Jerónimo Martins

CONSOLIDATED REPORT AND ACCOUNTS

FIRST QUARTER 2021

Unaudited

INDEX

Message from the Chairman and CEO

Pedro Soares dos Santos

'This quarter is particularly difficult to compare with Q1 20. We registered an excellent performance in January and February 2020 before being strongly and unexpectedly impacted in March by the first effects of the Covid-19 pandemic.

The resilience and good work in 2020 allowed our banners to enter 2021 with reinforced value propositions and ready to face the uncertain evolution of the pandemic and its impacts.

Supported by the Group's long term vision and strong financial position, and despite the current demanding circumstances, our businesses will take all actions necessary to continue to grow while maintaining our priorities: protecting our teams and clients, cooperating with our suppliers and supporting the communities we serve. At the same time, efficiency projects will continue to strengthen the business models and protect profitability.

Due to the seasonality of the business, the first quarter is the one with the lowest turnover in the year. These results are nonetheless encouraging and reinforce our confidence that all our banners will guarantee consumer preference and deliver profitable growth in 2021.'

I - CONSOLIDATED MANAGEMENT REPORT

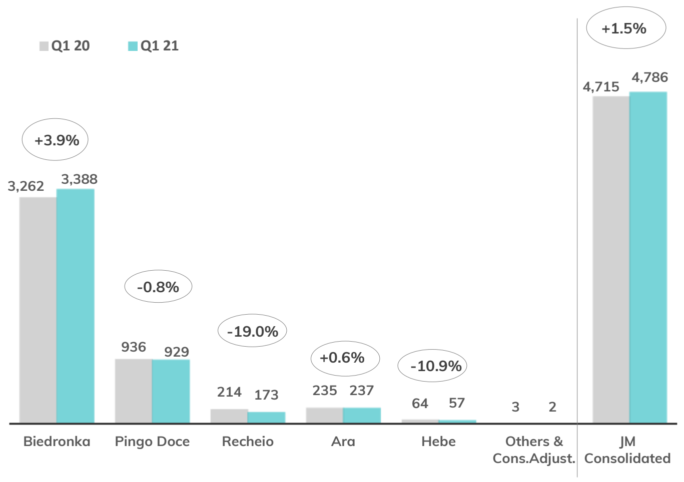
In comparing first quarter 2021 with first quarter 2020, it is important to recall that the companies had an excellent performance in the first two months of 2020 before being strongly impacted in March by the first effects of the Covid-19 pandemic.

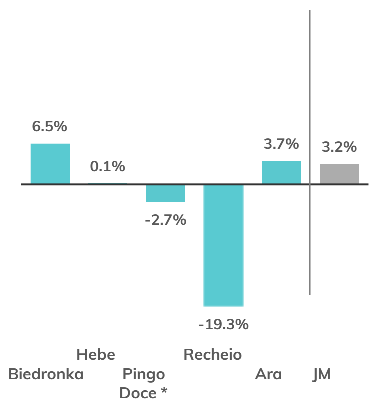
Strong sales performance driving a solid start to the year

1. Sales Analysis

(Million Euro)	Q1 21		Q1 20		Δ %	
		% total		% total	excl. FX	Euro
Biedronka	3,388	70.8%	3,262	69.2%	9.2%	3.9%
Pingo Doce	929	19.4%	936	19.9%		-0.8%
Recheio	173	3.6%	214	4.5%		-19.0%
Ara	237	4.9%	235	5.0%	10.5%	0.6%
Hebe	57	1.2%	64	1.4%	-6.3%	-10.9%
Others & Cons. Adjustments	2	0.0%	3	0.1%		-39.3%
Total JM	**4,786**	**100%**	**4,715**	**100%**	**5.7%**	**1.5%**

Group sales were €4.8 bn, 1.5% above first quarter 2020 (+5.7% at constant exchange rates), with like for like (LFL) of 3.2%.





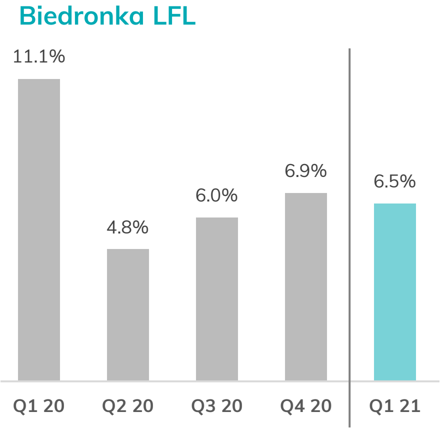
* Excl. Fuel LFL: -1.6%

In **Poland,** consumers continued to prefer shopping in proximity while looking for quality and price opportunities.

Despite a negative impact on impulse buying, the confinement measures benefitted food retail sales, as the closure of schools and restaurants resulted in an increase in the number of meals prepared at home.

The operating environment remained highly competitive and promotions-driven. Consumers reacted positively to innovative and strong commercial campaigns.

Food inflation declined to 0.6% in first quarter. This decline was mostly driven by products such as meat that had registered substantial price increases in first quarter 2020.



Biedronka remained focused on guaranteeing the preference of consumers, combining price leadership with an evolving offer.

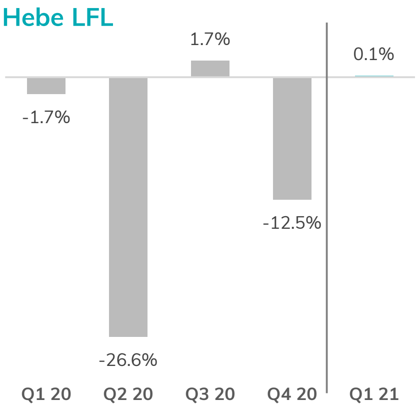
In the ongoing pandemic situation, the banner continued to respond to consumers' need for availability in a safe environment with flexible opening hours.

Sales grew 9.2% in local currency, including a LFL of 6.5%, delivering another quarter of solid market share increase.

Despite negative basket inflation, the LFL benefited from a positive Easter impact, boosted by Biedronka's campaigns designed for this season.

In euro terms, sales reached €3.4 bn, 3.9% ahead of the previous year.

Executing its investment programme for the year, the Company opened 21 stores (15 net additions) and remodelled 79 locations during the quarter.

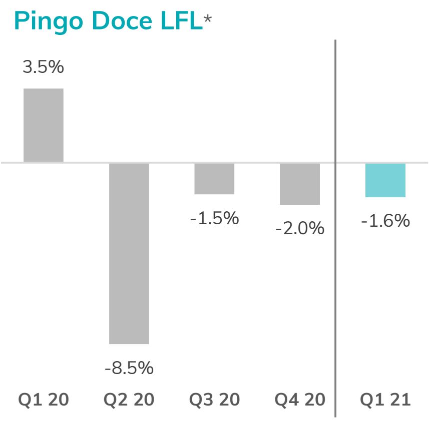


Hebe registered sales of €57 mn, 10.9% below first quarter of 2020 (-6.3% in local currency). Excluding the pharma business, closed in July 2020, sales increased 5.4% with a LFL of 0.1%.

Against a strong comparable in the first two months of last year, sales were impacted by the closure of shopping malls during January 2021. In March, with the opening of the shopping malls and a comparable that already reflects the outbreak of the pandemic in 2020, sales recovery was strong.

The online sales are also contributing to the top line performance having more than tripled vs. first quarter 2020.

In **Portugal**, consumer demand remained soft and food inflation decelerated from previous months to 0.9% in first quarter 2021.



* Excl. Fuel

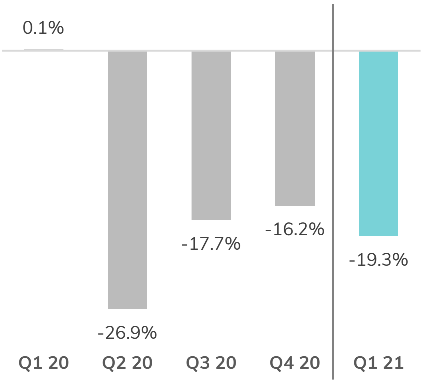
Pingo Doce continued to be impacted by restrictions on the number of people inside the stores, which particularly affected the first two months of the year. March, already with positive performance, reflected an easier comparative in the last weeks of the month.

The banner maintained a strong promotional policy having in mind the consumer needs in challenging times.

Sales reached €929 mn, a reduction of 0.8% due to the gas stations' negative performance. Excluding fuel, sales grew 0.3% versus first quarter 2020 with a LFL of -1.6%. It is important to flag that this performance incorporates negative basket inflation.

The banner opened two new locations and carried out five renovations.

Recheio LFL

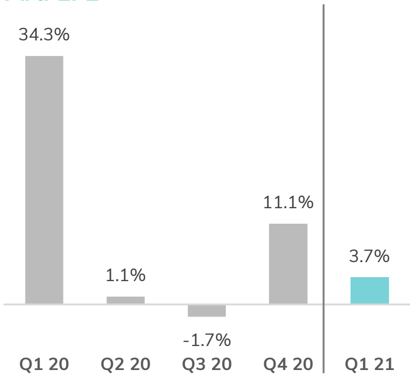


Recheio's sales were at €173 mn, a reduction of 19.0% versus first quarter 2020 with LFL at -19.3%.

The closure of restaurants and coffee shops from mid-January severely impacted the performance in the HoReCa's segment, though growth was maintained in the Traditional Retail (mom & pop's) segment.

In **Colombia**, the economic context was fragile, impacted by strict and long-lasting lockdowns in 2020.

Ara LFL



In this context, **Ara** increased sales in local currency by 10.5%, with a LFL of 3.7% despite the strong base of comparison.

In euro terms, sales increased 0.6% to €237 mn.

In the first quarter, the Company opened 26 stores, progressing well on its expansion plan.

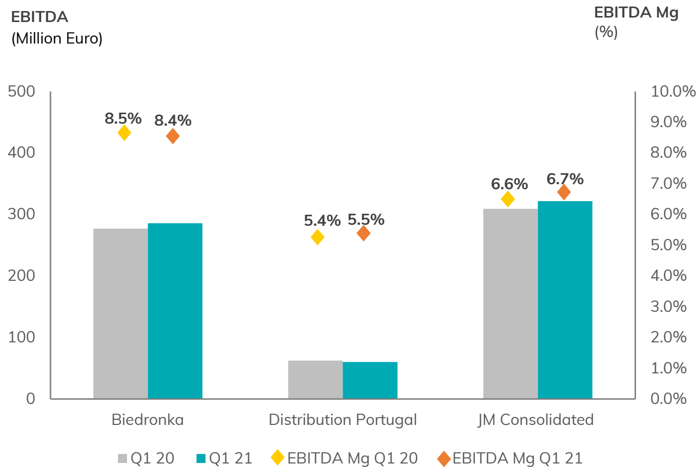
2. Results Analysis

(Million Euro)	Q1 21		Q1 20		Δ
Net Sales and Services	**4,786**		**4,715**		**1.5%**
Gross Profit	1,029	21.5%	1,041	22.1%	-1.1%
Operating Costs	-708	-14.8%	-731	-15.5%	-3.3%
EBITDA	**322**	**6.7%**	**309**	**6.6%**	**4.0%**
Depreciation	-185	-3.9%	-183	-3.9%	1.1%
EBIT	**137**	**2.9%**	**127**	**2.7%**	**8.3%**
Net Financial Costs	-45	-0.9%	-63	-1.3%	-28.7%
Gains in Joint Ventures and Associates	0	0.0%	0	0.0%	n.a.
Other Profits/Losses	-3	-0.1%	-5	-0.1%	n.a.
EBT	**90**	**1.9%**	**59**	**1.3%**	**51.5%**
Income Tax	-28	-0.6%	-22	-0.5%	29.0%
Net Profit	**61**	**1.3%**	**37**	**0.8%**	**64.8%**
Non-Controlling Interests	-4	-0.1%	-2	-0.1%	43.4%
Net Profit Attributable to JM	**58**	**1.2%**	**35**	**0.7%**	**66.3%**
EPS (€)	0.09		0.06		66.3%
EPS without Other Profits/Losses (€)	0.09		0.06		57.2%

Operating Profit (EBITDA)

The Group's EBITDA reached €322 mn, 4.0% above first quarter 2020. At constant exchange rates, EBITDA increased 8.9%. The EBITDA margin was 6.7% (6.6% in first quarter 2020).

EBITDA & EBITDA Margin (IFRS16)



This good margin performance results from the solid top line, the assertive margin mix management and the good delivery of the cost containment programmes in all companies. Also, worth recalling that first quarter 2020 was impacted by higher costs due to the outbreak of the Covid-19 pandemic in March 20.

Biedronka recorded an EBITDA of €286 mn, an increase of 3.1% vs. first quarter 2020 (+8.4% at constant exchange rates).

The EBITDA margin was 8.4% versus 8.5% in the same period of previous year. Strong top line delivery, effective margin-mix management and increased efficiency and cost discipline, which already incorporates the operations' adjustments to the pandemic situation, protected the EBITDA margin despite the negative impact of the retail tax introduced in January.

Distribution in Portugal posted an EBITDA of €60 mn, 3.6% below the same period in 2020. The EBITDA margin was 5.5% (5.4% in first quarter 2020), benefiting from the cost efficiency programmes implemented and a more favourable sales mix.

Hebe's EBITDA was €1.5 mn versus €1.1 mn in first quarter 2020.

Ara registered a substantial improvement of its EBITDA that reached €3 mn in first quarter 2021 versus €-3 mn in first quarter 2020. This encouraging evolution reflects the good top line progression, as well as the restructuring and cost optimization undertaken in 2020.

Financial Results

Net financial costs were €-45 mn versus €-63 mn in the same period last year. These costs include exchange translation losses totalling €-6 mn. These are related to value adjustments of the Operating lease liabilities in Poland denominated in euros that in first quarter 2020 were €-21 mn.

Net Results

Group net profit, excluding IFRS16, grew 16.9% to €71 mn. Including IFRS16, net profit increased 66.3% to €58 mn. This result is impacted by the negative effects of Pandemic, by translation losses, and also by other losses and gains in the amount of €-3 mn.

3. Balance Sheet

(Million Euro)	Q1 21	2020	Q1 20
Net Goodwill	614	620	621
Net Fixed Assets	3,879	3,967	3,900
Net Rights of Use (RoU)	2,139	2,154	2,126
Total Working Capital [1]	-2,701	-2,864	-2,478
Others [1]	122	133	89
Invested Capital	**4,053**	**4,010**	**4,257**
Total Borrowings	530	524	686
Financial Leases	13	11	14
Capitalised Operating Leases	2,259	2,262	2,201
Accrued Interest	-6	-3	-21
Cash and Cash Equivalents	-1,028	-1,041	-817
Net Debt	**1,768**	**1,752**	**2,064**
Non-Controlling Interests	236	249	241
Share Capital	629	629	629
Reserves and Retained Earnings	1,420	1,379	1,323
Shareholders Funds	**2,285**	**2,257**	**2,193**

[1] Restatement of €15mn, in Q1 20, in Dividend Payables (to partners) from "Working Capital" to "Others".

The net cash position, excluding capitalised operating leases, was €491 mn by the end of March.

Cash Flow

(Million Euro)	Q1 21	Q1 20
EBITDA	322	309
Capitalised Operating Leases Payment	-69	-69
Interest Payment	-35	-37
Other Financial Items	0	0
Income Tax	-36	-32
Funds From Operations	**182**	**171**
Capex Payment	-116	-186
Change in Working Capital	-86	-91
Others	-2	-3
Cash Flow	**-21**	**-109**

Cash flow generated in the period was €-21 mn.

Investment

(Million Euro)	Q1 21	Weight	Q1 20	Weight
Biedronka	43	55%	34	37%
Distribution Portugal	21	27%	25	28%
Ara	12	15%	7	7%
Others	2	3%	25	28%
Total CAPEX	**78**	**100%**	**90**	**100%**

The Group's capex (excluding right of use assets acquired in accordance with IFRS16) was €78 mn, of which c.55% was allocated to Biedronka.

4. First Quarter 2021 update on Covid-19 Impact

2021 started under a wave of new infections impacting mainly Poland and Portugal.

The Group's Executive Team, in close coordination with the Executive Teams of each Company, continued to support the operations.

In each country, measures deemed necessary by the respective governments and health authorities were maintained or reinforced throughout first quarter. Running the business under these safety conditions continues to require additional costs, which have become part of our day-to-day operations. Still, in first quarter 2021 the expenses directly attributed to Covid-19 at EBITDA level, were contained to c.€5 mn (c.€16 mn in first quarter 2020).

In **Poland**, the limit of people inside retail stores was maintained (five people per checkout for stores up to 100 sqm and one person per 15 sqm for stores with a higher area), having been adjusted from 27 March to one person per 15 sqm for stores up to 100 sqm and one person per 20 sqm for stores with a higher area.

Shopping malls closed in January and have been closed again since March 20. Restaurants remained closed and schools operated with remote teaching, with the exception of elementary schools and kindergartens that were opened in February and until March 20 and 27, respectively.

In **Portugal**, retail stores continued to be limited to a maximum of five people per 100 sqm and the sales of alcoholic beverages after 8pm continued to be banned.

Since 15 January, stricter lockdown measures were imposed with the closure of non-essential stores, restaurants, shopping centres and schools.

Food retail stores were not allowed to sell non-food products nor to advertise promotional campaigns, having to close at 8pm during the weekdays (eased to 9pm after 15 March) and 5pm on weekends (eased to 7pm after 15 March).

In **Colombia** changes in the number of infections led, in some regions, to the introduction of intermittent restrictions to circulation. Nevertheless, and despite some exceptions where retail commerce was closed, there was no material impact on the direct operating conditions for retail in this period. Since mid-March more regions have been forced to re-introduce restrictions to circulation.

5. Outlook for 2021

We confirm the guidance provided on 3 March in our 2020 full year results release:

The macroeconomic prospects for 2021 depend heavily on the evolution of the pandemic at a global level and in the geographies where we operate. This evolution depends in turn on the success of the ongoing large-scale vaccination. There is still uncertainty about the possible implementation of further confinement measures and the effect of these measures on consumer behaviour in the countries where we operate.

Our banners entered 2021 with clear strategic priorities: i) to grow sales by focusing on consumers and their needs; ii) to invest in their value proposition to defend and further build competitive advantages; iii) to protect profitability through cost discipline and continuous improvements in operational processes, and iv) to maintain a long-term perspective that ensures we will continue to follow a responsible path with our consumers, our people, our suppliers, and the communities of the countries where we operate.

As in 2020, amongst our geographies, **Poland** is expected to be the one with the strongest domestic private consumption. Food inflation should remain low despite the impact of the retail tax and the sugar tax on drinks introduced in January.

Biedronka will remain focused on guaranteeing, on a day-to-day basis, the preference of consumers. The Company's strategy is to combine price leadership with an evolution of its offer that fuels sales growth and consolidates its differentiation in the Fresh categories.

Our largest Company will continue to carry out efficiency projects in store operations and logistics. These projects will allow Biedronka to capture further growth opportunities. The agility developed to respond to the pandemic will help protect profitability in 2021, despite low food inflation and the implementation of the retail tax in January.

Hebe will continue to consolidate its store network and focus its growth strategy on the development of its online operation. This operation is expected to continue to gain momentum, allowing Hebe to enter new markets.

In **Portugal**, the expected recovery for 2021 is still highly uncertain and dependent on the evolution of the health crisis, the vaccination programme, and its impacts on the domestic market and the tourism flow.

For our distribution chains in Portugal, constraints on the circulation of people, limits on the number of customers inside stores, and restrictions on the operation of restaurants and hotels represent particularly challenging conditions given the high-traffic nature of these businesses. Therefore, any easing of these restrictions should have a positive and immediate impact on our businesses.

Pingo Doce will continue to invest to defend its performance in the face of current restrictions, while strengthening its business model ahead of the return to a more normal operating environment. In this context, the banner maintains its vision on the central role of Fresh, Take Away and Restaurants in the Company's differentiation and growth strategy.

Recheio expects a slow recovery of the HoReCa channel. The Company will look for opportunities to continue to grow in the Traditional Retail segment. The Company has significant competitive advantages in this segment which grew during the pandemic.

In **Colombia**, the reopening of the economy is expected to lead to a recovery in 2021, despite the fragile consumer demand.

Ara, which strengthened its value proposition in the last year, entered 2021 well prepared to accelerate in its growth path. The company benefits from a renewed cost structure that will allow it to continue to improve EBITDA.

The **capex** programme maintains a central role in the Group's capital allocation priorities. In 2021, if restrictions implemented in our markets do not impact execution, investments are expected to reach c.€700 mn of which c.60% are in Biedronka.

This programme includes the addition of c.100 locations (net) to the Biedronka network (c.50% in the smaller format), and the remodelling of 250-300 stores. In Portugal, Pingo Doce expects to open c.10 stores and remodel c.15 locations. Ara expects to add more than 100 new locations to its store network.

Supported by the 2020 solid performance and by the strength of our balance sheet, we entered 2021 aware of the challenges, with well-defined strategic priorities and an unwavering focus on cash generation as a guarantee of our ability to invest in strengthening our competitive positions. At the same time, we maintain the flexibility to take advantage of growth opportunities consistent with our strategic vision.

Lisbon, 27 April 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	
	Q1 21	Q1 20	Q1 21	Q1 20
Net Sales and Services	**4,786**	**4,715**	**4,786**	**4,715**
Cost of Sales	-3,757	-3,675	-3,757	-3,675
Gross Profit	**1,029**	**1,041**	**1,029**	**1,041**
Distribution Costs	-803	-821	-825	-842
Administrative Costs	-89	-94	-90	-94
Other Operating Profits/Losses	-3	-5	-3	-5
Operating Profit	**134**	**122**	**112**	**100**
Net Financial Costs	-45	-63	-6	-9
Gains in Joint Ventures and Associates	0	0	0	0
Profit Before Taxes	**90**	**59**	**106**	**91**
Income Tax	-28	-22	-31	-27
Profit Before Non Controlling Interests	**61**	**37**	**75**	**64**
Non-Controlling Interests	-4	-2	-4	-3
Net Profit Attributable to JM	**58**	**35**	**71**	**61**

Income Statement (Management View)

	(Excl. IFRS16)				
(Million Euro)	Q1 21		Q1 20		Δ
Net Sales and Services	**4,786**		**4,715**		**1.5%**
Gross Profit	1,029	21.5%	1,041	22.1%	-1.1%
Operating Costs	-808	-16.9%	-832	-17.7%	-2.9%
EBITDA	**221**	**4.6%**	**208**	**4.4%**	**6.2%**
Depreciation	-106	-2.2%	-104	-2.2%	2.6%
EBIT	**115**	**2.4%**	**105**	**2.2%**	**9.8%**
Net Financial Costs	-6	-0.1%	-9	-0.2%	-31.2%
Gains in Joint Ventures and Associates	0	0.0%	0	0.0%	n.a.
Other Profits/Losses	-3	-0.1%	-5	-0.1%	n.a.
EBT	**106**	**2.2%**	**91**	**1.9%**	**16.7%**
Income Tax	-31	-0.6%	-27	-0.6%	14.2%
Net Profit	**75**	**1.6%**	**64**	**1.3%**	**17.8%**
Non-Controlling Interests	-4	-0.1%	-3	-0.1%	36.2%
Net Profit Attributable to JM	**71**	**1.5%**	**61**	**1.3%**	**16.9%**
EPS (€)	0.11		0.10		16.9%
EPS without Other Profits/Losses (€)	0.11		0.10		13.8%

Balance Sheet

(Million Euro)	(Excl. IFRS16) Q1 21	2020	Q1 20
Net Goodwill	614	620	621
Net Fixed Assets	3,879	3,967	3,900
Total Working Capital [1]	-2,697	-2,861	-2,472
Others [1]	102	115	76
Invested Capital	**1,899**	**1,842**	**2,124**
Total Borrowings	530	524	686
Financial Leases	13	11	14
Accrued Interest	-6	-3	-21
Cash and Cash Equivalents	-1,028	-1,041	-817
Net Debt	**-491**	**-509**	**-137**
Non-Controlling Interests	243	255	245
Share Capital	629	629	629
Reserves and Retained Earnings	1,518	1,467	1,387
Shareholders Funds	**2,390**	**2,351**	**2,261**

[1] Restatement of €15mn, in Q1 20, in Dividend Payables (to partners) from "Working Capital" to "Others".

Cash Flow

(Million Euro)	(Excl. IFRS16) Q1 21	Q1 20
EBITDA	221	208
Interest Payment	-3	-5
Other Financial Items	0	0
Income Tax	-36	-32
Funds From Operations	**183**	**171**
Capex Payment	-116	-186
Change in Working Capital	-87	-92
Others	-1	-3
Cash Flow	**-21**	**-109**

EBITDA and EBITDA Margin Breakdown

(Million Euro)	IFRS16 Q1 21	Mg	Q1 20	Mg	Excl. IFRS16 Q1 21	Mg	Q1 20	Mg
Biedronka	286	8.4%	277	8.5%	217	6.4%	208	6.4%
Distribution Portugal	60	5.5%	62	5.4%	43	3.9%	45	3.9%
Ara	3	1.1%	-3	n.a.	-5	n.a.	-12	n.a.
Hebe	1	2.6%	1	1.7%	-4	n.a.	-5	n.a.
Others & Cons. Adjustments	-28	n.a.	-28	n.a.	-29	n.a.	-29	n.a.
JM Consolidated	**322**	**6.7%**	**309**	**6.6%**	**221**	**4.6%**	**208**	**4.4%**

Financial Costs Breakdown

(Million Euro)	IFRS16 Q1 21	Q1 20	Excl. IFRS16 Q1 21	Q1 20
Net Interest	-4	-5	-4	-5
Interests on Capitalised Operating Leases	-32	-32	-	-
Exchange Differences	-7	-24	-1	-2
Others	-1	-2	-1	-2
Financial Results	**-45**	**-63**	**-6**	**-9**

6.2. Sales Evolution

	Total Sales Growth Q1 21	LFL Growth Q1 21
Biedronka		
Euro	3.9%	
PLN	9.2%	6.5%
Hebe		
Euro	-10.9%	
PLN	-6.3%	0.1%
Pingo Doce	-0.8%	-2.7%
Excl. Fuel	0.3%	-1.6%
Recheio	-19.0%	-19.3%
Ara		
Euro	0.6%	
COP	10.5%	3.7%
Total JM		
Euro	1.5%	
Excl. FX	5.7%	3.2%

6.3. Stores Network

Number of Stores	2020	Openings Q1 21	Closings Q1 21	Q1 21	Q1 20
Biedronka	3,115	21	6	3,130	3,010
Hebe	266	2	0	268	281
Pingo Doce	453	2	0	455	442
Recheio	42	0	0	42	42
Ara	663	26	0	689	628

Sales Area (sqm)	2020	Openings Q1 21	Closings Remodellings Q1 21	Q1 21	Q1 20
Biedronka	2,120,337	15,233	-287	2,135,857	2,030,596
Hebe	69,338	515	166	69,687	68,914
Pingo Doce	523,136	1,450	-420	525,006	513,374
Recheio	133,928	0	0	133,928	133,826
Ara	223,818	8,470	0	232,288	211,526

6.4. Definitions

Like for like (LFL) sales: sales made by stores 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 6)	Income Statement by Functions in the Consolidated Report & Accounts – First Quarter 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 €-184.7 mn related with Depreciations and amortisations (note - Segments Reporting)
EBITDA	
Depreciation	Value reflected in the note – Segments Reporting
EBIT	
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)
EBT	Profit before taxes
Income Tax	Income tax
Net Profit	Profit before non-controlling interests
Non-Controlling Interests	Non-Controlling interests
Net Profit Attributable to JM	Net profit attributable to Jerónimo Martins Shareholders

Balance Sheet

Balance Sheet (page 8)	Balance Sheet in the Consolidated Report & Accounts - First Quarter 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 (€614.4 mn) and Financial leases (€14.7 mn)
Net Right-of-Use Assets (RoU)	Includes the heading of Net rights of use excluding the Financial leases (€14.7 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 €-14.5 mn related to 'Others' due to its operational nature. Excludes the amount €-2.9 mn related with Interest accruals and deferrals heading (note - Net financial debt) and the amount of €-17.2 mn related with 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 the amount of €-17.2 mn related with dividends attributable to non-controlling interests. Excludes the value of €-14.5 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)
Invested Capital	
Total Borrowings	Includes the heading Borrowings current and non-current
Financial Leases	Includes the heading of Financial leases (2021: €13.3 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 €2.9 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)
Net Debt	
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
Shareholders' Funds	

Jerónimo Martins

Cash Flow

Cash Flow (page 8)	Cash Flow in the Consolidated Report & Accounts - First Quarter 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 (€1.6 mn)
Capitalised Operating Leases Payment	Included in the heading Leases paid, excluding the amount of €1.2 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
Funds from Operations	
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 (€3.0 mn)
Change in Working Capital	Includes Changes in working capital added from headings which did not generated cash flow in the amount (€0.0 mn)
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 €-1.6 mn
Cash Flow	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 (€3.0 mn) and deducted from the payment of financial leases (€1.2 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

Index to the Notes to the Consolidated Financial Statements

CONSOLIDATED INCOME STATEMENT BY FUNCTIONS

For the Quarters ended 31 March 2021 and 2020

Euro thousand

	Notes	March 2021	March 2020
Sales and services rendered	3	4,786,089	4,715,471
Cost of sales	4	(3,756,777)	(3,674,858)
Gross profit		**1,029,312**	**1,040,613**
Distribution costs	4	(802,839)	(820,554)
Administrative costs	4	(89,482)	(93,513)
Other operating profits/losses	4.1	(2,700)	(4,699)
Operating profit		**134,291**	**121,847**
Net financial costs	5	(44,655)	(62,593)
Gains (losses) in joint ventures and associates		(26)	(106)
Profit before taxes		**89,610**	**59,148**
Income tax	6	(28,383)	(21,999)
Profit before non-controlling interests		**61,227**	**37,149**
Attributable to:			
Non-controlling interests		3,509	2,447
Jerónimo Martins Shareholders		**57,718**	**34,702**
Basic and diluted earnings per share - Euros	12	0.0918	0.0552

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Quarters ended at 31 March 2021 and 2020

Euro thousand

	Notes	March 2021	March 2020
Net profit		**61,227**	**37,149**
Other comprehensive income:			
Items that will not be reclassified to profit or loss		-	-
Currency translation differences		(22,896)	(77,864)
Change in fair value of cash flow hedges	8	96	791
Change in fair value of hedging instruments on foreign operations	8	7,263	22,015
Related tax		(1,287)	(2,215)
Items that may be reclassified to profit or loss		**(16,824)**	**(57,273)**
Other comprehensive income, net of income tax		**(16,824)**	**(57,273)**
Total comprehensive income		**44,403**	**(20,124)**
Attributable to:			
Non-controlling interests		3,509	2,447
Jerónimo Martins Shareholders		40,894	(22,571)
Total comprehensive income		**44,403**	**(20,124)**

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

CONSOLIDATED BALANCE SHEET

As at 31 March 2021 and 31 December 2020

Euro thousand

	Notes	March 2021	December 2020
Assets			
Tangible assets	7	3,729,809	3,817,255
Intangible assets	7	748,717	757,368
Investment property	7	8,512	8,523
Right-of-use assets	7	2,153,590	2,166,551
Biological assets		3,503	3,338
Investments in joint ventures and associates		5,483	5,594
Other financial investments		1,327	1,327
Trade debtors, accrued income and deferred costs	9	70,789	70,338
Derivative financial instruments	8	137	-
Deferred tax assets		168,838	163,420
Total non-current assets		**6,890,705**	**6,993,714**
Inventories		1,015,334	973,919
Biological assets		4,483	4,786
Income tax receivable		19,005	17,467
Trade debtors, accrued income and deferred costs	9	371,432	393,023
Derivative financial instruments	8	9,236	3,611
Cash and cash equivalents	10	1,027,643	1,041,390
Total current assets		**2,447,133**	**2,434,196**
Total assets		**9,337,838**	**9,427,910**
Shareholders' equity and liabilities			
Share capital		629,293	629,293
Share premium		22,452	22,452
Own shares		(6,060)	(6,060)
Other reserves		(145,478)	(128,654)
Retained earnings		1,548,815	1,491,097
		2,049,022	**2,008,128**
Non-controlling interests		**235,898**	**249,063**
Total shareholders' equity		**2,284,920**	**2,257,191**
Borrowings	13	353,202	363,798
Lease liabilities	14	1,896,407	1,896,547
Trade creditors, accrued costs and deferred income	17	682	779
Employee benefits	16	70,873	70,079
Provisions for risks and contingencies	16	32,523	32,831
Deferred tax liabilities		62,000	65,808
Total non-current liabilities		**2,415,687**	**2,429,842**
Borrowings	13	176,425	159,730
Lease liabilities	14	376,244	376,694
Trade creditors, accrued costs and deferred income	17	4,029,882	4,153,837
Derivative financial instruments	8	45	404
Income tax payable		54,635	50,212
Total current liabilities		**4,637,231**	**4,740,877**
Total shareholders' equity and liabilities		**9,337,838**	**9,427,910**

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

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the Quarters ended 31 March 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: Cash flow hedge	Other reserves: Currency translation reserves	Retained earnings	Total		
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
Equity changes in 2020									
Currency translation differences				(31)	(79,898)		(79,929)		(79,929)
Change in fair value of cash flow hedging				641			641		641
Change in fair value of hedging instruments on foreign operations					22,015		22,015		22,015
Other comprehensive income	-	-	-	610	(57,883)	-	(57,273)	-	(57,273)
Net profit						34,702	34,702	2,447	37,149
Total comprehensive income	-	-	-	610	(57,883)	34,702	(22,571)	2,447	(20,124)
Dividends						-	-	(15,361)	(15,361)
Balance Sheet as at 31 March 2020	629,293	22,452	(6,060)	588	(124,872)	1,430,995	1,952,396	241,027	2,193,423
Balance Sheet as at 1 January 2021	**629,293**	**22,452**	**(6,060)**	**18**	**(128,672)**	**1,491,097**	**2,008,128**	**249,063**	**2,257,191**
Equity changes in 2021									
Currency translation differences				(2)	(24,163)		(24,165)		(24,165)
Change in fair value of cash flow hedging				78			78		78
Change in fair value of hedging instruments on foreign operations					7,263		7,263		7,263
Other comprehensive income	-	-	-	76	(16,900)	-	(16,824)	-	(16,824)
Net profit						57,718	57,718	3,509	61,227
Total comprehensive income	-	-	-	76	(16,900)	57,718	40,894	3,509	44,403
Dividends (note 11)						-		(17,199)	(17,199)
Acquisitions/Disposal of non-controlling interests						-	-	525	525
Balance Sheet as at 31 March 2021	**629,293**	**22,452**	**(6,060)**	**94**	**(145,572)**	**1,548,815**	**2,049,022**	**235,898**	**2,284,920**

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

CONSOLIDATED CASH FLOW STATEMENT

For the Quarters ended 31 March 2021 and 2020

Euro thousand

	Notes	March 2021	March 2020
Net results		57,718	34,702
Adjustments for:			
Non-controlling interests		3,509	2,447
Income tax		28,383	21,999
Depreciations and amortisations		184,714	182,651
Net financial costs		44,655	62,593
Gains/Losses in associated companies		26	106
Profit/ Losses in tangible, intangible and right-of-use assets		1,145	1,316
Operating cash flow before changes in working capital		**320,150**	**305,814**
Changes in working capital:			
Inventories		(56,654)	(72,810)
Trade debtors, accrued income and deferred costs		5,113	11,655
Trade creditors, accrued costs and deferred income		(35,434)	(34,592)
Provisions and employee benefits		1,163	803
Cash generated from operations		**234,338**	**210,870**
Income taxes paid		(35,829)	(32,297)
Cash flow from operating activities		**198,509**	**178,573**
Investment activities			
Disposals of tangible and intangible assets		424	554
Interest received		180	1,835
Dividends received		58	-
Acquisition of tangible and intangible assets		(112,752)	(185,812)
Acquisition and investments in joint ventures and associates		-	(250)
Collateral deposits associated to financial debt		-	19,367
Cash flow from investment activities		**(112,090)**	**(164,306)**
Financing activities			
Loans interest paid		(2,708)	(6,286)
Leases interest paid	5	(31,951)	(32,108)
Net change in loans	13	22,676	38,061
Leases paid	14	(70,437)	(70,135)
Dividends paid	11	-	(171)
Cash flow from financing activities		**(82,420)**	**(70,639)**
Net changes in cash and cash equivalents		**3,999**	**(56,372)**
Cash and cash equivalents changes			
Cash and cash equivalents at the beginning of the year		1,041,390	929,311
Net changes in cash and cash equivalents		3,999	(56,372)
Effect of acquisition/sale of subsidiaries		524	-
Effect of currency translation differences		(18,270)	(56,247)
Cash and cash equivalents at the end of March	10	**1,027,643**	**816,692**

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

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 27 April 2021.

Covid-19

As in most of the year 2020, the first quarter of 2021 continues to be marked by the impact caused directly and indirectly by Covid-19 pandemic. The pandemic highlighted inequalities that 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 with the disease, 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, directly and indirectly, by the Covid-19 pandemic, on their 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 epidemiological situation, the success of the vaccination plans started in late 2020, and the measures implemented in the various countries, 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, as expected by Shareholders and remaining stakeholders.

Financial risks

Jerónimo Martins 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, including various risks such as interest rate, credit, foreign exchange, inflation, political and fiscal. These risks are described in Note 28 of the Consolidated Financial Statements chapter of the 2020 Annual Report.

During the first three 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 quarter 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 31 March 2021, the Group has contracted credit lines that were not being used in the total amount of EUR 1,126,003 thousand.

In addition, the Group had, at 31 March 2021, a liquidity reserve consisting of Cash and cash equivalents in the amount of EUR 1,027,643 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 properties

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 three 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.

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, 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 presentation:

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

Between December 2020 and January 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

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

During the first three months of 2021, the EU did not issue any Regulation regarding the endorsement of new standards, amendments or interpretations that have not yet been implemented by the Group.

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

IASB issued in February and March 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
IFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021 (amendments)	March 2021	1 January 2021

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)
Rate at 31 March 2021	4.6508	4,381.5300
Average rate for the 1st quarter	4.5462	4,285.1800
Rate at 31 March 2020	4.5506	4,453.4100
Average rate for the 1st quarter	4.3240	3,902.0600

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. Due to the fact that 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 March 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
Net sales and services	**1,101,747**	1,151,412	**3,387,800**	3,262,105	**236,706**	235,284	**59,836**	66,670	**4,786,089**	4,715,471
Inter-segments	98	284	-	397	-	-	(98)	(681)	-	-
External customers	1,101,649	1,151,128	3,387,800	3,261,708	236,706	235,284	59,934	67,351	4,786,089	4,715,471
Operational cash flow (EBITDA)	**60,159**	62,406	**285,747**	277,139	**2,686**	(3,498)	**(26,887)**	(26,850)	**321,705**	309,197
Depreciations and amortisations	(42,830)	(42,977)	(118,506)	(118,044)	(12,288)	(12,228)	(11,090)	(9,402)	(184,714)	(182,651)
Earnings before interest and taxes (EBIT)	**17,329**	19,429	**167,241**	159,095	**(9,602)**	(15,726)	**(37,977)**	(36,252)	**136,991**	126,546
Other operating profits/losses									(2,700)	(4,699)
Financial results and gains in investments									**(44,681)**	(62,699)
Income tax									(28,383)	(21,999)
Net result attributable to JM									**57,718**	34,702
Total assets (1)	**2,631,375**	2,657,715	**5,660,219**	5,639,797	**717,096**	760,113	**329,148**	370,285	**9,337,838**	9,427,910
Total liabilities (1)	**2,159,992**	2,149,463	**4,465,163**	4,531,354	**728,087**	752,972	**(300,324)**	(263,070)	**7,052,918**	7,170,719
Investments in tangible and intangible assets	**20,939**	25,111	**39,888**	33,652	**11,773**	6,561	**2,339**	24,554	**74,939**	89,878

(1) The comparative report is 31 December of 2020

Reconciliation between EBIT and operating profit

	2021	2020
EBIT	136,991	126,546
Other operating profits/losses	(2,700)	(4,699)
Operational result	**134,291**	121,847

4. Operating costs by nature

	Mar 2021	Mar 2020
Cost of goods sold and materials consumed	(3,699,461)	(3,664,069)
Changes in inventories of finished goods and work in progress	951	290
Net cash discount and interest paid to suppliers	6,608	5,804
Electronic payment commissions	(10,943)	(9,220)
Other supplementary costs	(47,610)	(1,602)
Supplies and services	(185,047)	(192,196)
Advertising costs	(24,492)	(25,878)
Rents	(4,440)	(5,012)
Staff costs	(443,229)	(449,511)
Transportation costs	(52,186)	(50,764)
Depreciation and amortisation of tangibles and intangibles assets	(105,687)	(102,824)
Depreciation of right-of-use assets	(79,027)	(79,827)
Profit/loss with tangible and intangible assets	(1,483)	(1,772)
Profit/loss with right-of-use assets	338	456
Other natures of profit/loss	(6,090)	(17,499)
Total	**(4,651,798)**	**(4,593,624)**

The increase in Other supplementary costs, compared to the first quarter 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:

	Mar 2021	Mar 2020
Legal contingencies	(129)	(64)
Losses from organizational restructuring programmes	(1,980)	(3,760)
Assets write-offs and gains/losses in sale of tangible assets	(591)	(849)
Changes to benefit plans and actuarial assumptions	-	(26)
Total	**(2,700)**	**(4,699)**

5. Net financial costs

	Mar 2021	Mar 2020
Loans interest expense	(4,246)	(6,721)
Leases interest expense	(31,951)	(32,108)
Interest received	131	1,717
Net foreign exchange	241	(5,871)
Net foreign exchange on leases	(6,493)	(21,339)
Other financial gains and losses	(1,097)	(1,690)
Fair value of financial investments held for trade:		
Derivative instruments (note 8)	(1,240)	3,419
Total	**(44,655)**	**(62,593)**

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 31 March, 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

	Mar 2021	Mar 2020
Current income tax		
Current tax of the year	(39,162)	(38,763)
Adjustment to prior year estimation	-	100
Total	**(39,162)**	**(38,663)**
Deferred tax		
Temporary differences created and reversed	10,513	17,330
Change to the recoverable amount of tax losses and temporary differences from previous years	-	(929)
Total	**10,513**	**16,401**
Other gains/losses related to tax		
Impact of changes in estimates for tax litigations	266	263
Total	**266**	**263**
Total income tax	**(28,383)**	**(21,999)**

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
Net value at 31 December 2020	**3,817,255**	**757,368**	**8,523**	**2,166,551**	**6,749,697**
Foreign exchange differences	(55,569)	(7,896)	-	(38,853)	(102,318)
Increases	72,554	2,385	-	46,483	121,422
Contracts update	-	-	-	65,574	65,574
Disposals and write-offs	(1,884)	-	-	(22)	(1,906)
Contracts cancellation	-	-	-	(7,116)	(7,116)
Transfers	(56)	56	-	-	-
Depreciation, amortisation and impairment losses	(102,491)	(3,196)	-	(79,027)	(184,714)
Fair value changes	-	-	(11)	-	(11)
Net value at 31 March 2021	**3,729,809**	**748,717**	**8,512**	**2,153,590**	**6,640,628**

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 31 March 2021 include Goodwill in the amount of EUR 614,412 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 (102,318) thousand, which includes a decrease of EUR (5,675) thousand related to Goodwill from businesses in Poland.

8. Derivative financial instruments

	Mar 2021					Dec 2020				
	Notional	Assets		Liabilities		Notional	Assets		Liabilities	
		Current	Non- current	Current	Non- current		Current	Non- current	Current	Non- current
Derivatives held for trading										
Currency forwards - stock purchase (COP/EUR)	1.3 million EUR	29	-	4	-	1.3 million EUR	1	-	19	-
Currency forwards - stock purchase (COP/USD)	3 million USD	125	-	-	-	1.6 million USD	-	-	83	-
Currency forwards - stock purchase (EUR/USD)	2.3 million USD	71	-	-	-	0.5 million USD	1	-	3	-
Currency forwards - stock purchase (PLN/EUR)	12 million EUR	31	-	-	-	41.9 million EUR	1,607	-	-	-
Currency forwards - stock purchase (PLN/USD)		-	-	-	-	0.7 million USD	-	-	15	-
Cash flow hedging derivatives										
Currency forwards - stock purchase (PLN/USD)	2 million USD	116	-	-	-	3 million USD	22	-	-	-
Foreign operation investments hedging derivatives										
Currency forwards (PLN)	2,155 million PLN	8,864	137	41	-	656 million PLN	1,980	-	284	-
Total derivatives held for trading		**256**	**-**	**4**	**-**		1,609	-	120	-
Total hedging derivatives		**8,980**	**137**	**41**	**-**		2,002	-	284	-
Total assets/liabilities derivatives		**9,236**	**137**	**45**	**-**		3,611	-	404	-

9. Trade debtors, accrued income and deferred costs

	Mar 2021	Dec 2020
Non-current		
Other debtors	67,868	67,449
Deferred costs	2,921	2,889
Total	**70,789**	**70,338**
Current		
Commercial customers	37,821	42,827
Other debtors	106,247	117,175
Other taxes receivable	4,923	8,040
Accrued income and deferred costs	222,441	224,981
Total	**371,432**	**393,023**

10. Cash and cash equivalents

	Mar 2021	Dec 2020
Bank deposits	831,555	753,030
Short-term investments	190,872	284,174
Cash in hand	5,216	4,186
Total	**1,027,643**	**1,041,390**

11. Dividends

Dividends in the amount of EUR 17,199 thousand were attributed to partners with non-controlling interests in the Group companies, which were paid at 21 April 2021.

12. Basic and diluted earnings per share

	Mar 2021	Mar 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)
Weighted average number of ordinary shares	**628,434,220**	**628,434,220**
Diluted net results of the year attributable to ordinary shares	57,718	34,702
Basic and diluted earnings per share – Euros	**0.0918**	**0.0552**

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. Some emissions were carried out, for short periods of time, to meet cash requirements, but without any utilizations as of 31 March 2021.

The utilization of credit lines that Jerónimo Martins Colombia, SAS holds with local banks were increased for an amount of COP 100,000,000 thousand, around EUR 22,000 thousand, with maturity of 1 year.

13.1. Current and non-current loans

Mar 2021	Opening balance	*Cash flows*	Transfers	Foreign exchange difference	Closing balance
Non-current loans					
Bank loans	363,798	-	(660)	(9,936)	353,202
Total	**363,798**	**-**	**(660)**	**(9,936)**	**353,202**
Current loans					
Bank loans	159,730	22,676	660	(6,641)	176,425
Total	**159,730**	**22,676**	**660**	**(6,641)**	**176,425**

14. Lease liabilities

Mar 2021	Current	Non-current	Total
Opening balance	**376,694**	**1,896,547**	**2,273,241**
Increases (new contracts)	5,130	41,353	46,483
Payments	(70,436)	(1)	(70,437)
Transfers	59,800	(59,800)	-
Contracts change/ cancel	9,339	48,781	58,120
Foreign exchange difference	(4,283)	(30,473)	(34,756)
Closing balance	**376,244**	**1,896,407**	**2,272,651**

During the first quarter 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 31 March 2021 did not change 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:

	Mar 2021	Dec 2020
Non-current loans (note 13.1)	353,202	363,798
Current loans (note 13.1)	176,425	159,730
Lease liabilities - non-current (note 14)	1,896,407	1,896,547
Lease liabilities - current (note 14)	376,244	376,694
Derivative financial instruments (note 8)	(9,328)	(3,207)
Interest on accruals and deferrals	2,893	272
Cash and cash equivalents (note 10)	(1,027,643)	(1,041,390)
Total	**1,768,200**	**1,752,444**

16. Provisions and employee benefits

	Risks and contingencies	Employee benefits
Balance as at 1 January	**32,831**	**69,669**
Set up, reinforced and transfers	287	2,046
Unused and reversed	(263)	-
Foreign exchange difference	(200)	(522)
Used	(132)	(730)
Balance as at 31 de Março	**32,523**	**70,873**

17. Trade creditors, accrued costs and deferred income

	Mar 2021	Dec 2020
Non-current		
Other commercial creditors	-	91
Accrued costs and deferred income	682	688
Total	**682**	**779**
Current		
Other commercial creditors	3,098,882	3,255,756
Other non-commercial creditors	264,098	278,645
Other taxes payables	121,458	115,682
Contracts liabilities with customers	7,235	6,885
Refunds liabilities to customers	347	629
Accrued costs and deferred income	537,862	496,240
Total	**4,029,882**	**4,153,837**

18. Contingencies

Contingent liabilities

- As at 31 March 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 annual accounts.

As to the remaining six proceedings, Pingo Doce has already filed four statements of defense and, in due course, will submit its response to the remaining two - 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.

  A commitment was reached with the UOKiK in the promotions case, which consisted in organizing educational campaigns for consumers who, as a result of their participation, they can receive discount vouchers (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, will file an appeal.

a) 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, althought the PTA has claimed against that decision;

d) 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 2004 this Court already ruled in favor of JMH;

- In addition, there were two new contingent liabilities:

In 2021, the PTA have informed JMR, SGPS that it should restate 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 the above mentioned recent Court decisions, 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. (SFMS). There were no direct transactions between this and any other company of the Group in the first quarter of 2021.

There were no amounts payable or receivable between them on 31 March 2021.

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

	Joint ventures		Associates		Other related parties(*)	
	Mar 2021	Mar 2020	**Mar 2021**	Mar 2020	**Mar 2021**	Mar 2020
Sales and services rendered	-	-	2,480	-	33	18
Interest income	14	16	-	-	-	-
Stocks purchased and services supplied	1,345	1,184	4	-	20,824	18,503
	Joint ventures		**Associates**		**Other related parties(*)**	
	Mar 2021	Dec 2020	**Mar 2021**	Dec 2020	**Mar 2021**	Dec 2020
Trade debtors, accrued income and deferred costs	30	50	2,266	-	27	107
Trade creditors, accrued costs and deferred income	973	735	3	-	17,008	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, 27 April 2021

The Certified Accountant **The Board of Directors**