Net Profit Attributable to JM</b>	<b>324</b>	<b>219</b>	<b>349</b>	<b>260</b>

#### Income Statement (Management View)

(Million Euro)	(Excl. IFRS16)			(Excl. IFRS16)		
	9M 21	9M 20	Δ	Q3 21	Q3 20	Δ
Net Sales and Services	15,206	14,198	7.1%	5,304	4,881	8.7%
Gross Profit	3,289	3,116	5.6%	1,156	1,084	6.6%
Operating Costs	-2,450	-2,385	2.7%	-829	-789	5.1%
<b>EBITDA</b>	<b>840</b>	<b>731</b>	<b>14.9%</b>	<b>327</b>	<b>296</b>	<b>10.6%</b>
Depreciation	-320	-310	3.2%	-106	-105	1.0%
<b>EBIT</b>	<b>519</b>	<b>421</b>	<b>23.5%</b>	<b>221</b>	<b>191</b>	<b>15.9%</b>
Net Financial Costs	-19	-25	-24.4%	-6	-7	-12.9%
Gains in Joint Ventures and Associates	0	0	n.a.	0	0	n.a.
Other Profits/Losses	-7	-21	-0.1%	-2	-1	n.a.
<b>EBT</b>	<b>493</b>	<b>375</b>	<b>31.7%</b>	<b>213</b>	<b>183</b>	<b>16.5%</b>
Income Tax	-125	-103	21.0%	-53	-44	20.4%
<b>Net Profit</b>	<b>369</b>	<b>271</b>	<b>35.8%</b>	<b>161</b>	<b>139</b>	<b>15.2%</b>
Non-Controlling Interests	-19	-11	71.3%	-11	-11	-3.2%
<b>Net Profit Attributable to JM</b>	<b>349</b>	<b>260</b>	<b>34.2%</b>	<b>150</b>	<b>128</b>	<b>16.8%</b>
EPS (€)	0.56	0.41	34.2%	0.24	0.20	16.8%
EPS without Other Profits/Losses (€)	0.56	0.44	28.4%	0.24	0.20	17.3%

#### Balance Sheet

(Million Euro)	(Excl. IFRS16)		
	9M 21	2020	9M 20
Net Goodwill	616	620	621
Net Fixed Assets	3,951	3,967	3,853
Total Working Capital	-2,863	-2,861	-2,569
Others	144	115	124
<b>Invested Capital</b>	<b>1,849</b>	<b>1,842</b>	<b>2,029</b>
Total Borrowings	492	524	548
Financial Leases	20	11	13
Accrued Interest	0	-3	1
Cash and Cash Equivalents	-1,167	-1,041	-872
<b>Net Debt</b>	<b>-655</b>	<b>-509</b>	<b>-311</b>
Non-Controlling Interests	258	255	253
Share Capital	629	629	629
Reserves and Retained Earnings	1,617	1,467	1,458
<b>Shareholders Funds</b>	<b>2,505</b>	<b>2,351</b>	<b>2,341</b>

## Cash Flow

(Million Euro)	(Excl. IFRS16)	
	9M 21	9M 20
EBITDA	840	731
Interest Payment	-13	-19
Other Financial Items	0	0
Income Tax	-149	-142
<b>Funds From Operations</b>	<b>677</b>	<b>571</b>
Capex Payment	-429	-367
Change in Working Capital	96	18
Others	-5	-16
<b>Cash Flow</b>	<b>339</b>	<b>205</b>

## EBITDA Breakdown

(Million Euro)	IFRS16				Excl. IFRS16			
	9M 21	Mg	9M 20	Mg	9M 21	Mg	9M 20	Mg
Biedronka	972	9.1%	913	9.2%	764	7.2%	709	7.2%
Distribution Portugal	214	5.9%	190	5.5%	162	4.5%	139	4.0%
Ara	15	2.0%	-23	n.a.	-10	n.a.	-47	n.a.
Hebe	11	5.7%	10	5.7%	-6	n.a.	-7	n.a.
Others & Cons. Adjustments	-68	n.a.	-62	n.a.	-70	n.a.	-64	n.a.
<b>JM Consolidated</b>	<b>1,144</b>	<b>7.5%</b>	<b>1,029</b>	<b>7.3%</b>	<b>840</b>	<b>5.5%</b>	<b>731</b>	<b>5.1%</b>

## Financial Results

(Million Euro)	IFRS16		Excl. IFRS16	
	9M 21	9M 20	9M 21	9M 20
Net Interest	-13	-15	-13	-15
Interests on Capitalised Operating Leases	-96	-95	-	-
Exchange Differences	-7	-25	-3	-5
Others	-3	-5	-3	-5
<b>Net Financial Costs</b>	<b>-119</b>	<b>-140</b>	<b>-19</b>	<b>-25</b>

## 6.2. Sales Detail

(Million Euro)	9M 21		9M 20		Δ %		Q3 21		Q3 20		Δ %	
	% total	% total	% total	% total	excl. FX	Euro	% total	% total	excl. FX	Euro	excl. FX	Euro
Biedronka	10,630	69.9%	9,909	69.8%	10.3%	7.3%	3,649	68.8%	3,374	69.1%	11.2%	8.1%
Pingo Doce	2,956	19.4%	2,844	20.0%	3.9%	3.9%	1,034	19.5%	1,006	20.6%	2.7%	2.7%
Recheio	660	4.3%	639	4.5%	3.2%	3.2%	262	4.9%	240	4.9%	9.3%	9.3%
Ara	758	5.0%	615	4.3%	31.6%	23.1%	284	5.4%	192	3.9%	53.6%	47.7%
Hebe	194	1.3%	180	1.3%	10.8%	7.8%	71	1.3%	65	1.3%	11.6%	9.5%
Others & Cons. Adjustments	9	0.1%	10	0.1%	-11.3%	-11.3%	4	0.1%	4	0.1%	2.1%	2.1%
<b>Total JM</b>	<b>15,206</b>	<b>100%</b>	<b>14,198</b>	<b>100%</b>	<b>9.6%</b>	<b>7.1%</b>	<b>5,304</b>	<b>100%</b>	<b>4,881</b>	<b>100%</b>	<b>11.1%</b>	<b>8.7%</b>

## Sales Growth

	Total Sales Growth					LFL Growth				
	Q1 21	Q2 21	H1 21	Q3 21	9M 21	Q1 21	Q2 21	H1 21	Q3 21	9M 21
Biedronka										
Euro	3.9%	9.8%	6.8%	8.1%	7.3%					
PLN	9.2%	10.4%	9.8%	11.2%	10.3%	6.5%	8.8%	7.7%	8.1%	7.8%
Hebe										
Euro	-10.9%	30.4%	7.3%	8.5%	7.8%					
PLN	-6.3%	30.5%	10.4%	11.6%	10.8%	0.1%	38.2%	17.7%	9.0%	14.4%
Pingo Doce										
Excl. Fuel	-0.8%	10.1%	4.6%	2.7%	3.9%	-2.7%	8.1%	2.6%	1.2%	2.1%
Excl. Fuel	0.3%	9.4%	4.8%	2.5%	4.0%	-1.6%	7.3%	2.8%	1.0%	2.1%
Recheio										
Excl. Fuel	-19.0%	21.1%	-0.4%	9.3%	3.2%	-19.3%	21.1%	-0.6%	9.5%	3.2%
Ara										
Euro	0.6%	26.1%	11.9%	47.7%	23.1%					
COP	10.5%	32.8%	20.9%	53.6%	31.6%	3.7%	22.8%	12.6%	39.5%	21.5%
<b>Total JM</b>										
Euro	1.5%	11.2%	6.3%	8.7%	7.1%					
Excl. FX	5.7%	12.0%	8.8%	11.1%	9.6%	3.2%	10.1%	6.6%	8.1%	7.1%

## 6.3. Stores Network

Number of Stores	2020	Openings			Closings		9M 21	9M 20
		Q1 21	Q2 21	Q3 21	9M 21	9M 21		
Biedronka	3,115	21	32	22	16	3,174	3,047	
Hebe	266	2	5	11	0	284	256	
Pingo Doce	453	2	1	3	1	458	450	
Recheio	42	0	0	0	0	42	42	
Ara	663	26	15	23	0	727	641	

Sales Area (sqm)	2020	Openings			Closings / Remodellings		9M 21	9M 20
		Q1 21	Q2 21	Q3 21	9M 21	9M 21		
Biedronka	2,120,337	15,233	22,566	14,993	-7,391	2,180,520	2,064,673	
Hebe	69,338	515	1,184	2,694	166	73,565	66,960	
Pingo Doce	523,136	1,450	125	1,279	-1,310	527,300	519,641	
Recheio	133,928	0	0	0	-393	134,321	133,826	
Ara	223,818	8,470	5,260	8,571	0	246,119	216,340	

## 6.4. Definitions

Like for like (LFL) sales: sales made by stores and e-commerce platforms that operated under the same conditions in the two periods. Excludes stores opened or closed in one of the two periods. Sales of stores that underwent profound remodelling are excluded for the remodelling period (store closure).

## 7. Reconciliation Note

(Following ESMA guidelines on Alternative Performance Measures from October 2015)

### Income Statement

Income Statement (page 7)	Consolidated Income Statement by Functions (in Consolidated Financial Statements) First Nine Months 2021 Results
Net Sales and Services	Net sales and services
Gross Profit	Gross profit
Operating Costs	Includes headings of Distribution costs; Administrative costs and Other operating costs, excluding the amount of €-556.1 mn related with Depreciations and amortisations (note - Segments Reporting)
<b>EBITDA</b>	
Depreciation	Value reflected in the note - Segments Reporting
<b>EBIT</b>	
Net Financial Costs	Net financial costs
Gains in Joint Ventures and Associates	Gains (losses) in joint ventures and associates
Other Profits/Losses	Includes headings of Other operating profits/losses; Gains/Losses in disposal of business (when applicable) and Gains/Losses in other investments (when applicable)
<b>EBT</b>	
Income Tax	Income tax
<b>Net Profit</b>	
Non-Controlling Interests	Non-Controlling interests
<b>Net Profit Attributable to JM</b>	
	Net profit attributable to Jerónimo Martins Shareholders

## Balance Sheet

Balance Sheet (page 7)	Consolidated Balance Sheet (in Consolidated Financial Statements) First Nine Months 2021 Results
Net Goodwill	Amount reflected in the heading of Intangible assets
Net Fixed Assets	Includes the headings Tangible and Intangible assets (excluding the Net goodwill - €616.3 mn) and adding the Financial leases amount (€25.7 mn)
Net Rights of Use (RoU)	Includes the heading of Net rights of use excluding the Financial leases (€25.7 mn)
Total Working Capital	Includes the headings Current trade debtors, Accrued income and Deferred costs; Inventories; Biological assets; Trade creditors, Accrued costs and Deferred income; Employee benefits; and also, the value of €-14.0 mn related to 'Others' due to its operational nature. Excludes the amount €-2.8 mn related with Interest accruals and deferrals heading (note - Net financial debt) and, when applicable, dividends attributable to non-controlling interests
Others	Includes the headings Investment property; Investments in joint ventures and associates; Other financial investments; Non-Current trade debtors, Accrued income and Deferred costs; Deferred tax assets and liabilities; Income tax receivable and payable; Provisions for risks and contingencies and, when applicable, dividends attributable to non-controlling interests. Excludes the value of €-14.0 mn related to 'Others' due to its operational nature, as well as, when applicable, Collateral deposits associated with financial debt (note - Debtors, accruals and deferrals)
<b>Invested Capital</b>	
Total Borrowings	Includes the heading Borrowings current and non-current
Financial Leases	Includes the heading of Financial leases (2021: €19.9 mn; 2020: €11.5 mn) according with IAS 17 in place before IFRS16 adoption
Capitalised Operating Leases	Amount in the heading of Lease liabilities current and non-current, excluding Financial leases (note above)
Accrued Interest	Includes the heading Derivative financial instruments as well as the amount €-2.8 mn related with Interest accruals and deferrals (note - Net financial debt)
Cash and Cash Equivalents	Includes the heading Cash and cash equivalents, as well as, when applicable, Collateral deposits associated with financial debt (note - Debtors, accruals and deferrals)
<b>Net Debt</b>	
Non-Controlling Interests	Non-Controlling interests
Share Capital	Share capital
Reserves and Retained Earnings	Includes the heading Share premium, Own shares, Other reserves and Retained earnings
<b>Shareholders' Funds</b>	

## Cash Flow

Cash Flow (page 8)	Consolidated Cash Flow Statement (in Consolidated Financial Statements) First Nine Months 2021 Results
EBITDA	Includes the headings Cash generated from operations before changes in working capital, including headings which did not generate cash flow, and excluding profit and losses that do not have operational nature (€5.7 mn)
Capitalised Operating Leases Payment	Included in the heading Leases paid, excluding the amount of €7.9 mn related with the payment of financial leases according with previous accounting standards
Interest Payment	Includes the headings of Loans interest paid, Leases interest paid and Interest received
Income Tax	Income tax paid
<b>Funds from Operations</b>	
Capex Payment	Includes the headings Disposal of tangible and intangible assets; Disposal of financial and investment property; Acquisition of tangible and intangible assets; Acquisition of financial investments and investment property. It also includes acquisitions of tangible assets classified as finance leases under previous accounting standards (€16.5 mn)
Change in Working Capital	Includes Changes in working capital added from headings which did not generate cash flow
Others	Includes the headings disposal of business (when applicable), profit and losses which generated cash flow, although not having operational nature, in the amount of €-5.7 mn
<b>Cash Flow</b>	Corresponds to the Net changes in cash and cash equivalents, deducted from Dividends paid and received, Net change in loans and change in Collateral deposits associated to financial debt. It also includes acquisitions of tangible assets classified as finance leases (€16.5 mn) and deducted from the payment of financial leases (€7.9 mn), both according with previous accounting standards

## 8. Information Regarding Individual Financial Statements

In accordance with number 5 of article 10 of the Regulation number 5/2008 of the Portuguese Securities Market Commission (CMVM), the Quarter Individual Financial Statements of Jerónimo Martins SGPS, S.A. are not disclosed as they do not include additional relevant information, compared to the one presented in this report.

## II - Consolidated Financial Statements

### 1. Consolidated Financial Statements

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## CONSOLIDATED INCOME STATEMENT BY FUNCTIONS

For the periods ended 30 September 2021 and 2020

	Notes	Euro thousand		Euro thousand	
		September	September	3rd Quarter	3rd Quarter
		2021	2020	2021	2020
Sales and services rendered	3	15,206,008	14,197,942	5,303,589	4,881,346
Cost of sales	4	(11,916,819)	(11,081,727)	(4,147,873)	(3,796,894)
<b>Gross profit</b>		<b>3,289,189</b>	<b>3,116,215</b>	<b>1,155,716</b>	<b>1,084,452</b>
Distribution costs	4	(2,441,553)	(2,380,822)	(824,671)	(793,418)
Administrative costs	4	(259,853)	(250,829)	(86,701)	(79,588)
Other operating profits/losses	4.1	(7,577)	(20,898)	(1,942)	(552)
<b>Operating profit</b>		<b>580,206</b>	<b>463,666</b>	<b>242,402</b>	<b>210,894</b>
Net financial costs	5	(119,471)	(140,268)	(45,279)	(44,752)
Gains (losses) in joint ventures and associates		325	74	330	162
Gains (losses) in other investments		144	50	144	50
<b>Profit before taxes</b>		<b>461,204</b>	<b>323,522</b>	<b>197,597</b>	<b>166,354</b>
Income tax	6	(119,848)	(95,012)	(50,128)	(41,054)
<b>Profit before non-controlling interests</b>		<b>341,356</b>	<b>228,510</b>	<b>147,469</b>	<b>125,300</b>
Attributable to:					
Non-controlling interests		17,527	9,331	9,995	10,261
<b>Jerónimo Martins Shareholders</b>		<b>323,829</b>	<b>219,179</b>	<b>137,474</b>	<b>115,039</b>
Basic and diluted earnings per share - Euros	12	0.5153	0.3488	0.2188	0.1831

To be read with the attached notes to the consolidated financial statements.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the periods ended 30 September 2021 and 2020

	Euro thousand			
	September	September	3° Quarter	3° Quarter
	2021	2020	2021	2020
<b>Net profit</b>	<b>341,356</b>	<b>228,510</b>	<b>147,469</b>	<b>125,300</b>
<b>Other comprehensive income:</b>				
<b>Items that will not be reclassified to profit or loss</b>	-	-	-	-
Currency translation differences	(13,560)	(79,473)	(19,391)	(19,889)
Change in fair value of cash flow hedges	(18)	(7)	(150)	(182)
Change in fair value of hedging instruments on foreign operations	(813)	25,766	1,738	2,207
Related tax	(896)	(2,187)	(1,373)	(1,042)
<b>Items that may be reclassified to profit or loss</b>	<b>(15,287)</b>	<b>(55,901)</b>	<b>(19,176)</b>	<b>(18,906)</b>
<b>Other comprehensive income, net of income tax</b>	<b>(15,287)</b>	<b>(55,901)</b>	<b>(19,176)</b>	<b>(18,906)</b>
<b>Total comprehensive income</b>	<b>326,069</b>	<b>172,609</b>	<b>128,293</b>	<b>106,394</b>
Attributable to:				
Non-controlling interests	17,527	9,331	9,995	10,261
Jerónimo Martins Shareholders	308,542	163,278	118,298	96,133
<b>Total comprehensive income</b>	<b>326,069</b>	<b>172,609</b>	<b>128,293</b>	<b>106,394</b>

To be read with the attached notes to the consolidated financial statements.

## CONSOLIDATED BALANCE SHEET

As at 30 September 2021 and 31 December 2020

		Euro thousand	
	Notes	September 2021	December 2020
<b>Assets</b>			
Tangible assets	7	3,789,966	3,817,255
Intangible assets	7	751,622	757,368
Investment property	7	8,492	8,523
Right-of-use assets	7	2,164,418	2,166,551
Biological assets		4,695	3,338
Investments in joint ventures and associates		11,052	5,594
Other financial investments		1,554	1,327
Trade debtors, accrued income and deferred costs	9	72,080	70,338
Deferred tax assets		167,347	163,420
<b>Total non-current assets</b>		<b>6,971,226</b>	<b>6,993,714</b>
Inventories		961,485	973,919
Biological assets		5,744	4,786
Income tax receivable		17,639	17,467
Trade debtors, accrued income and deferred costs	9	402,769	393,023
Derivative financial instruments	8	3,180	3,611
Cash and cash equivalents	10	1,166,957	1,041,390
<b>Total current assets</b>		<b>2,557,774</b>	<b>2,434,196</b>
<b>Total assets</b>		<b>9,529,000</b>	<b>9,427,910</b>
<b>Shareholders' equity and liabilities</b>			
Share capital		629,293	629,293
Share premium		22,452	22,452
Own shares		(6,060)	(6,060)
Other reserves		(143,941)	(128,654)
Retained earnings		1,633,937	1,491,097
		<b>2,135,681</b>	<b>2,008,128</b>
<b>Non-controlling interests</b>		<b>249,921</b>	<b>249,063</b>
<b>Total shareholders' equity</b>		<b>2,385,602</b>	<b>2,257,191</b>
Borrowings	13	344,466	363,798
Lease liabilities	14	1,913,789	1,896,547
Trade creditors, accrued costs and deferred income	17	685	779
Employee benefits	16	73,418	70,079
Provisions for risks and contingencies	16	33,275	32,831
Deferred tax liabilities		60,349	65,808
<b>Total non-current liabilities</b>		<b>2,425,982</b>	<b>2,429,842</b>
Borrowings	13	147,188	159,730
Lease liabilities	14	382,140	376,694
Trade creditors, accrued costs and deferred income	17	4,155,928	4,153,837
Derivative financial instruments	8	302	404
Income tax payable		31,858	50,212
<b>Total current liabilities</b>		<b>4,717,416</b>	<b>4,740,877</b>
<b>Total shareholders' equity and liabilities</b>		<b>9,529,000</b>	<b>9,427,910</b>

To be read with the attached notes to the consolidated financial statements

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the periods ended 30 September 2021 and 2020

Euro thousand

	Shareholders' equity attributable to Shareholders of Jerónimo Martins, SGPS, S.A.						Non-controlling interests	Shareholders' equity	
	Share capital	Share premium	Own shares	Other reserves		Retained earnings			Total
				Cash flow hedge	Currency translation reserves				
Balance Sheet as at 1 January 2020	629,293	22,452	(6,060)	(22)	(66,989)	1,396,293	1,974,967	253,941	2,228,908
<b>Equity changes in 2020</b>									
Currency translation differences				2	(81,663)		(81,661)		(81,661)
Change in fair value of cash flow hedging				(6)			(6)		(6)
Change in fair value of hedging instruments on foreign operations					25,766		25,766		25,766
Other comprehensive income	-	-	-	(4)	(55,897)	-	(55,901)	-	(55,901)
Net profit						219,179	219,179	9,331	228,510
<b>Total comprehensive income</b>	-	-	-	(4)	(55,897)	219,179	163,278	9,331	172,609
Dividends						(130,086)	(130,086)	(15,361)	(145,447)
Balance Sheet as at 30 September 2020	629,293	22,452	(6,060)	(26)	(122,886)	1,485,386	2,008,159	247,911	2,256,070
<b>Balance Sheet as at 1 January 2021</b>									
	<b>629,293</b>	<b>22,452</b>	<b>(6,060)</b>	<b>18</b>	<b>(128,672)</b>	<b>1,491,097</b>	<b>2,008,128</b>	<b>249,063</b>	<b>2,257,191</b>
<b>Equity changes in 2021</b>									
Currency translation differences					(14,459)		(14,459)		(14,459)
Change in fair value of cash flow hedging				(15)			(15)		(15)
Change in fair value of hedging instruments on foreign operations					(813)		(813)		(813)
Other comprehensive income	-	-	-	(15)	(15,272)	-	(15,287)	-	(15,287)
Net profit						323,829	323,829	17,527	341,356
<b>Total comprehensive income</b>	-	-	-	(15)	(15,272)	323,829	308,542	17,527	326,069
Dividends (note 11)						(180,989)	(180,989)	(17,199)	(198,188)
Acquisitions/Disposal of non-controlling interests						-	-	530	530
Balance Sheet as at 30 September 2021	629,293	22,452	(6,060)	3	(143,944)	1,633,937	2,135,681	249,921	2,385,602

To be read with the attached notes to the consolidated financial statements

## CONSOLIDATED CASH FLOW STATEMENT

For the periods ended 30 September 2021 and 2020

		Euro thousand	
	Notes	September 2021	September 2020
<b>Net results</b>		323,829	219,179
Adjustments for:			
Non-controlling interests		17,527	9,331
Income tax		119,848	95,012
Depreciations and amortisations		556,123	544,794
Net financial costs		119,471	140,268
Gains/Losses in associated companies		(325)	(74)
Gains/Losses in other investments		(144)	(50)
Profit/ Losses in tangible, intangible and right-of-use assets		1,925	3,887
<b>Operating cash flow before changes in working capital</b>		<b>1,138,254</b>	<b>1,012,347</b>
Changes in working capital:			
Inventories		(1,104)	60,224
Trade debtors, accrued income and deferred costs		(7,169)	23,264
Trade creditors, accrued costs and deferred income		100,831	(70,679)
Provisions and employee benefits		3,754	4,888
<b>Cash generated from operations</b>		<b>1,234,566</b>	<b>1,030,044</b>
Income taxes paid		(149,490)	(141,691)
<b>Cash flow from operating activities</b>		<b>1,085,076</b>	<b>888,353</b>
<b>Investment activities</b>			
Disposals of tangible and intangible assets		2,649	1,547
Interest received		375	2,252
Dividends received		229	100
Acquisition of tangible and intangible assets		(409,835)	(368,324)
Acquisition of other financial investments and investment property		(227)	-
Acquisition and investments in joint ventures and associates		(5,218)	(350)
Collateral deposits associated to financial debt		-	19,367
<b>Cash flow from investment activities</b>		<b>(412,027)</b>	<b>(345,408)</b>
<b>Financing activities</b>			
Loans interest paid		(13,566)	(20,389)
Leases interest paid	5	(96,602)	(95,005)
Net change in loans	13	(13,412)	(98,031)
Leases paid	14	(215,488)	(205,587)
Dividends paid	11	(198,188)	(145,447)
<b>Cash flow from financing activities</b>		<b>(537,256)</b>	<b>(564,459)</b>
<b>Net changes in cash and cash equivalents</b>		<b>135,793</b>	<b>(21,514)</b>
<b>Cash and cash equivalents changes</b>			
Cash and cash equivalents at the beginning of the year		1,041,390	929,311
Net changes in cash and cash equivalents		135,793	(21,514)
Effect of acquisition/sale of subsidiaries		524	-
Effect of currency translation differences		(10,750)	(35,306)
<b>Cash and cash equivalents at the end of 9 Months</b>	10	<b>1,166,957</b>	<b>872,491</b>

To be read with the attached notes to the consolidated financial statements

	Euro thousand			
	September 2021	September 2020	3° Quarter 2021	3° Quarter 2020
Cash Flow from operating activities	1,085,076	888,353	537,356	508,681
Cash Flow from investment activities	(412,027)	(345,408)	(173,991)	(77,531)
Cash Flow from financing activities	(537,256)	(564,459)	(117,840)	(393,091)
<b>Cash and cash equivalents changes</b>	<b>135,793</b>	<b>(21,514)</b>	<b>245,525</b>	<b>38,059</b>

## 1. Activity

Jerónimo Martins, SGPS, S.A. (JMH), is the parent Company of Jerónimo Martins (Group) and has its head office in Lisbon.

The Group operates in the food area, particularly in the distribution and retail sale, with operations in Portugal, Poland, and Colombia.

Head Office: Rua Actor António Silva, n.º 7, 1649-033 Lisbon.

Share Capital: 629,293,220 euros.

Registered at the Commercial Registry Office and Tax Number: 500 100 144.

JMH has been listed on the Euronext Lisbon since 1989.

The Board of Directors approved these Consolidated Financial Statements on 26 October 2021.

### Covid-19

As in much of the year 2020, the first nine months of 2021 continues to be impacted directly and indirectly by Covid-19 pandemic, which highlighted inequalities that already existed in society and, along with the economic and financial impacts caused on families and companies, brought behavioural changes that will continue over the next months.

Since the first cases started to appear in 2020, namely in the regions where it operates, the Group has been closely monitoring all developments related to the pandemic, implementing judiciously the measures deemed adequate sometimes in anticipation of the recommendations issued by the Health Authorities.

Group Companies adopted the operational measures needed to better protect their employees, customers and other stakeholders, introducing the necessary adjustments in their supply chains, during confinement and de-confinement phases.

Group Companies have also implemented initiatives to increase efficiency and control costs, that enabled them to limit the negative impact generated by the Covid-19 pandemic, on their respective business profitability.

Taking into account the events that have taken place so far, although the next few months are likely to continue surrounded by uncertainty regarding the evolution of the pandemic scenario (including the behaviour of new more infectious variants) and the progress of large-scale vaccination, it is not expected that the effects of the pandemic could jeopardize the continuity of the Group's operations.

The Group expects to continue to mitigate the impacts of this adverse context, strengthening its business models, preparing the return to a more normalized operating context and maintaining its strategic vision of profitable growth.

### Financial risks

The Group is exposed to several financial risks, namely: i. price risk, which includes interest and exchange rate risks; ii. transactional risk, which includes credit and liquidity risk; and iii. the risk arising from the Group's investments portfolio, which covers various economic and financial risks such as interest rate, credit, foreign exchange or inflation, as well as political and fiscal. These risks are described in Note 28 of the Consolidated Financial Statements chapter of the 2020 Annual Report.

During the first nine months of 2021, there was no material changes in addition to the notes detailed below, that could significantly change the assessment of the risks that the Group is exposed to.

Specifically regarding the liquidity risk, throughout the first nine months the Group maintained liquidity reserves in the form of credit lines contracted with the financial institutions with which it relates, in order to ensure the ability to meet its commitments, without having to finance itself under unfavourable conditions. Thus, on 30 September 2021, the Group has contracted credit lines that were not being used in the total amount of EUR 1,035,457 thousand.

In addition, the Group had, at 30 September 2021, a liquidity reserve consisting of Cash and cash equivalents in the amount of EUR 1,166,957 thousand.

This way, despite the Covid-19 pandemic in its activity, the Group expects to satisfy all its treasury needs with the use of operating activity flows and liquidity reserves, and if eventually necessary, using the existing available credit lines.

The Group also believes that compliance with the current covenants associated with the issued debt is ensured.

### Recoverability of tangible and intangible assets and investment property

The current strategy and business plans of the various Group Companies approved by the Group's Board of Directors, take into account the context of great uncertainty regarding the evolution of the Covid-19 pandemic, its impact in terms of economic slowdown and changes in the consumption pattern.

The measures that have been imposed by the different Governments, with activity restrictions at national, regional and local levels, for intermittent periods, significantly affects the ability to assess the future outlook for the operation of the Group's stores, which make up the bulk of their investments in tangible assets.

Even so, the evolution of the activities of the various business in the first nine months of 2021, following the strategy defined in their plans, do not undermine the assessment made at the end of the year 2020, regarding the recoverability of its assets.

## Changes to the consolidation perimeter

During the first nine months of 2021, the following companies entered the consolidation perimeter:

### Subsidiaries

Company	Business area	Head office	% Owned
Mediterranean Aquafarm, S.A.	Saline brackish waters aquaculture	Saidia (Morocco)	66.68
Ovinos da Tapada - Agropecuária, Lda.	Animal farming	Fundão	80.00

### Joint ventures and associates

Company	Business area	Head office	% Owned
Finançor Distribuição Alimentar, Lda.	Retail sales in supermarkets	Ponta Delgada	20.00
Finançor Cash & Carry, Lda.	Wholesale of food and consumer goods	Ponta Delgada	20.00
Tastyfruits, Lda.	Farming of crops	Lisboa	50.00

## 2. Accounting policies

### 2.1. Basis for preparation

All amounts are shown in thousand euros (EUR thousand) unless otherwise stated.

JMH consolidated financial statements were prepared in accordance with the interim financial reporting standard (IAS 34), and all other International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB) and with the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the European Union (EU).

The consolidated financial statements were prepared in accordance with the same standards and accounting policies adopted by the Group in the preparation of the annual financial statements, except for the adoption of new standards, amendments and interpretations, effective as of 1 January 2021, and including an explanation of the events and relevant changes for the understanding of variations in the financial position and Group performance since the last annual report. Thus, the accounting policies as well as some of the notes from the 2020 annual report are omitted because no changes occurred, or they are not materially relevant for the understanding of the interim financial statements.

### Change in accounting policies and basis for preparation:

#### 2.1.1. New standards, amendments and interpretations adopted by the Group

Between December 2020 and August 2021, the EU issued the following Regulations, which were adopted by the Group with effects from 1 January 2021:

EU Regulation	IASB Standard or IFRIC Interpretation endorsed by EU	Issued in	Mandatory for financial years beginning on or after
Regulation no. 2097/2020	IFRS 4 Insurance Contracts (will be superseded by IFRS 17): Extension of the Temporary Exemption from Applying IFRS 9 (amendments)	June 2020	1 January 2021
Regulation no. 25/2021	IFRS 9 Financial Instruments; IAS 39 Financial Instruments: Recognition and Measurement; IFRS 7 Financial Instruments: Disclosures; IFRS 4 Insurance contract; and IFRS 16 Leases – Interest Rate Benchmark Reform – Phase 2 (amendments)	August 2020	1 January 2021
Regulation no. 1421/2021	IFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021 (amendments)	March 2021	1 January 2021

The Group adopted the above amendments, with no significant impact on its Consolidated Financial Statements.

#### 2.1.2. New standards, amendments and interpretations endorsed by EU but not effective for the financial year beginning 1 January 2021 and not early adopted

The EU endorsed in June 2021 several amendments, issued by the IASB, to be applied in subsequent periods.

EU Regulation	IASB Standard or IFRIC Interpretation endorsed by EU	Issued in	Mandatory for financial years beginning on or after
Regulation no. 1080/2021	IFRS 3 Business Combinations: References to the Conceptual Framework (amendments)	May 2020	1 January 2022

EU Regulation	IASB Standard or IFRIC Interpretation endorsed by EU	Issued in	Mandatory for financial years beginning on or after
	IAS 16 Property, Plant and Equipment: Income prior to expected use (amendments) IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Costs of fulfilling onerous contracts (amendments) 2018-2020 cycle of improvements to the IFRS standards: IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases and IAS 41 Agriculture (amendments)		

These amendments are effective for annual periods beginning on or after 1 January 2022 and have not been applied in preparing these Consolidated Financial Statements. None of these changes are expected to have a significant impact on the Group's Consolidated Financial Statements.

### 2.1.3. New standards, amendments and interpretations issued by IASB and IFRIC, but not yet endorsed by EU

IASB issued between February and May 2021 the following amendments that are still pending endorsement by the EU:

IASB Standard or IFRIC Interpretation	Issued in	Expected application for financial years beginning on or after
IAS 1 Presentation of Financial Statements: Classification Disclosure of Accounting policies (amendments)	February 2021	1 January 2023
IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (amendments)	February 2021	1 January 2023
IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (amendments)	May 2021	1 January 2023

The Management is currently evaluating the impact of adopting these amendments to standards already in place, and so far does not expect a significant impact on the Group's Consolidated Financial Statements.

### 2.1.4. Change of accounting policies



Except as disclosed above, the Group has not changed its accounting policies during 2021, nor were identified errors regarding previous years, which compel the restatement of Financial Statements.

## 2.2. Transactions in foreign currencies

Transactions in foreign currencies are translated into the functional currency (euro) at the exchange rate prevailing on the transaction date.

At the balance sheet date, monetary assets and liabilities expressed in foreign currencies are translated at the exchange rate prevailing on that date and exchange differences arising from this conversion are recognised in the income statement. When qualifying as cash flow hedges or hedges on investments in foreign subsidiaries or when classified as other financial investments, which are equity instruments, the exchange differences are deferred in equity.

The main exchange rates applied on the balance sheet date are those listed below:

Euro foreign exchange reference rates (x foreign exchange units per 1 euro)	 Polish Zloty (PLN)	 Colombian Peso (COP)
	<b>Rate at 30 September 2021</b>	4.6197
<b>Average rate for the period</b>	4.5477	4,432.0300
Rate at 30 September 2020	4.5462	4,541.4600
Average rate for the period	4.4229	4,145.3100

## 3. Segments reporting

Segment information is presented in accordance with internal reporting to Management. Based on this report, the Management evaluates the performance of each segment and allocates the available resources.

Management monitors the performance of the business based on a geographical and business perspective. Since the business units in the distribution area in Portugal share a set of competences, the Group analyses, on a quarterly basis, its segments in an aggregate performance perspective. In addition, the Group also separates the business units Poland Retail and Colombia Retail. Apart from these there are also other businesses which due to their low materiality, are not reported separately.

The identified operating segments are:

- Portugal Distribution: comprises the business unit of JMR (Pingo Doce supermarkets) and the business unit Recheio (Wholesale operation of cash & carry and foodservice);
- Poland Retail: the business unit which operates under Biedronka banner;
- Colombia Retail: the business unit which operates under Ara banner;
- Others, eliminations and adjustments: include i. business units with reduced materiality (Coffee Shops Chocolate Stores and Agribusiness in Portugal, and Health and Beauty Retail in Poland); ii. the Holding Companies; and iii. Group's consolidation adjustments.

### Detailed information by operating segments as at September 2021 and 2020

	Portugal Distribution		Poland Retail		Colombia Retail		Others, eliminations and adjustments		Total JM Consolidated	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>Net sales and services</b>	<b>3,613,169</b>	<b>3,487,889</b>	<b>10,630,181</b>	<b>9,909,456</b>	<b>757,714</b>	<b>615,500</b>	<b>204,944</b>	<b>185,097</b>	<b>15,206,008</b>	<b>14,197,942</b>
Inter-segments	624	683	-	1,198	-	-	(624)	(1,881)	-	-
External customers	3,612,545	3,487,206	10,630,181	9,908,258	757,714	615,500	205,568	186,978	15,206,008	14,197,942
<b>Operational cash flow (EBITDA)</b>	<b>213,906</b>	<b>190,020</b>	<b>972,088</b>	<b>913,410</b>	<b>15,020</b>	<b>(22,502)</b>	<b>(57,108)</b>	<b>(51,570)</b>	<b>1,143,906</b>	<b>1,029,358</b>
Depreciations and amortisations	(128,178)	(128,409)	(357,273)	(351,290)	(37,655)	(36,395)	(33,017)	(28,700)	(556,123)	(544,794)
<b>Earnings before interest and taxes (EBIT)</b>	<b>85,728</b>	<b>61,611</b>	<b>614,815</b>	<b>562,120</b>	<b>(22,635)</b>	<b>(58,897)</b>	<b>(90,125)</b>	<b>(80,270)</b>	<b>587,783</b>	<b>484,564</b>
Other operating profits/losses									(7,577)	(20,898)
<b>Financial results and gains in investments</b>									<b>(119,002)</b>	<b>(140,144)</b>
Income tax									(119,848)	(95,012)
<b>Net result attributable to JM</b>									<b>323,829</b>	<b>219,179</b>
<b>Total assets <sup>(1)</sup></b>	<b>2,657,564</b>	<b>2,657,715</b>	<b>5,402,471</b>	<b>5,639,797</b>	<b>771,651</b>	<b>760,113</b>	<b>697,314</b>	<b>370,285</b>	<b>9,529,000</b>	<b>9,427,910</b>
<b>Total liabilities <sup>(1)</sup></b>	<b>2,145,523</b>	<b>2,149,463</b>	<b>4,405,550</b>	<b>4,531,354</b>	<b>752,267</b>	<b>752,972</b>	<b>(159,942)</b>	<b>(263,070)</b>	<b>7,143,398</b>	<b>7,170,719</b>
<b>Investments in tangible and intangible assets</b>	<b>57,677</b>	<b>71,496</b>	<b>231,486</b>	<b>141,012</b>	<b>32,741</b>	<b>16,162</b>	<b>20,252</b>	<b>29,385</b>	<b>342,156</b>	<b>258,055</b>

(1) The comparative report is 31 December of 2020

### Reconciliation between EBIT and operating profit

	2021	2020
EBIT	587,783	484,564
Other operating profits/losses	(7,577)	(20,898)
<b>Operational result</b>	<b>580,206</b>	<b>463,666</b>



## 4. Operating costs by nature

	Sep 2021	Sep 2020
Cost of goods sold and materials consumed	(11,746,235)	(11,054,303)
Changes in inventories of finished goods and work in progress	7,927	1,889
Net cash discount and interest paid to suppliers	25,608	19,412
Electronic payment commissions	(34,339)	(30,715)
Other supplementary costs	(150,598)	(4,230)
Supplies and services	(559,998)	(557,591)
Advertising costs	(74,205)	(65,378)
Rents	(11,863)	(10,441)
Staff costs	(1,371,075)	(1,301,731)
Transportation costs	(169,119)	(148,705)
Depreciation and amortisation of tangibles and intangibles assets	(317,752)	(307,666)
Depreciation of right-of-use assets	(238,371)	(237,128)
Profit/loss with tangible and intangible assets	(2,767)	(4,470)
Profit/loss with right-of-use assets	842	583
Other natures of profit/loss	16,143	(33,802)
<b>Total</b>	<b>(14,625,802)</b>	<b>(13,734,276)</b>

The increase in Other supplementary costs, compared to the first nine months of 2020, is essentially due to the “Retail tax”, a tax applied on the sales of Group companies operating in Poland, since the beginning of 2021.

### 4.1. Other operating profits/losses

Operating costs by nature include the following other operating losses and gains considered material, which are excluded from the Group's performance indicators, to assure a better comparability between financial periods:

	Sep 2021	Sep 2020
Legal contingencies	(472)	-
Losses from organizational restructuring programmes	(6,391)	(6,047)
Costs related with activities closure and projects canceled	-	(5,987)
Assets write-offs and gains/losses in sale of tangible assets	(714)	(846)
Impairment losses on current assets	-	(6,295)
Other	-	(1,723)
<b>Total</b>	<b>(7,577)</b>	<b>(20,898)</b>

## 5. Net financial costs

	Sep 2021	Sep 2020
Loans interest expense	(12,467)	(16,978)
Leases interest expense	(96,602)	(95,005)
Interest received	197	2,151
Net foreign exchange	(3,173)	(5,332)
Net foreign exchange on leases	(4,231)	(20,492)
Other financial gains and losses	(3,464)	(5,008)
Fair value of financial investments held for trade:		
Derivative instruments (note 8)	269	396
<b>Total</b>	<b>(119,471)</b>	<b>(140,268)</b>

Interest expense includes the interest on loans measured at amortised cost and interest on derivatives of fair-value hedge and cash flow hedge (note 8).

Exchange differences on Net foreign exchange on leases refer to the exchange rate update, reported on 30 September, on the euro-denominated lease contracts of the subsidiaries Jeronimo Martins Polska, SA (JMP or Biedronka) and Jeronimo Martins Drogerie i Farmacja Sp.zo.o. (JMDiF or Hebe), compared to the amount recognised at the end of the previous year (31 December).

Other financial gains and losses include costs with debt issued by the Group, recognised in results through effective interest method.

## 6. Income tax recognised in the income statement

	Sep 2021	Sep 2020
<b>Current income tax</b>		
Current tax of the year	(133,688)	(130,317)
Adjustment to prior year estimation	3,168	2,360
<b>Total</b>	<b>(130,520)</b>	<b>(127,957)</b>
<b>Deferred tax</b>		
Temporary differences created and reversed	15,916	31,521
Change to the recoverable amount of tax losses and temporary differences from previous years	(5,636)	487
<b>Total</b>	<b>10,280</b>	<b>32,008</b>
<b>Other gains/losses related to tax</b>		
Impact of changes in estimates for tax litigations	392	937
<b>Total</b>	<b>392</b>	<b>937</b>
<b>Total income tax</b>	<b>(119,848)</b>	<b>(95,012)</b>

In 2021 and 2020, the Corporate Income Tax rate (CIT) applied to companies operating in Portugal was 21%. For companies with a positive tax result, there is a surcharge of 1.5% regarding municipal tax, and an additional state tax that varies between 3%, 5% and 9%, for taxable profits higher than EUR 1,500 thousand, EUR 7,500 thousand and EUR 35,000 thousand respectively.

In Poland, for 2021 and 2020, the income tax rate applied to taxable income was 19%.

In Colombia, the income tax rate was 31% in 2021 (32% in 2020). In 2021, if a taxable loss is determined, a tax rate of 0.5% is levied on the net asset value (0.5% in 2020).

## 7. Tangible assets, intangible assets, investment property and right-of-use assets

	Tangible assets	Intangible assets	Investment property	Right-of-use assets	Total
<b>Net value at 31 December 2020</b>	<b>3,817,255</b>	<b>757,368</b>	<b>8,523</b>	<b>2,166,551</b>	<b>6,749,697</b>
Foreign exchange differences	(47,421)	(5,263)	-	(31,459)	(84,143)
Increases	332,922	9,234	-	169,013	511,169
Contracts update	-	-	-	118,750	118,750
Disposals and write-offs	(5,349)	(46)	-	(22)	(5,417)
Contracts cancellation	-	-	-	(19,404)	(19,404)
Transfers	1,022	(382)	-	(640)	-
Depreciation, amortisation and impairment losses	(308,463)	(9,289)	-	(238,371)	(556,123)
Fair value changes	-	-	(31)	-	(31)
<b>Net value at 30 September 2021</b>	<b>3,789,966</b>	<b>751,622</b>	<b>8,492</b>	<b>2,164,418</b>	<b>6,714,498</b>

The increase in tangible assets correspond to the Group's investments in new stores and distribution centres and remodelling of the existing stores.

Net value of intangible assets at 30 September 2021 include Goodwill in the amount of EUR 616,324 thousand.

Due to currency translation adjustment of the assets in the Group's businesses reported in foreign currency, the net amount of tangible and intangible assets and right-of-use assets decreased by EUR (84,143) thousand, which includes a decrease of EUR (3,763) thousand related to Goodwill from businesses in Poland.

## 8. Derivative financial instruments

	Sep 2021					Dec 2020				
	Notional	Assets		Liabilities		Notional	Assets		Liabilities	
		Current	Non-current	Current	Non-current		Current	Non-current	Current	Non-current
<b>Derivatives held for trading</b>										
Currency forwards - stock purchase (COP/EUR)	1.7 million EUR	-	-	67	-	1.3 million EUR	1	-	19	-
Currency forwards - stock purchase (COP/USD)	2.9 million USD	24	-	24	-	1.6 million USD	-	-	83	-
Currency forwards - stock purchase (EUR/USD)	0.2 million USD	-	-	3	-	0.5 million USD	1	-	3	-
Currency forwards - stock purchase (PLN/EUR)	60.3 million EUR	1.345	-	-	-	41.9 million EUR	1.607	-	-	-
Currency forwards - stock purchase (PLN/USD)	8.8 million USD	464	-	-	-	0.7 million USD	-	-	15	-
<b>Cash flow hedging derivatives</b>										
Currency forwards - stock purchase (PLN/USD)	0.1 million USD	4	-	-	-	3 million USD	22	-	-	-
<b>Foreign operation investments hedging derivatives</b>										
Currency forwards (PLN)	619 million PLN	1.343	-	208	-	656 million PLN	1.980	-	284	-
<b>Total derivatives held for trading</b>		<b>1.833</b>	<b>-</b>	<b>94</b>	<b>-</b>		<b>1.609</b>	<b>-</b>	<b>120</b>	<b>-</b>
<b>Total hedging derivatives</b>		<b>1.347</b>	<b>-</b>	<b>208</b>	<b>-</b>		<b>2.002</b>	<b>-</b>	<b>284</b>	<b>-</b>
<b>Total assets/liabilities derivatives</b>		<b>3.180</b>	<b>-</b>	<b>302</b>	<b>-</b>		<b>3.611</b>	<b>-</b>	<b>404</b>	<b>-</b>

## 9. Trade debtors, accrued income and deferred costs

	Sep 2021	Dec 2020
<b>Non-current</b>		
Other debtors	68,838	67,449
Deferred costs	3,242	2,889
<b>Total</b>	<b>72,080</b>	<b>70,338</b>
<b>Current</b>		
Commercial customers	49,529	42,827
Other debtors	150,224	117,175
Other taxes receivable	8,120	8,040
Accrued income and deferred costs	194,896	224,981
<b>Total</b>	<b>402,769</b>	<b>393,023</b>

## 10. Cash and cash equivalents

	Sep 2021	Dec 2020
Bank deposits	956,107	753,030
Short-term investments	206,365	284,174
Cash in hand	4,485	4,186
<b>Total</b>	<b>1,166,957</b>	<b>1,041,390</b>

## 11. Dividends

Dividends in the amount of EUR 198,188 thousand were paid in 2021, to JMH shareholders in the amount of EUR 180,989 thousand and to partners with non-controlling interests in the Group companies in the amount of EUR 17,199 thousand.

## 12. Basic and diluted earnings per share

	Sep 2021	Sep 2020
Ordinary shares issued at the beginning of the year	629,293,220	629,293,220
Own shares at the beginning of the year	(859,000)	(859,000)
<b>Weighted average number of ordinary shares</b>	<b>628,434,220</b>	<b>628,434,220</b>
Diluted net results of the year attributable to ordinary shares	323,829	219,179
<b>Basic and diluted earnings per share – Euros</b>	<b>0.5153</b>	<b>0.3488</b>

## 13. Borrowings

The Group has negotiated commercial paper programs in the total amount of EUR 365,000 thousand, of which EUR 115,000 thousand are committed. The utilizations under these programs are remunerated at the Euribor rate for the respective issue period, plus variable spreads. No utilizations as of 30 September 2021.

Jerónimo Martins Colombia, SAS reduced the use of short-term credit lines by m COP 50,000,000, around EUR 11,000 thousand.

### 13.1. Current and non-current loans

Sep 2021	Opening balance	Cash flows	Foreign exchange difference	Closing balance
<b>Non-current loans</b>				
Bank loans	363,798	(8,968)	(10,364)	344,466
<b>Total</b>	<b>363,798</b>	<b>(8,968)</b>	<b>(10,364)</b>	<b>344,466</b>
<b>Current loans</b>				
Bank loans	159,730	(4,444)	(8,098)	147,188
<b>Total</b>	<b>159,730</b>	<b>(4,444)</b>	<b>(8,098)</b>	<b>147,188</b>

## 14. Lease liabilities

Sep 2021	Current	Non current	Total
<b>Opening balance</b>	<b>376,694</b>	<b>1,896,547</b>	<b>2,273,241</b>
Increases (new contracts)	23,747	145,266	169,013
Payments	(215,462)	(26)	(215,488)
Transfers	187,269	(187,269)	-
Contracts change/ cancel	14,592	83,912	98,504
Foreign exchange difference	(4,700)	(24,641)	(29,341)
<b>Closing balance</b>	<b>382,140</b>	<b>1,913,789</b>	<b>2,295,929</b>

During the first nine months of 2021, the incremental borrowing rates used to measure lease liabilities were revised, considering changes in the financial markets. Nevertheless, the average incremental borrowing rate at 30 September 2021 did not change significantly comparing to the one at 31 December 2020.

## 15. Financial net debt

As the Group contracted several foreign exchange rate risk and interest risk hedging operations, as well as short-term investments, the net consolidated financial debt as at the balance sheet date is:

	Sep 2021	Dec 2020
Non-current loans (note 13.1)	344,466	363,798
Current loans (note 13.1)	147,188	159,730
Financial lease liabilities - non-current (note 14)	1,913,789	1,896,547
Financial lease liabilities - current (note 14)	382,140	376,694
Derivative financial instruments (note 8)	(2,878)	(3,207)
Interest on accruals and deferrals	2,800	272
Cash and cash equivalents (note 10)	(1,166,957)	(1,041,390)
<b>Total</b>	<b>1,620,548</b>	<b>1,752,444</b>

## 16. Provisions and employee benefits

	Risks and contingencies	Employee benefits
<b>Balance as at 1 January</b>	<b>32,831</b>	<b>70,079</b>
Set up, reinforced and transfers	1,331	6,139
Unused and reversed	(499)	-
Foreign exchange difference	(162)	(381)
Used	(226)	(2,419)
<b>Balance as at 30 September</b>	<b>33,275</b>	<b>73,418</b>

## 17. Trade creditors, accrued costs and deferred income

	Sep 2021	Dec 2020
<b>Non-current</b>		
Other commercial creditors	-	91
Accrued costs and deferred income	685	688
<b>Total</b>	<b>685</b>	<b>779</b>
<b>Current</b>		
Other commercial creditors	3,191,705	3,255,756
Other non-commercial creditors	245,210	278,645
Other taxes payables	124,760	115,682
Contracts liabilities with customers	5,893	6,885
Refunds liabilities to customers	491	629
Accrued costs and deferred income	587,869	496,240
<b>Total</b>	<b>4,155,928</b>	<b>4,153,837</b>

## 18. Contingencies

### Contingent liabilities

As at 30 September 2021, the following changes occurred to the contingencies mentioned in the 2020 Annual Report:

- In Portugal, following search and seizure actions carried out in late 2016 and early 2017 in several entities operating in the food distribution sector, the Portuguese Competition Authority (AdC) determined the opening of several inquiries, in the scope of which it came to issue against suppliers and retailers, including the subsidiary Pingo Doce, eight statements of objections for alleged anti-competitive practices, consisting of price alignment for certain products.

At the end of 2020, Pingo Doce was notified of decisions issued by AdC regarding two of the above-mentioned proceedings, imposing fines on six retailers and two of their suppliers. In the case of Pingo Doce these decisions implied a single fine in the amount of EUR 91,090 thousand.

Pingo Doce totally disagrees with such decisions which it considers to be completely ungrounded. As such, the Company has already presented the respective appeals before the Competition, Regulation and Supervision Court ("Tribunal da Concorrência, Regulação e Supervisão"). Under the terms of the applicable law, Pingo Doce also requested the awarding of suspensive effect to the appeals, subject to providing a guarantee, to prevent the immediate payment of the fine. Based on the opinion of its legal counsels and economic advisors, the Company is fully convinced of the strength and merits of its position. Therefore, no provisions were recognised for this imposed fine in its accounts.

As to the remaining six proceedings, Pingo Doce has already filed the respective statements of defense - as it considers all the statements of objections to be ungrounded - and will wait for the respective decisions from AdC.

- In Poland, during the year 2020, JMP was notified by the Competition and Consumer Protection (UOKiK) on the opening of two proceedings related, on one hand, to the accuracy of the promotions' information on the Company's website and, on the other, to the disclosure of country of origin of fruit and vegetable products at store level.

In the case of promotions a commitment was reached with the UOKiK, which consisted in organizing educational campaigns for consumers who, as a result of their participation, they can receive discount vouchers on purchases. The total amount of these vouchers amounts to PLN 7,500 thousand. No fine was imposed.

On 22 April 2021 UOKiK notified JMP of the decision on the case regarding information on products' country of origin, imposing a fine of PLN 60,096 thousand (c. EUR 13,000 thousand). The mentioned decision is not final, so JMP, disagreeing with the understanding and conclusion of this Authority, filed an appeal.

- The Portuguese Tax Authorities (PTA) have informed Recheio SGPS that it should restate the dividends received, amounting to EUR 81,952 thousand, from its subsidiary in the Madeira Free Zone in the years 2000 to 2003, considering them as interest for tax purposes. According to the PTA the said income should be subject to Corporate Income Tax (CIT) as opposed to dividends received that are exempt. The PTA have issued additional assessments, amounting to EUR 20,888 thousand, of which EUR 19,581 thousand is still in dispute. In spite of a judicial claim that was ruled in favour of the PTA, the Board of Directors maintains its convictions and claimed against them judicially. The Central Administrative Court has now ruled in favor of Recheio, although the PTA has claimed against that decision;
- The PTA have informed JMH, to restate the dividends received, amounting to EUR 10,568 thousand, from one subsidiary in the Madeira Free Zone in 2004 and 2005, considering them as interest for tax purposes. According to the PTA the said income should be subject to CIT as opposed to the dividends received that are exempt.

Regarding this correction the tax amount in dispute is EUR 3,065 thousand. The Central Administrative Court decided that the Lisbon Tax Court should again reanalyze the case, and regarding both years 2004 and 2005 this Court already ruled in favor of JMH, although the PTA has claimed against those decisions;

- e) The PTA carried out some corrections of VAT rates applied to certain goods sold by some Group Companies. With these corrections the total amount of assessments for the years 2005 to 2016 in Pingo Doce, Feira Nova and Recheio amounted to EUR 2,291 thousand, EUR 1,300 thousand and EUR 428 thousand, respectively. The Central Administrative Court ruled in favor of Pingo Doce concerning the year 2006 and partially in favor of Recheio concerning the year 2008;
  - h) The PTA assessed, regarding 2016 and 2017, JMR SGPS and JMH (as the head of the Tax Group in which Recheio SGPS is included), the amounts of EUR 78,902 thousand and EUR 19,972 thousand, respectively, related to the taxation in CIT of  $\frac{1}{4}$  of the results generated in internal operations of the Tax Group, in each of these years. As explained in the 2018 Annual Report (and previous years), this assessment results from the application of the transitional rule included in the Portuguese State Budget of 2016 (and then in the next three Budgets). Based on the assessment of our lawyers and fiscal advisors, we firmly believe that there are sufficient grounds to oppose the said rules. Therefore, no provisions have been made for the amount assessed;
  - i) The Food and Veterinary Department (Direcção-Geral de Alimentação e Veterinária) claimed from Pingo Doce, Recheio and Hussen an amount of EUR 23,832 thousand, EUR 2,226 thousand and EUR 51 thousand, respectively, in respect of the Food Safety Tax (Taxa de Segurança Alimentar Mais – TSAM) assessed for the years 2012 to 2021. The values at stake have been challenged in Court, since it is understood that this tax is not due, namely on the grounds of the unconstitutional nature of the Statute that approved the TSAM. Despite the court having decided that the Food Safety Tax is not unconstitutional, the Companies maintain their understanding and presented the respective appeal to the Constitutional Court, that has upheld the decision. The Group filed a complaint with the European Commission considering that we are in the presence of illegal State aid. The companies of the Group continue to challenge the decisions, carrying out regular analysis of the risk and the likelihood of a favourable outcome in any of the processes and / or the complaint to the European Commission. In order to protect its legitimate interests and not to harm its position in these disputes, it does not disclose the amounts that could be provisioned;
- In addition, there were two new contingent liabilities:

The PTA assessed JMR SGPS, regarding 2017, the amount of EUR 11,084 thousand, regarding the restate of the dividends received in the year 2017, amounting to approximately EUR 45,000 thousand, from one subsidiary in the Madeira Free Zone in 2017. In the opinion of PTA, these dividends should be treated as interest received, which is subject to CIT as opposed to the dividends that are exempt. In view of some specific technical aspects of this case and recent Court decisions (see paragraphs a) and d) above), the Board of Directors, supported by its lawyers and tax advisers, believes the Company has sufficient grounds for its defense;

The court trustee of the company ZM Kania has brought a lawsuit against JMP for the amount of PLN 23,247 thousand (EUR 5,131 thousand). The claim is based on all the discounts that JMP collected from this supplier in the period 2016-2019 with grounds on the Unfair competition act (all granted rappels are argued as not constituting a price element) and on the Law on protection of competition and consumers. JMP considers that it has strong arguments to generally counter the amounts claimed.

## 19. Related parties

56.136% of the Group is owned by the Sociedade Francisco Manuel dos Santos, B.V.. There were no direct transactions between this and any other company of the Group in the first nine months of 2021.

There were no amounts payable or receivable between them on 30 September 2021.

Balances and transactions of Group Companies with related parties are as follows:

	Joint ventures		Associates		Other related parties(*)	
	Sep 2021	Sep 2020	Sep 2021	Sep 2020	Sep 2021	Sep 2020
Sales and services rendered	-	-	15,079	-	6	81
Interest income	41	45	-	-	-	-
Stocks purchased and services supplied	4,250	3,615	(25)	-	74,879	71,060

	Joint ventures		Associates		Other related parties(*)	
	Sep 2021	Dec 2020	Sep 2021	Dec 2020	Sep 2021	Dec 2020
Trade debtors, accrued income and deferred costs	37	50	4,653	-	41	107
Trade creditors, accrued costs and deferred income	1,152	735	-	-	25,177	18,365

(\*) Other related parties corresponds to Other financial investments, entities participated and/or controlled by the major shareholder of Jerónimo Martins and entities owned or controlled by members of the Board of Directors.

All the transactions with related parties were made under normal market conditions, meaning, the transaction value corresponds to prices that would be applicable between non-related parties.

Outstanding balances between Group Companies and related parties, as a result of trade agreements, are settled in cash, and are subject to the same payment terms as those applicable to other agreements contracted between Group Companies and their suppliers.

There are no provisions for doubtful debts and no costs were recognised during the year related with bad debts or doubtful debts with these related parties.

## 20. Events after the balance sheet date

At the conclusion of this Report there were no relevant events to highlight that are not disclosed in the Financial Statements.

Lisbon, 26 October 2021

**The Certified Accountant**

**The Board of Directors**